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Thanks for being here this evening. We are live from coast to coast and several countries are with us this evening. Thank you

For those joining us for the first time



Welcome to Our Wealth Building Journey.

Building wealth is a marathon, not a sprint. It takes time, effort, and discipline to save money, invest wisely, and make smart financial decisions.



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The "secrets" of wealth building aren't arcane knowledge held by a select few. They are, in fact, a collection of **fundamental principles and consistent habits** that, when diligently applied over time, lead to financial growth and security.

These principles aren't about finding a magic bullet or getting rich quick. Instead, they focus on:

Discipline: Consistently sticking to a financial plan, even when it's challenging.

Patience: Understanding that wealth accumulation is a long-term game, not an overnight sensation.

Knowledge: Continuously learning about personal finance, investing, and economic trends.

Proactive Planning: Taking deliberate steps to manage money, rather than letting it manage you.

Here's a breakdown of these "secrets," framed as well-established practices and strategies:

The "Secrets" of Wealth Building: Proven Practices and Strategies

1. Live Below Your Means (The Foundation):

The Concept: Spend less money than you earn. This creates a surplus, which is the fuel for wealth building. It sounds simple, but many struggle with lifestyle creep.

* **Strategy:** Create and stick to a budget. Track every dollar in and out. Differentiate between needs and wants. Regularly review and adjust spending to ensure a consistent surplus.

2. Save Consistently and Automatically (The Accumulation Engine):

- **The Concept:** Make saving a non-negotiable expense, just like rent or a mortgage. Pay yourself first.

* **Strategy:** Set up automatic transfers from your checking account to your savings or investment accounts immediately after payday. Start small if you must, but increase the amount as your income grows. Aim for at least 10-15% of your gross income, or more if possible.

3. Invest Early and Regularly (The Power of Compounding):

* **The Concept:** Make your money work for you. Investing allows your capital to grow over time, earning returns that then earn their own returns.

This "compound interest" is often called the 8th wonder of the world.

* **Strategy:** * **Start Early:** Time in the market beats timing the market. The longer your money is invested, the more it can compound.

- **Diversify:** Don't put all your eggs in one basket. Spread investments across different asset classes (stocks, bonds, real estate, etc.) and industries.

- **Invest Regularly (Dollar-Cost Averaging):** Invest a fixed amount at regular intervals (e.g., monthly), regardless of market fluctuations. This smooths out your purchase price over time.

* **Understand Risk Tolerance:** Choose investments that align with your comfort level for risk and your long-term goals.

Utilize Tax-Advantaged Accounts: Maximize contributions to 401(k)s, IRAs, HSAs, and other retirement or tax-efficient accounts. Don't leave employer matching contributions on the table.

4. Minimize and Manage Debt Strategically (Freeing Up Capital):

- **The Concept:** High-interest debt (especially credit card debt) erodes wealth. Every dollar paid in interest is a dollar not working for you.

- **Strategy:** * **Avoid Bad Debt:** Stay away from high-interest, non-productive debt.

- **Pay Down High-Interest Debt First:** Prioritize paying off credit cards and personal loans aggressively using methods like the debt avalanche.

Manage Good Debt: Use productive debt (like mortgages or business loans) wisely and ensure it aligns with your financial goals.

5. Continuously Increase Your Income (Boosting Your Fuel Tank):

- **The Concept:** While cutting expenses is important, there's a limit to how much you can save. Increasing your earning potential has a much higher ceiling.
- **Strategy: * Invest in Yourself:** Acquire new skills, pursue higher education, or get certifications that increase your market value.
- **Negotiate Salaries:** Regularly assess your worth and negotiate for higher compensation.

Develop Multiple Income Streams: Explore side hustles, freelance work, passive income (e.g., rental properties, dividends from investments), or starting a business.

6. Protect Your Assets and Plan for the Future (Guardrails for Your Journey):

- **The Concept:** Wealth isn't just about accumulating assets; it's about safeguarding them from unforeseen events and ensuring they serve your long-term goals.
- **Strategy: * Insurance:** Have adequate health, life, disability, home, and auto insurance to protect against catastrophic financial losses.
- **Emergency Fund:** Build a cash reserve (3-6 months of living expenses) to cover unexpected expenses without derailing your financial plan or incurring debt.
- **Estate Planning:** Create a will, set up trusts if needed, and designate beneficiaries to ensure your assets are distributed according to your wishes.

