



Accounting for the Numberphobic

*A Survival Guide for
Small Business Owners*



DAWN FOTOPULOS

A PDF COMPANION TO THE AUDIOBOOK

BEDAZZLED
Monthly Net Income Statement

Net Revenue	\$15,000	100%
Less: Cost of Goods Sold	(\$5,000)	33%
Equals: Gross Margin	\$10,000	66%
Less: Fixed Costs	(\$2,000)	13%
Less: Variable Costs	(\$3,000)	20%
Equals: Earnings Before Taxes	\$5,000	33%
Less: Taxes @ 50%	(\$2,500)	17%
Net Income	\$2,500	17%

FIGURE 2-1

Cupcakes R Us
Month of January

Net Revenue	\$4,500	100%
Cost of Goods Sold	(\$3,500)	78%
Total Gross Margin	\$1,000	22%
Fixed Expenses:		
Rent	(\$1,500)	33%
Variable Expenses:		
Marketing	(\$1,000)	
Utilities	(\$150)	
Phone	(\$100)	
Insurance	(\$150)	
Supplies	(\$1000)	
Part-time staff	(\$1000)	
Web support	(\$500)	
Bookkeeping	(\$100)	
Total Variable Expenses:	\$4,000)	88%
Total Expenses	(\$5,500)	
Earnings Before Taxes	(\$4,500)	
Taxes	000	
Net Income	(\$4,500)	

FIGURE 3-1

ABC DESIGN CORPORATION

Month of April

Project Revenue:	\$25,000.00
Project-Related Expenses (their "COGS")	(\$1,500.00)
Gross Margin on Projects:	\$23,500.00

Fixed Expenses: Rent	(\$1,500.00)
Variable Expenses	
Advertising:	(\$1,000.00)
Salaries (Partners):	(\$12,000.00)
Insurances (health, disability):	(\$2,000.00)
Equipment:	(\$1,000.00)
Supplies:	(\$300.00)
Professional Fees (accounting, legal, IT):	(\$2,000.00)
Telephone:	(\$700.00)
Travel/Meals:	(\$500.00)
Subtotal Variable Expenses	(19,500.00)

Total Expenses	(\$21,000.00)
Operating Income Before Taxes	\$2,500.00
Taxes	(\$1,250.00)

Net Income This Month	\$1,250.00
	5% of Revenue

FIGURE 3-2

JOHN'S AUTO PARTS

Net Income Statement

Net revenue per unit =	\$15.00
Less: direct variable expense (COGS) per unit =	(\$4.00)
Gross margin per unit =	\$11.00
Less: indirect variable expense (operating expense) per unit =	(\$2.00)
Net margin per unit before fixed expenses =	\$9.00
Total fixed expenses =	(\$1,500)

