



MID SOUTH
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Building a Financial Foundation for Business Success

**Financial Documentation
Every Business Needs**

Professional Participant Workbook



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Welcome

This workbook is designed to help business owners understand the financial documents needed to manage, grow, and finance a successful business.

Business Leader

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Overview

Many businesses don't fail because they have a bad product or poor customer service—they fail because the owners don't understand the financial story their business is telling. In this episode, we explore the financial blind spots that quietly erode profitability and discover the reports every business owner should know before it's too late.

If I asked you today how much profit your business made last month, could you answer in less than one minute?

Learning Objectives

- Identify the five core financial reports every business should maintain.
- Understand what each report tells you.
- Know how often to review each report.
- Recognize warning signs and opportunities.
- Develop a simple monthly financial review process.

Agenda

- Five Financial Documents
 - Profit & Loss Statement
 - Balance Sheet
 - Cash Flow Statement
 - Accounts Receivable Aging Report
 - Budget vs. Actual Report
- QuickBooks Demo
- Resources

Profit & Loss Statement

Purpose	Measures profitability over a period.
Business Question	Am I making money?
Review Frequency	Monthly
Where to Find It	Accounting software or your bookkeeper/CPA

What to Look For

- Revenue
- Gross Profit
- Operating Expenses
- Net Profit

Action Items & Key Takeaways

Balance Sheet

Purpose	Shows what the business owns and owes.
Business Question	Is my business financially healthy?
Review Frequency	Monthly
Where to Find It	Accounting software or your bookkeeper/CPA

What to Look For

- Cash
- Assets
- Liabilities
- Owner Equity

Action Items & Key Takeaways

Cash Flow Statement

Purpose	Tracks cash entering and leaving the business.
Business Question	Can I pay my bills?
Review Frequency	Monthly
Where to Find It	Accounting software or your bookkeeper/CPA

What to Look For

- Operating Cash
- Ending Cash
- Large Outflows

Action Items & Key Takeaways

Accounts Receivable Aging Report

Purpose	Lists unpaid customer invoices.
Business Question	Who owes me money?
Review Frequency	Monthly
Where to Find It	Accounting software or your bookkeeper/CPA

What to Look For

- 30+ days
- 60+ days
- 90+ days

Action Items & Key Takeaways

Budget vs. Actual

Purpose	Compares planned results with actual performance.
Business Question	Am I staying on plan?
Review Frequency	Monthly
Where to Find It	Accounting software or your bookkeeper/CPA

What to Look For

- Revenue Variance
- Expense Variance
- Budget Trends

Action Items & Key Takeaways

Monthly Financial Review

- ☐ Review Profit & Loss
- ☐ Review Balance Sheet
- ☐ Review Cash Flow
- ☐ Review outstanding invoices
- ☐ Compare Budget vs. Actual
- ☐ Record one improvement for next month

Questions for Your Accountant

- Is my profit margin healthy?
- What KPIs should I monitor?
- How can I improve cash flow?
- What tax planning opportunities exist?

90-Day Action Plan

My top three priorities after today's workshop:

1. _____
2. _____
3. _____

Notes

Resources & Templates

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Profit & Loss Statement – Blank Template

Income	Amount
Sales Revenue	
Service Revenue	
Other Income	
Total Revenue	
Expenses	Amount
Rent	
Payroll	
Marketing	
Utilities	
Insurance	
Office Supplies	
Miscellaneous	
Total Expenses	
Net Profit	

Net Profit = Total Revenue – Total Expenses

Profit & Loss Statement Sample

Coffee Shop

Income	Amount
Coffee Sales	\$18,500
Pastries	\$4,200
Merchandise	\$800
Total Revenue	\$23,500
Expenses	Amount
Rent	\$2,000
Payroll	\$8,500
Utilities	\$600
Marketing	\$500
Supplies	\$3,200
Insurance	\$350
Miscellaneous	\$450
Total Expenses	\$15,600
Net Profit	\$7,900

What does this tell us?

- ✓ The business is profitable.
- ✓ Payroll is approximately 36% of revenue.
- ✓ Gross profit appears healthy.
- ✓ Revenue is sufficient to cover fixed expenses.

Net Profit = Total Revenue – Total Expenses

Accounts Receivable Aging Template

Customer	Current	30 Days	60 Days	90+ Days	Notes

Accounts Receivable Aging Template

Customer	Current	30 Days	60 Days	90+ Days	Notes
ABC Construction	\$2,450				
Smith Realty		\$850			
Jones Electric			\$1,200		Spoke with Mr. Jones on 7/20
Premier Medical				\$3,450	

Discussion:

Which customer would you call today?

Monthly Expense Tracker

Perfect for businesses without accounting software. Business could use Microsoft Excel or Google Sheets.

Date	Vendor	Category	Amount	Paid

Monthly Sales Tracker

A record of sales

Date	Customer	Product/Service	Amount	Payment Received

Cash Flow Tracker

Instead of a complicated accounting report...

Keep it simple.

Money Coming In

Sales	
Collections	
Loans	
Owner Investment	
Subtotal	

Money Going Out

Payroll	
Rent	
Utilities	
Insurance	
Supplies	
Marketing	
Taxes	
Loan Payments	
Subtotal	
Ending Cash Balance	

Business Budget Worksheet

Category	Budget	Actual	Difference
Revenue			
Payroll			
Rent			
Utilities			
Marketing			

Invoice Template

Professional-looking invoice

Company Name

Your Company Slogan

Street Address
City, ST ZIP Code
Phone: Phone Fax: Fax

To:

Recipient Name
Company Name
Street Address
City, ST ZIP Code
Phone: Phone

INVOICE

Invoice # 100

Date:

Ship To:

Recipient Name
Company Name
Street Address
City, ST ZIP Code
Phone: Phone

SALESPERSON	P.O. NUMBER	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS
					Due on receipt
QUANTITY	DESCRIPTION			UNIT PRICE	TOTAL
Subtotal					
Sales Tax					
Shipping & Handling					
Total Due					

Make all checks payable to *Company Name*

If you have any questions concerning this invoice, contact *Name, Phone, Email*

Thank you for your business!



Financial Dashboard

This is one of my favorite additions.

Every month they complete one page*

KPI	Goal	Actual
Revenue		
Profit		
Cash Balance		
Accounts Receivable		
Accounts Payable		

At the bottom:

This Month's Biggest Win

Biggest Concern

Next Month's Goal

**If you create this in Excel, you can make a tab for each month and use Microsoft Copilot to create a dashboard on the first tab.*