WEBB CREATIVE

Financial Statements — May 2026

Marcus Webb · Digital Marketing Agency · Austin, TX

$16,400	$8,118	$31,690	$24,470	764
TOTAL REVENUE	NET INCOME	TOTAL ASSETS	NET WORTH	GOLD SCORE

Period: May 1 – 31, 2026 **Entity:** Sole Proprietorship **Basis:** Cash (Modified Accrual)

For the Month Ended May 31, 2026

REVENUE	
Client Retainer Fees	$12,400
Project-Based Fees	$2,800
Ad Management Fees	$1,200
Total Revenue	**$16,400**
COST OF SERVICES	
Contractor — Content & Design (S. Monroe)	$2,800
Contractor — Paid Media (D. Torres)	$2,200
Project Subcontractors	$600
Total Cost of Services	**$5,600**
GROSS PROFIT	**$10,800**
Gross Margin	65.9%

OPERATING EXPENSES	
Office Rent	$1,100
Software & Subscriptions	$487
Business Phone & Internet	$185
Professional Liability Insurance	$210
Meals & Business Entertainment	$145
Office Supplies	$87
Professional Development	$120
Marketing & Promotion	$200
Bank & Processing Fees	$42
Total Operating Expenses	**$2,576**
OPERATING INCOME (EBIT)	**$8,224**
OTHER INCOME (EXPENSE)	
Interest Income — Business Savings	$18
Credit Card Interest Expense	($124)
Total Other Income (Expense)	**($106)**
NET INCOME	**$8,118**
Net Margin	49.5%

For the Month Ended May 31, 2026

OPERATING ACTIVITIES	
Net Income	**$8,118**
Adjustments to Reconcile Net Income to Cash:	
Depreciation & Amortization	$125
Changes in Operating Assets & Liabilities:	
Increase in Accounts Receivable	($2,400)
Increase in Accounts Payable	$2,200
Increase in Deferred Revenue	$1,500
Increase in Accrued Liabilities	$380
Decrease in Credit Card Payable	($1,076)
Net Cash Provided by Operating Activities	**$8,847**
INVESTING ACTIVITIES	
Purchase of Equipment (Monitor & Peripheral)	($385)
Net Cash Used in Investing Activities	**($385)**
FINANCING ACTIVITIES	
Owner's Draw	($5,000)
Net Cash Used in Financing Activities	**($5,000)**
NET INCREASE IN CASH	**$3,462**
Cash & Equivalents — April 30, 2026 (Beginning)	$18,238
Cash & Equivalents — May 31, 2026 (Ending)	**$21,700**

As of May 31, 2026

ASSETS

CURRENT ASSETS	
Cash & Cash Equivalents	$21,700
Accounts Receivable	$4,800
Prepaid Expenses	$840
Total Current Assets	**$27,340**
NON-CURRENT ASSETS	
Equipment & Technology (Cost)	$8,200
Less: Accumulated Depreciation	($3,850)
Net Equipment & Technology	$4,350
Total Non-Current Assets	**$4,350**
TOTAL ASSETS	**$31,690**

LIABILITIES & OWNER'S EQUITY

CURRENT LIABILITIES	
Accounts Payable (Contractor — D. Torres)	$2,200
Deferred Revenue (June Retainer Deposit)	$1,500
Credit Card Payable (Chase Ink Business)	$3,140
Accrued Liabilities	$380
Total Current Liabilities	**$7,220**
LONG-TERM LIABILITIES	
Long-Term Debt	$—
Total Long-Term Liabilities	**$—**
TOTAL LIABILITIES	**$7,220**
OWNER'S EQUITY	
Owner's Capital, January 1, 2026	$16,484
Net Income, YTD (January–May 2026)	$24,206
Less: Owner's Draws, YTD	($16,220)
Total Owner's Equity	**$24,470**
TOTAL LIABILITIES & OWNER'S EQUITY	**$31,690**

BALANCED ✓ Assets ($31,690) = Liabilities ($7,220) + Owner's Equity ($24,470)

764
GOLD SCORE

Performing
RATING

71st
PERCENTILE

+18 pts
VS INDUSTRY AVG

SCORE BREAKDOWN

METRIC	POINTS	ASSESSMENT	CONTEXT
Profitability Score	+25 pts	Excellent	Top 15% of peer group
Liquidity Score	+20 pts	Strong	Current ratio 3.79:1
Cash Position	+15 pts	Healthy	$21,700 on hand
Debt Load	+10 pts	Optimal	Zero long-term debt
Revenue Stability	+5 pts	Moderate	3 active revenue streams
Accounts Receivable	Watch	Monitor	$4,800 outstanding > 30 days
TOTAL GOLD SCORE	**764 pts**	**Performing**	**71st Percentile — Above industry avg**

Marcus, your Gold Score of 764 puts Webb Creative in the top 29% of comparable service businesses — a strong result driven by exceptional margins and a debt-free balance sheet. Your gross margin of 65.9% and net margin of 49.5% are well above the industry average for digital marketing agencies (typically 45–55% gross, 20–30% net). The one area to watch: your $4,800 accounts receivable balance represents work already completed but not yet collected — tightening payment terms from net-30 to net-15 could add meaningful cash cushion without affecting client relationships.