FIGURE 4-1

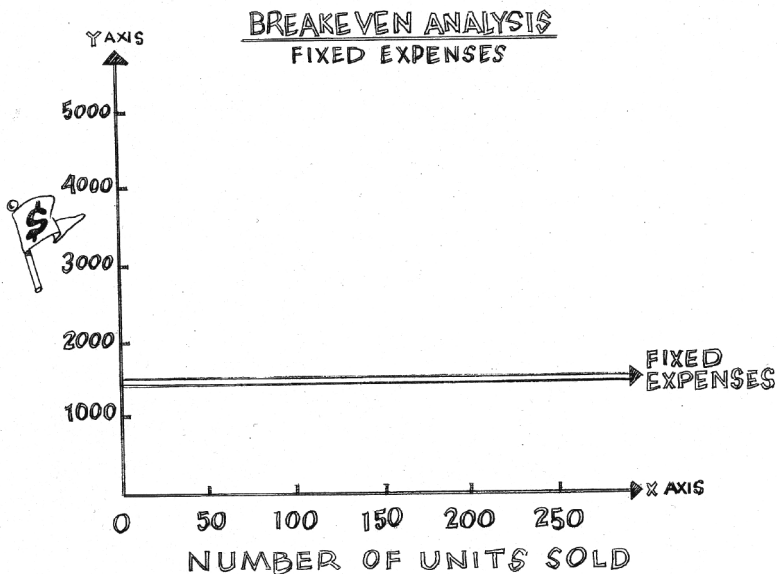


FIGURE 4-2

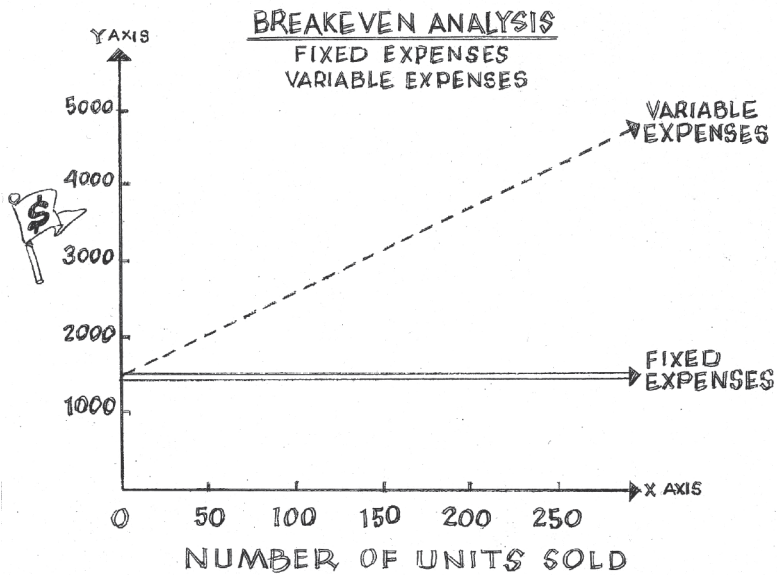


FIGURE 4-3

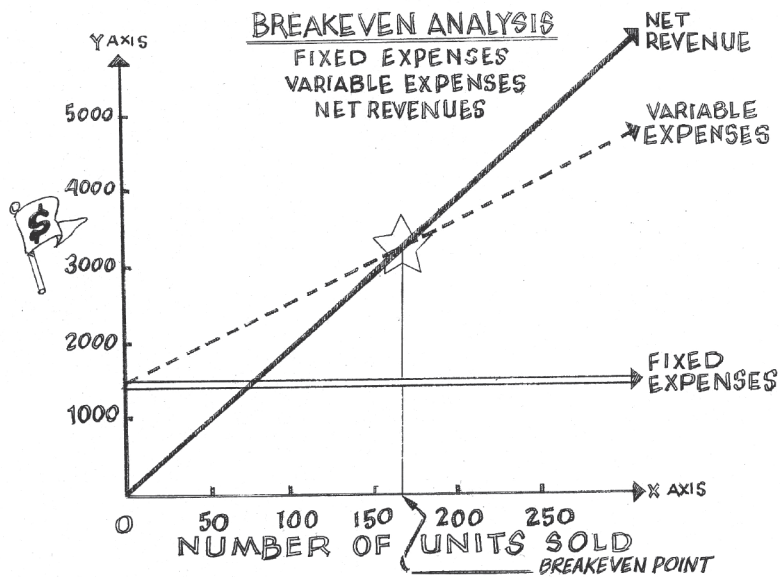


FIGURE 4-4

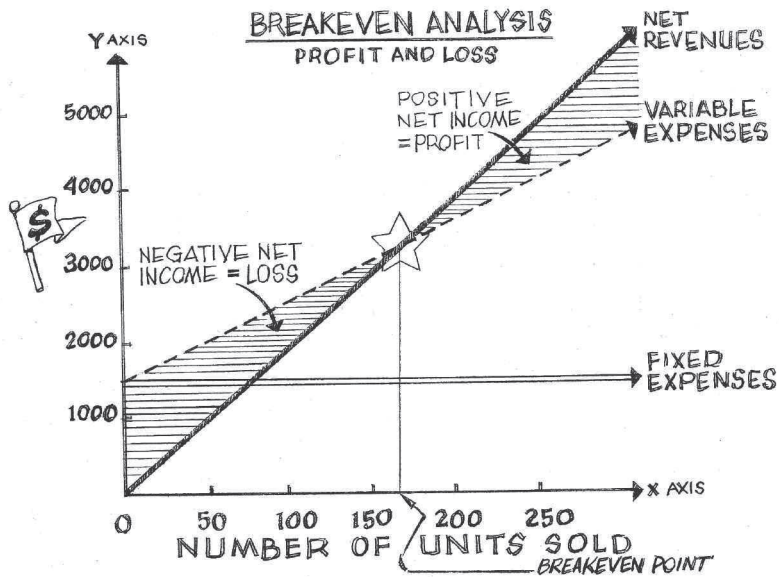


FIGURE 4-5

	January	February	March
Beginning Cash	\$10,000	\$6,000	\$5,000
Cash In	\$3,000	\$4,000	\$10,000
Cash Out			
Rent Expense	(\$5,000)	(\$5,000)	(\$5,000)
Insurance Expense	(\$2,000)	000	000
Ending Cash	\$6,000	\$5,000	\$10,000

A Typical Company Balance Sheet

Assets		Liabilities	
Current Assets		Current Liabilities	
Cash	\$\$\$\$	Accounts Payable	\$
Inventory	\$\$	Line of Credit	\$
Accounts Receivables	\$	Note Payable	\$
Fixed Assets		Long-Term Liabilities	
Property, Plant,		Mortgages	\$
Equipment	\$\$\$	Bond	\$
Less: Cumulative			
Depreciation	(\$)		
Total Assets	\$\$\$\$\$\$\$	Total Liabilities	\$\$\$\$\$
		Owner's Equity	
		Retained Earnings	\$
		Equity Investments	\$
		Total Liabilities	
		and Equity	\$\$\$\$\$\$\$

FIGURE 7-1

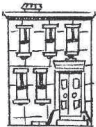
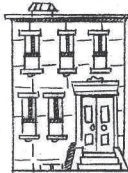
YEAR 1		YEAR 10	
			
BALANCE SHEET		BALANCE SHEET	
ASSETS	LIABILITIES	ASSETS	LIABILITIES
Fixed Asset \$125,000	LONG-TERM Mortgage \$100,000	Fixed Asset \$225,000	LONG-TERM Mortgage \$50,000