* **Tax Planning:** Understand tax laws and strategize to minimize your tax liability legally.

7. Practice Financial Literacy and Patience (The Mindset):

* **The Concept:** Wealth building requires ongoing learning and the emotional fortitude to stick with your plan through market ups and downs.

* **Strategy: * Educate Yourself:** Read books, follow reputable financial news, listen to podcasts, and learn from financial experts.

- **Avoid Emotional Decisions:** Don't panic sell during market downturns or chase "hot" stocks. Stick to your long-term investment strategy.

* **Seek Professional Advice:** Consider working with a fee-only financial **advisor (like Marie Deary)** who can provide objective guidance.



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Financial Literacy Educator

83% OF BLACK SMALL BUSINESS OWNERS ARE: DISPROPORTIONATE CHALLENGES

High Concern About Access: A 2024 Goldman Sachs survey found that an astonishing **86%** of Black small business owners surveyed were **concerned about access to capital**, which was higher than the national average.

Higher Denial Rates: The Federal Reserve's 2023 Small Business Credit Survey found that **41% of Black-owned firms** applying for a loan, line of credit, or merchant cash advance were **denied**, compared to only 18% of white-owned firms.

Discouragement from Applying: A significant number of Black business owners choose *not* to apply for financing because they are **discouraged** and believe they will be denied. One report found that **31% of Black business owners** who opted not to seek financing did so because they were discouraged, versus only 5% of white business owners.

Lower Approval Amounts: Black business owners are less likely to receive the **full amount** of funding they request (e.g., only 32% receiving the full amount requested, compared to 40% nationally).

Reliance on Personal Funds: Black entrepreneurs, like many others, rely heavily on personal savings for startup capital, but have less access to it due to the persistent **racial wealth gap**, forcing them to rely on more costly alternatives like credit cards

✂ By Marie Deary ✂



MASTERING YOUR 5 CORE FINANCIAL DOCUMENTS

Reading by Jonas Oware

Small Business Owners: Take Charge of Your Cash Flow and Own Your Business Success

By Marie Deary

As a small business owner, you wear countless hats—CEO, marketing manager, sales guru, and often, the chief financial officer. While having a great product or service is essential, the true lifeline of your business isn't just revenue; it's **cash flow**. Positive cash flow is the engine that keeps the lights on, the bills paid, and allows you to invest in future growth.

Ignoring or mismanaging cash flow is a common pitfall that can derail even the most promising ventures. It's time to move beyond simply tracking profit and loss and **take charge of the cash** that moves in and out of your business every day.

Here's a roadmap to mastering your cash flow and truly owning your business success:

1. Master the Forecast, Not Just the Past

A Profit & Loss (P&L) statement tells you where you've been, but a **cash flow forecast** tells you where you're going. This is your most powerful tool.

Create a Rolling 13-Week Forecast: Don't just look month-to-month. A 13-week (quarterly) rolling forecast is ideal for catching short-term dips. List all expected cash coming *in* (invoices, loans) and cash going *out* (payroll, rent, supplier payments) week by week.

Be Realistic with Receivables: Just because an invoice is sent doesn't mean the cash is in the bank. Only forecast cash *in* when you realistically expect the payment to land.

Identify "Cash Crunches": The forecast will highlight weeks where outgoing cash exceeds incoming cash. This gives you time to adjust, perhaps by delaying a non-essential purchase or proactively chasing a large outstanding invoice.

2. Accelerate Cash Inflow (Get Paid Faster!)

The faster money moves from your customer's pocket to your bank account, the healthier your business.

Optimize Invoicing: Invoice immediately upon service completion or product delivery. Delaying an invoice by a day is delaying payment by a day.

Offer Early Payment Discounts: A small 1-2% discount for payment within 10 days can encourage clients to pay quickly, even if your standard terms are 30 days.

Tighten Payment Terms: If industry standards allow, move from Net 45 or Net 30 to Net 15. Clearly communicate these terms upfront.

Embrace Digital Payments: Make it as easy as possible to pay you. Use online payment platforms (like Stripe, PayPal, or specialized accounting software integrations) that allow for instant credit card or electronic transfers.

3. Control Cash Outflow (Spend Wisely)

Managing what goes out is just as critical as managing what comes in.

