



RESPOND → PLAN → RETURN STRONGER

Financial Basics: Understanding Financial Statements

PRESENTED BY

Coconino Small Business Development Center
Gina Couillard & Cindy Scott



Who are we?

The Coconino Small Business Development Center provides advising, training, online courses and resources for businesses throughout the Northern Arizona region. Our two conveniently located centers assist business people like you in every aspect of business development and management.

The SBDC is part of a statewide network of centers that deliver services to anyone who operates a business or is planning to start a business. We work with businesses in every industry and at every stage of growth from start-ups to well-established companies.

We're Arizona's largest and most accessible statewide source of assistance for small businesses, opening doors to opportunity in Arizona since 1988.

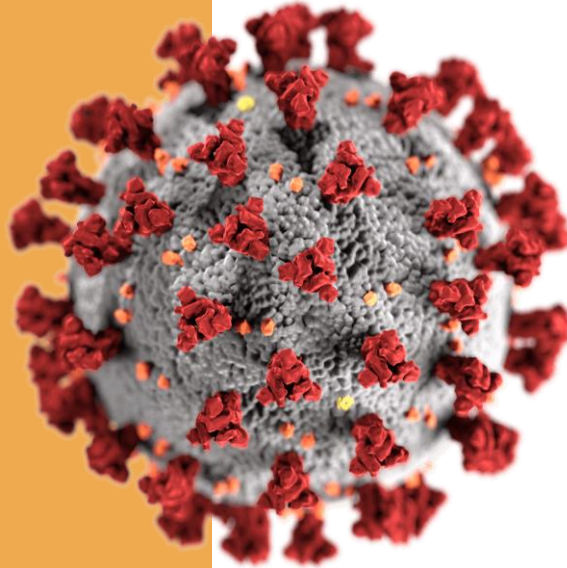
For more information visit us at:

coconino.edu/sbdc



COVID-19

Changed Businesses in Big Ways



How much are we really making?

Where can we cut costs?

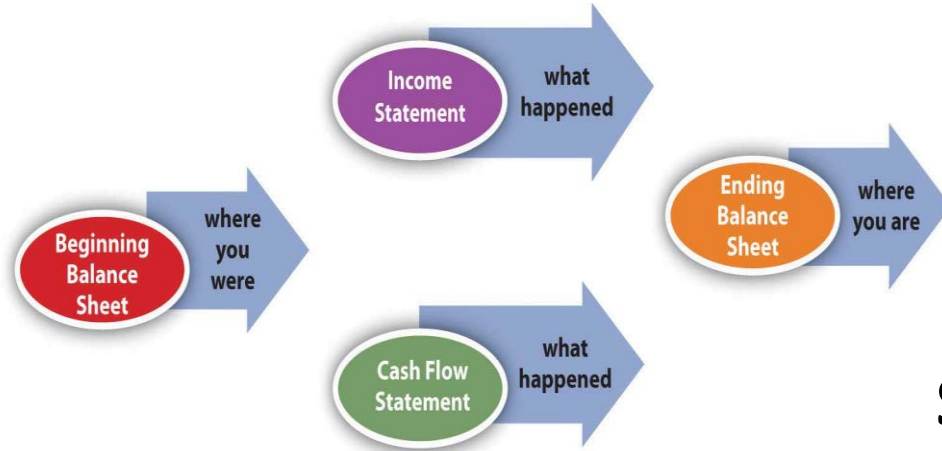
Can we afford our employees?

Do we qualify for Financial Assistance?

Basic Financial Statements

Income Statement

Balance Sheet



**Statement of
Owner's Equity**

**Statement of
Cash Flows**

The Balance Sheet

Shows everything that is **Owned** and **Owed** by a business.

- **Asset:** Something that is owned
Equipment, Vehicles, Inventory
- **Liability:** Something that is owed
Line of credit, or Loan
- **Owners Equity/Retained Earnings:**
Amount the owner has invested in the business.

The Income Statement

The “Scoreboard” of what happened during a period of time.

- **Income/Revenue:**
What the business received during the period.
- **Expenses:**
What the business spent during the period.
- **Net Profit/Loss:**
Amount the business has made during that period of time.

Assets

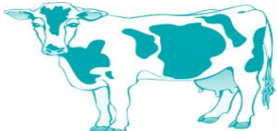
Tangible



Intangible



Living



Moving



Liabilities



	Current	YTD
TOTAL TAXES		
Income Tax	43.34	3,465.35
Security (FICA)	136.59	6,504.76
al Medicare	254.91	4,633.10
and Income Tax	185.32	1,083.55
PAYROLL TAXES		
Federal Income Tax	43.34	3,465.35
Social Security (FICA)	136.59	6,504.76
Federal Medicare	254.91	4,633.10
Maryland Income Tax	185.32	1,083.55
TOTAL DEDUCTIONS	620.16	15,686.76
TOTAL	77.00	4,350.05



Expenses



Chart of Accounts

Chart of Accounts			
Number	Description	Account Type	Financial Statement
1-001	Cash	Asset	Balance Sheet
1-010	Accounts Receivable	Asset	Balance Sheet
1-020	Prepaid Expenses	Asset	Balance Sheet
1-030	Inventory	Asset	Balance Sheet
1-040	Fixed Assets	Asset	Balance Sheet
1-050	Accumulated Depreciation	Asset	Balance Sheet
1-060	Other Assets	Asset	Balance Sheet
2-001	Accounts Payable	Liability	Balance Sheet
2-010	Accrued Liabilities	Liability	Balance Sheet
2-020	Taxes Payable	Liability	Balance Sheet
2-030	Payroll Payable	Liability	Balance Sheet
2-040	Notes Payable	Liability	Balance Sheet
3-001	Common Stock	Equity	Balance Sheet
3-010	Retained Earnings	Equity	Balance Sheet
3-020	Additional Paid in Capital	Equity	Balance Sheet
4-001	Revenue	Revenue	Income Statement
4-010	Sales returns and allowances	Revenue	Income Statement
5-001	Cost of Goods Sold	Expense	Income Statement
5-010	Advertising Expense	Expense	Income Statement
5-020	Bank Fees	Expense	Income Statement
5-030	Depreciation Expense	Expense	Income Statement
5-040	Payroll Tax Expense	Expense	Income Statement
5-050	Rent Expense	Expense	Income Statement
5-060	Supplies Expense	Expense	Income Statement
5-070	Utilities Expense	Expense	Income Statement
5-080	Wages Expense	Expense	Income Statement
6-001	Other Expenses	Other	Income Statement



Excel Workbook Demonstration

Financial Forecasting: Planning Ahead



V
A
R
I
A
B
L
E

C
O
S
T
S



F
I
X
E
D

C
O
S
T
S

Financial Forecasting



Manufacturing
Employees
Shipping

How COVID-19
Affects the
Forecast



Consumer Spending:

- Unemployment
- Shift in Priorities



Excel Workbook Demonstration



Q&A

Thank you!

For more information visit us at:

coconino.edu/sbdc