



Understanding Financial Statements and How to Use Them to Grow Your Business

June 4, 2021

ROCHELLE DALLONS

OWNER & CHIEF EXECUTIVE OFFICER



- Graduated from George Mason University in 1994
- Worked in the Accounting Industry for 27 years
- 18 years was in Corporate Accounting
- Started Yield in September 2013



Did you know that "Yield"
is the name of Pearl Jam's
5th album?

Rochelle lives in Leesburg, VA with her husband Andrew, her children Joshua and Hannah and dogs Holly and Hazel.

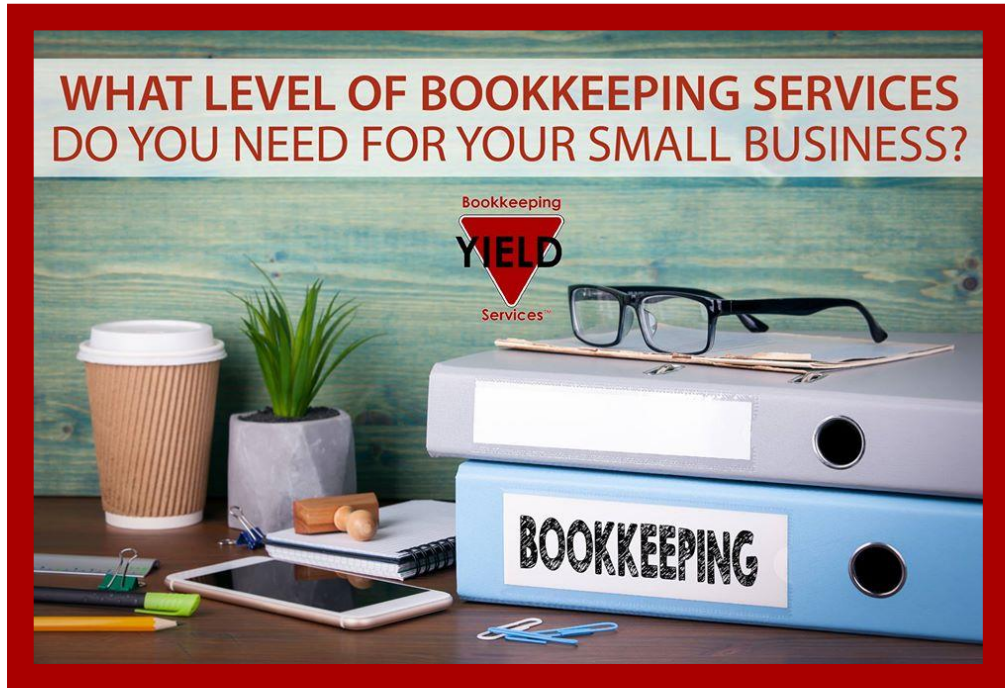
In her spare time, she and Andrew travel the world following Pearl Jam on tour. They raise money at pre-party events for the band's charities through the Wishlist Foundation.



YIELD BOOKKEEPING SERVICES

- Is a **woman owned, award-winning** full-service bookkeeping firm that serves small to mid size businesses nationwide.
- We **empower our clients** with the financial knowledge they need to grow and succeed while saving them time and providing peace of mind.
- We have years of experience with QuickBooks among many other platforms and are **QuickBooks Pro-Advisors**. We love mom and pop shops, small businesses looking to start up, Government contractors, non-profits and all industries in between.
- We pride ourselves on being **responsive and attentive to our clients** by assigning ONE account manager for each client!

YIELD BOOKKEEPING SERVICES



- Yield has grown rapidly over the past 8 years! Currently there are 15 employees and over 200 clients!
- We have won **Best Bookkeeper in Loudoun County 4 years** in a row! Why? **We are affordable, accurate, and reliable!**

AWARDS AND CERTIFICATIONS



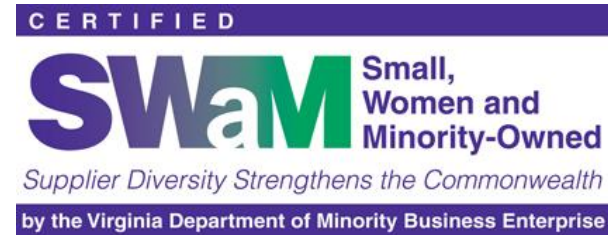
THANK YOU

For Voting **YIELD Best Bookkeeper**
4 Years In A Row!