Negotiate Favorable Payment Terms: Just as you want to be paid quickly, try to negotiate longer payment terms with your suppliers (e.g., Net 45 instead of Net 30), effectively using their money to manage your short-term needs.

Be Smart About Inventory: Don't tie up capital in excess inventory. Use the "just-in-time" principle where possible, ordering only what you need to meet current demand. Excess stock is just cash sitting on a shelf.

Scrutinize Every Subscription: Small, recurring software subscriptions, utility fees, and services can drain a significant amount of cash over a year. Audit these quarterly and cancel anything you don't use regularly.

Invest vs. Expense: For large equipment or software, evaluate whether outright purchase is better than leasing or subscribing. Sometimes, spreading the cost (leasing) can preserve critical working capital.

4. Create a Cash Cushion (The Emergency Fund)

Unexpected expenses—a broken piece of equipment, a slow sales month, or an overdue tax bill—can be devastating without a reserve.

Set a Target: Aim to have enough cash in reserve to cover 1 to 3 months of operating expenses. This acts as your business's financial buffer.

Automate Savings: Treat your cash reserve like a recurring bill. Automatically transfer a percentage of your weekly or monthly revenue into a separate, easily accessible savings account dedicated solely to this cushion.

The Takeaway

Cash flow management isn't just about accounting; it's about making proactive, strategic business decisions. When you understand your cash position today and predict it for tomorrow, you move from *reacting* to financial pressures to *proactively* steering your business toward sustainable profitability and true success.

Take charge of your cash flow—it's the key to owning your business future.



The 5 Essential Financial Documents Every Business & Nonprofit Leader Must Master

Title: The 5 Essential Financial Documents Every Business & Nonprofit Leader Must Master

Presenter: Jonas Oware

Good morning/afternoon everyone, and welcome.

My name is **Jonas Oware** and I'm thrilled to be with you today. We're going to dive into a topic that many find intimidating but is absolutely critical for success: understanding your financial documents. Whether you're a for-profit entrepreneur or a non-profit leader, these five documents are your roadmap to financial health. Let's get started."



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Your Key Takeaways



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Understand the **purpose** of each of the 5 key documents.

Learn how these documents **interact** to tell a complete financial story.

Identify **actionable insights** for better financial management.

Recognize the specific requirements for both **for-profit** and **non-profit** organizations.

Jonas: My goal today is to demystify these documents. We'll cover the purpose of each one, how they connect, and what they can tell you about your organization's health. We'll also highlight the specific nuances for both for-profit businesses and non-profits, ensuring the content is relevant for everyone here.



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Build Your Wealth

The Core 3 Financial Statements

The Financial Trilogy



$$A = L + E$$

The Financial Trilogy:
Assets = Liabilities + Equity

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Part 1: The Core 3 Financial Statements



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The Big Picture

Let's start with the foundation: the three core financial statements. These are like a trilogy—each one tells a part of the story, and you need all three to get the full picture. The first, and arguably the most fundamental, is the **Balance Sheet**.

The Balance Sheet / Statement of Financial Position

What it is: A snapshot of your financial health at a **specific moment in time**.

For-Profit: Shows Assets, Liabilities, and Owner's Equity.

Non-Profit: Called the **Statement of Financial Position**. Shows Assets, Liabilities, and Net Assets.

Key Equation: $\text{Assets} = \text{Liabilities} + \text{Equity (or Net Assets)}$.

Takeaway: This document shows you **what you own** and **what you owe**. It's the ultimate reality check on your organization's value.

Think of this document like a photo. It captures your financial status at a single point in time, say, December 31st. For for-profit businesses, it's called the **Balance Sheet**. It shows your **Assets**—what you own, like cash, inventory, and equipment.
Your **Liabilities**—what you owe, like loans and accounts payable.

And your **Owner's Equity**—the owner's stake in the business. For non-profits, it's the **Statement of Financial Position**. The components are the same, but 'Owner's Equity' is replaced by 'Net Assets.' The key takeaway is the equation: **Assets must always equal Liabilities plus Equity**. If it doesn't, something is wrong. A healthy Balance Sheet shows a strong equity position.

Document 2:

The Income Statement / Statement of Activities



What it is: A report on your financial performance over a **period of time**.