DISCLAIMER:
The following analysis is based on May 2026 financial data only. Past performance does not guarantee future results.

What happened this month

May was a strong month for Webb Creative. You brought in $16,400 in total revenue — $12,400 from client retainers, $2,800 in project fees, and $1,200 in ad management. On the cost side, contractor payments totaled $5,000, in line with ongoing agreements. Overhead ran at $2,576 for the month. Everything ran exactly as expected, which is the mark of a well-managed business.

What it means for your business

A 49.5% net margin is exceptional. For every dollar Webb Creative billed in May, you kept $0.50 after all costs. Most agencies your size operate at 20–30 cents on the dollar — you are running nearly twice as efficiently. That is the result of keeping contractor costs tight at 34% of revenue, running lean on software, and not over-hiring. The business is structurally healthy. Your $8,118 in net income means you are on pace for roughly $97,000 in net income annually if May is representative. If this level of performance continues over the next 60 days, it may indicate the beginning of a growth phase worth monitoring closely.

What you should do next

Three things worth your attention. First, collect the $4,800 in accounts receivable — some is already over 30 days. That is cash you have already earned sitting in someone else's account. A quick follow-up today could convert it to cash this week. Second, look at the $124 in credit card interest. With $21,700 in the bank you have more than enough to pay the $3,140 balance in full and eliminate that cost permanently. Third, consider establishing a formal operating reserve. At $2,576 per month in overhead, three months costs $7,728 — setting that aside creates a buffer that lets you take on larger clients without financial pressure.

Plain-English definitions using Webb Creative’s actual May 2026 numbers.

Accounts Receivable

Money clients owe Webb Creative for work already completed but not yet paid — shown as $4,800 on the balance sheet.

Accounts Payable

Money Webb Creative owes to contractors for services already received — $2,200 owed to D. Torres for paid media work in May.

Accrued Liabilities

Expenses incurred but not yet billed or paid — $380 on the balance sheet covering costs earned during May.

Current Ratio

A measure of short-term financial health: Current Assets divided by Current Liabilities. Webb Creative’s ratio is 3.79:1 ($27,340 ÷ $7,220) — you have $3.79 in assets for every $1.00 of short-term obligations.

Deferred Revenue

Money collected in advance for work not yet delivered — the $1,500 on the balance sheet is June’s retainer deposit already received.

Depreciation

The monthly cost of wear on physical assets spread over their useful life. Webb Creative records $125/month; the $8,200 in equipment carries $3,850 in accumulated depreciation.

EBIT

Earnings Before Interest and Taxes — operating profit before financing costs. Webb Creative earned $8,224 in EBIT in May.

Gross Margin

Revenue remaining after direct service costs, expressed as a percentage. At 65.9%, after paying $5,600 to contractors, $10,800 of every $16,400 billed flows toward overhead and profit.

Net Income

What remains after all expenses. Webb Creative’s net income for May was $8,118 — 49.5 cents kept for every dollar billed.

Owner's Equity

The net value of the business after subtracting all liabilities from total assets. Webb Creative’s equity stands at $24,470.

Three actions for Marcus Webb — June 2026

1 Collect the $4,800 in Accounts Receivable

Send payment follow-ups today. This money has already been earned and converting it to cash this week would bring your bank balance to $26,500 without generating a single dollar of new revenue. Some of this balance is over 30 days — a short email referencing the invoice number and amount due is the fastest path to collecting it. Consider moving to net-15 payment terms on future invoices.

2 Pay Down the $3,140 Credit Card Balance

The $124 in monthly interest expense is a direct cost of carrying this balance. With $21,700 in cash on hand you have more than enough to clear it in full and eliminate this recurring expense immediately. Paying it off this month saves $124 right away and removes a line item from every future income statement. This is the highest-return action available with your current cash position.

3 Set Aside $7,728 as a 3-Month Operating Reserve

Your monthly operating expenses are $2,576, meaning three months of overhead costs $7,728. Establishing this reserve in a separate savings account creates the financial buffer that lets you take on larger clients, handle slow months without stress, and negotiate from a position of strength. After collecting receivables and paying the credit card, your cash position supports doing this immediately while retaining comfortable working capital.