Let YIELD Be Your Accounting Department!

571-249-4316 | info@yieldbookkeeping.com
www.yieldbookkeeping.com



OUR SERVICES

FULL BOOKKEEPING SERVICES

- Client Invoicing
- Accounts Receivable
- Collections
- Vendor Payments
- Accounts Payable
- Bank and Credit Card Reconciliation
- Data Entry and Bank Feed Management
- General Ledger / Payroll Entry
- Sales Tax Payments and Returns
- Inventory Management
- Fixed Asset Management
- Payroll Including All Tax Filings
- Purchase and Sales Orders
- Journal Entries

ACCOUNTING SERVICES

- Cash Flow / Budgeting
- DCAA Compliance
- Financial Analysis
- Property Tax Forms and Filing
- Meals and Liquor Taxes
- BPOL Filings
- State Corporation Commission Filings
- Payroll Tax Filings
- 1099 and W2's
- Financial Statements and Reports
- Non-Profit Accounting
- Monthly, Quarterly, Year-End Review
- Prepare all reports needed for CPA at Year-End for Tax purposes and Audit

FINANCIAL REPORTING

- Income Statement
- Balance Sheet
- Cash Flow
- Ledger Reconciliations

ADDITIONAL SERVICES

- Software and Set up
- Initial Set up for New Companies
- Chart of Accounts Set up
- Generation of Customized Invoices and Credit Memos
- QuickBooks Software (Installation and Set up)
- Transition from QuickBooks Desktop to QuickBooks Online
- Securing Client Data Using Backup Procedures
- Notary Services
- Process Payroll through any platform

PHILANTHROPIC EFFORTS

Crohn's and Colitis Foundation

- Yield is an official sponsor for the Take Steps events in NOVA/DC chapter
- Attended Take Steps walk in May which raised over \$180,000 to find a cure
- Link to donate:
<http://online.crohnscolitisfoundation.org/goto/YBS>



Wishlist Foundation

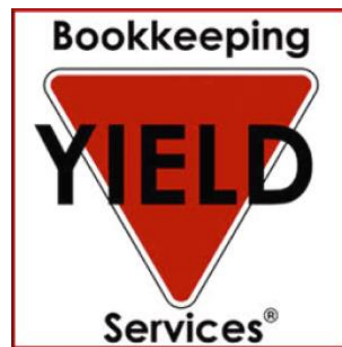
- Rochelle and Yield has supported the Wishlist Foundation for many years through raising money for Pearl Jam related charities
- This works well since Mike McCready, Pearl Jam's guitarist also suffers from Crohn's Disease
- We have a pre-party before each Pearl Jam show to raise money for CCFA as well as many other charities that the band supports.



Yield offers any non-profit organization a discounted bookkeeping rate and will also add awareness posts in our newsletters, our website, and in social media!



An event for Small Business Owners to network, engage in current issues affecting business owners and a chance to build their community.



Yieldbookkeeping.com

Financial Statements are the formal record of a company's financial activity. The main components of Financial Statements are the Balance Sheet, the Income Statement, and the Statement of Cash Flows.



The Balance Sheet is one of three basic accounting Financial Statements. The other two being the Income Statement and Statement of Cash Flows. The Balance Sheet uses the accounting equation ($\text{Assets} = \text{Liabilities} + \text{Owner's Equity}$) to show a financial picture of the business on a specific day. In other words, a Balance Sheet lists all of the assets that a company owns as well as the debts owed by the company and the owner's interest or ownership share in the company.

BALANCE SHEET

First, Assets are listed separately then Liabilities and Owner's Equity are listed together, second. Think about the accounting equation: $\text{Assets} = \text{Liabilities} + \text{Owner's Equity}$. Assets must total the sum of Liabilities and Owner's Equity. This is where the "balance" in Balance Sheet comes from.