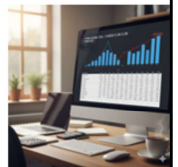
For-Profit: The **Income Statement** (or P&L). Shows Revenue - Expenses = Net Income (Profit).

Non-Profit: The **Statement of Activities**. Shows Revenue - Expenses = Change in Net Assets.

Takeaway: This document answers the question: **Are we making money?**

If the Balance Sheet is a photo, the Income Statement is a video. It shows your performance over a period of time, like a quarter or a year. For a for-profit, it's the **Income Statement**, which many of you know as the P&L. It simply lists all your revenue and subtracts all your expenses to arrive at your **Net Income**—your profit or loss. For a non-profit, this is the **Statement of Activities**. The goal isn't profit, but rather to track your revenues (donations, grants, earned income) against your expenses to show the **Change in Net Assets**. A healthy report for a for-profit shows profitability, and for a non-profit, it shows that you're raising enough money to cover your mission-related expenses."

Document 3: The Cash Flow Statement



What it is: Tracks the **actual movement of cash** in and out of your organization.

Why it's crucial: A profitable business can still go bankrupt if it runs out of cash.

Three Sections:

Operating Activities: Cash from your core business operations.

Investing Activities: Cash from buying/selling long-term assets.

Financing Activities: Cash from debt, loans, or equity.

Takeaway: This document answers: **Do we have enough cash to pay the bills?**

Our final core document is the **Cash Flow Statement**.

This is arguably the most important because it's about liquidity. Your Income Statement can show a profit, but if your customers haven't paid you yet, that's not cash in the bank. This statement tracks where your cash is really coming from and going to. We look at cash from **operations**, **investing** (like buying equipment), and **financing** (like taking out a loan). A positive cash flow is a sign of financial health. A negative one is a major red flag, even if you are profitable on paper.

Part 2:

The Essential 2:

Tax & Strategy





Build Your Wealth

The Big Picture: Tax & Business Plan



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Now let's move beyond the core three and look at two other essential documents that are all about accountability and vision. These are your tax documents and your business plan.

Document 4: Tax Documents



What they are: Your legal obligation to report financial activity to government agencies.

For-Profit (Depends on Structure):

Sole Proprietorship: Schedule C with personal Form 1040.

Partnership: Informational Form 1065; partners get a Schedule K-1.

S Corp: Informational Form 1120-S; shareholders get a Schedule K-1.

C Corp: Separate tax return Form 1120.

Non-Profit:

Form 990 Series: Required to maintain tax-exempt status.

Form 990-N (for gross receipts under \$50k).

Form 990-EZ (under \$200k).

Form 990 (full form for over \$200k).

Takeaway: This is about legal compliance. Your financial statements are the data source for these forms.

Our fourth document is your **Tax Document**. For every business, this is a non-negotiable legal requirement. The type of form you file depends on your legal structure. A **sole proprietorship** reports on a Schedule C with their personal tax return. A **partnership** files an informational Form 1065, and each partner receives a K-1. The same goes for an **S corporation** with Form 1120-S. A **C corporation** is a separate legal entity and files its own Form 1120.

For a non-profit, even though you are tax-exempt, you must file an annual informational return to the IRS, which is the **Form 990 series**. The specific form you file depends on your revenue, but it is critical to stay compliant. Your Balance Sheet and Income Statement are the primary source documents for preparing these tax forms. They must be accurate and up-to-date to avoid legal and financial headaches."

Document 5: The Business Plan

What it is: A formal roadmap of your organization's goals and how to achieve them.

For-Profit Focus: Market analysis, sales strategy, and financial projections for profitability.

Non-Profit Focus: Mission statement, impact metrics, and a detailed fundraising strategy.

Key Components: Executive Summary, Company Description, Market Analysis, Financial Projections, and a Funding Request.

Takeaway: This document is your strategic guide. It's for you and for anyone you want to bring on board, including investors and lenders.

Our final document is the **Business Plan**. This is not a legal or tax document; it's a strategic one. It's your blueprint. It outlines where you want to go and how you're going to get there. It's essential for seeking funding, as it proves that you have a well-thought-out plan.

For a **for-profit**, the plan focuses on profitability, market share, and revenue growth. It will include a detailed sales and marketing strategy. For a **non-profit**, the focus shifts to impact. Your plan will articulate your mission, define your social problem, and outline how you will achieve your goals. Your marketing strategy becomes a **fundraising and development strategy**, explaining how you will secure grants and donations.