	OWNER'S EQUITY \$ 25,000		OWNER'S EQUITY \$175,000

FIGURE 7-2

BALANCE SHEET	
ASSETS CURRENT ASSETS Cash Accounts Receivable Inventory FIXED ASSETS Property, Plant, Equipment Building TOTAL ASSETS	LIABILITIES LONG-TERM LIABILITIES TOTAL LIABILITIES OWNER'S EQUITY

FIGURE 7-3

BALANCE SHEET	
ASSETS CURRENT ASSETS FIXED ASSETS TOTAL ASSETS	LIABILITIES CURRENT LIABILITIES Accounts Payable Notes Payable Credit Lines Payable LONG-TERM LIABILITIES Mortgage Bond TOTAL LIABILITIES OWNER'S EQUITY

FIGURE 7-4

BALANCE SHEET	
ASSETS	LIABILITIES
CURRENT ASSETS	CURRENT LIABILITIES
FIXED ASSETS	LONG-TERM LIABILITIES
TOTAL ASSETS	TOTAL LIABILITIES
	OWNER'S EQUITY
	EQUITY INVESTMENTS
	RETAINED EARNINGS
	OWNER'S-INVESTOR'S DRAW
	GOODWILL

FIGURE 7-5

XYZ Company
Balance Sheet

Assets		Liabilities	
Current Assets		Current Liabilities	
Cash	\$110,000	Accounts Payable	\$9,000
Inventory	\$5,000	Line of Credit	\$1,000
Accounts Receivables	\$5,000		
Fixed Assets		Long-Term Liabilities	
PPE	\$100,000	Mortgages	\$50,000
Less: Cumulative Depreciation	(\$20,000)		
Total Assets	\$200,000	Total Liabilities	\$60,000
		Owner's Equity	
		Retained Earnings	\$60,000
		Equity Investments	\$80,000
		Total Liabilities and Equity	\$200,000

FIGURE 8–1