- Cumulative Snapshot in Time
- Assets, Liabilities, and Owner's Equity
- Cash Basis vs. Accrual Basis
- Accounts Receivable and Accounts Payable
- Pre-paid Expenses and Accrued Expenses
- Short-term and Long-term Liabilities
- Owner's Equity

BALANCE SHEET EXAMPLE

ASSETS

Cash	_____	
Checking Accounts	_____	
Savings Accounts	_____	
Accounts Receivable	_____	
Inventory	_____	
Prepaid Expenses	_____	
Total Current Assets		_____
Transportation & Automobiles	_____	
Buildings & Improvements	_____	
Equipment	_____	
Less Accumulated Depreciation	_____	
Total Property and Equipment		_____
Organization Costs	_____	
Noncurrent Assets	_____	
Total Other Assets		_____
TOTAL ASSETS		<div></div>

LIABILITIES & EQUITY

Credit Cards Payable	_____	
Taxes Payable	_____	
Accrued Expenses	_____	
Other Current Liabilities	_____	
Total Current Liabilities		_____
Notes Payable	_____	
Other Long Term Liabilities	_____	
Total Long Term Liabilities		_____
Beginning Equity	_____	
Distributions	_____	
Net Income	_____	
Retained Earnings	_____	
Total Equity		_____
TOTAL LIABILITIES & EQUITY		<div></div>

INCOME STATEMENT / PROFIT AND LOSS STATEMENT

The Profit and Loss (P&L) Statement is one of the three types of Financial Statements prepared by companies, the other two being the Balance Sheet and the Cash Flow Statement. The purpose of the P&L Statement is to show the revenues and expenditures of the company over a specified period of time.

Using this information, investors and analysts can assess the profitability of the company, often combining this information with insights from the Balance Sheet.

INCOME STATEMENT / PROFIT AND LOSS STATEMENT

WHAT IS AN INCOME STATEMENT?



REVENUES/INCOME



COST OF GOODS SOLD



GROSS PROFIT



EXPENSES



TAXES



NET INCOME/LOSS

- Income
- Cost of Goods Sold
- Gross Profit
- Overhead Expenses
- Net Income

SAMPLE LANDSCAPING COMPANY

PROFIT AND LOSS STATEMENT



	Oct '11 - Sep 12
Ordinary Income/Expense	
Income	
Landscaping Services	57,860.36
Markup Income	815.00
Retail Sales	383.03
Service	6,640.00
Total Income	65,698.39
Cost of Goods Sold	
Cost of Goods Sold	4,220.25
Total COGS	4,220.25
Gross Profit	61,478.14
Expense	
Payroll Expenses	37,820.65
Automobile	738.05
Bank Service Charges	73.50
Delivery Fee	15.00
Insurance	1,835.00
Interest Expense	470.91
Job Expenses	2,427.25
Mileage Reimbursement	0.00
Professional Fees	375.00
Rent	2,400.00
Repairs	45.00
Tools and Misc. Equipment	735.00
Uncategorized Expenses	0.00
Utilities	655.55
Total Expense	47,590.91
Net Ordinary Income	13,887.23
Other Income/Expense	
Other Income	
Misc Income	762.50
Interest Income	91.11
Total Other Income	853.61
Net Other Income	853.61
Net Income	14,740.84

HOW TO USE FINANCIAL STATEMENTS

Keep up to date **reconciled** books

Must have up to date financials for:

- Loans
- Investors
- Tax returns



Most importantly

Always know the financial health of your business!

- Are you overspending?
- Are you hitting revenue goals?
- Can you afford to hire someone?
- Can you afford insurance policies?
- Can you afford to purchase new equipment?
- Having cash in the bank does not mean your business is successful
- Budget vs. Actual



You may not be an accountant, but as a business owner you should always be aware of your finances through accurate, reconciled Financial Statements. These tools can help grow your business and NOT knowing your finances and “winging it” can be detrimental to your future success.

CONTACT US!

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