Your financial projections in your business plan should directly align with the data from your financial statements. A business plan is a living document—you should review and update it regularly to stay on track."

Putting It All Together

Recap:

Balance Sheet: Where you are right now.

Income Statement: How you performed over time.

Cash Flow: Your ability to pay the bills.

Tax Documents: Your legal compliance.

Business Plan: Your strategic roadmap.

Final Thought: Master these five documents, and you'll have a complete command of your organization's past, present, and future.

Let's recap what we've covered today. The **Balance Sheet** is your snapshot of financial health. The **Income Statement** shows your performance over time. The **Cash Flow Statement** reveals your liquidity. These three tell you your financial story. The **Tax Documents** ensure legal compliance, and the **Business Plan** is your strategic roadmap for growth. They all inform and rely on each other. By mastering these five documents, you'll not only be prepared for audits and funding requests but also be in a position of true financial strength.

Nonprofit Tax Obligations

Even though a nonprofit is tax-exempt, it has a legal obligation to file an annual informational tax return with the IRS to maintain its status. This is the **Form 990 Series**.

Purpose: The Form 990 is a public document that provides transparency to the IRS, donors, and the public. It demonstrates that the organization's activities are consistent with its tax-

exempt purpose.

Content: The form requires detailed information on the organization's finances, governance, programs, and compensation. It must show that the majority of the organization's spending goes toward its mission (**program services**) rather than administrative or fundraising costs.

Relationship to Business Plan: The financial and programmatic data reported on the Form 990 should directly align with the goals and projections outlined in the business plan.

How They Intersect

The business plan is the "**why**" and "**how**" of your nonprofit, while the tax documents are the "**proof**". A nonprofit leader must ensure that the organization's activities, as outlined in its business plan, are accurately reflected in its financial statements and, consequently, its tax filings. A discrepancy between the two could lead to an IRS audit and the potential loss of tax-exempt status. In essence, the business plan is the strategic guide that informs the mission-driven activities, which are then formally reported to the government via tax documents.



? What would you like to share with me?

1. Which of these documents should I create first?

Answer: You should start with the **Income Statement** and a **Cash Flow Statement**. These are the most direct measures of your day-to-day performance and liquidity. Once you have a handle on those, you can build your **Balance Sheet** as a summary of your financial position.

Your **Tax Documents** and **Business Plan** are then built from the data in your financial statements.

2. I'm a sole proprietor. Do I really need all of this? Isn't a Schedule C enough?

Reasoning: Many small business owners, especially those who are self-employed, view their business finances as extensions of their personal finances. They may not see the value in these separate documents.

Answer: Yes, you do. While a **Schedule C** is your legal obligation for tax purposes, it only provides a snapshot for the IRS. The other documents, especially the **Income Statement** and **Cash Flow Statement**, are for *you*. They are essential for making smart business decisions, understanding profitability, and managing cash flow to prevent your business from failing.

3. What's the difference between a Balance Sheet and a Cash Flow Statement? They seem

similar."

Reasoning: This is a common point of confusion. Both documents involve cash, but they serve very different purposes.

Answer: A **Balance Sheet** is a static picture of your business's financial health at a **single point in time**. It includes non-cash items like inventory and accounts receivable. A **Cash Flow Statement** is a report on the **movement of actual cash** over a period of time. It tells you whether you have enough money to pay your immediate bills, regardless of what your Balance Sheet says you own.

4. How often should I be updating these documents?"

Reasoning: Attendees will want practical advice on how to integrate these documents into their workflow.

Answer: You should update your **Income Statement, Balance Sheet, and Cash Flow Statement** at least **monthly**.

This allows you to spot trends and address problems quickly. Your **Tax Documents** are filed annually (or quarterly for estimated payments). Your **Business Plan** should be a "living document" that you review and update at least annually or whenever you pivot your strategy.

5. Where can I find free help to create these documents?

Reasoning: Many small business owners and non-profit leaders are on a tight budget and will be looking for no-cost resources.

Answer: There are excellent free resources available. Check out the **Small Business Development Center (SBDC)** and **SCORE**, which offer free one-on-one counseling and templates. Many online accounting software platforms also provide tutorials and templates to help you generate these reports easily.



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