



Rooted in Trust. Grounded in Accuracy.

# BOARD READY FINANCIALS



**How to Present Financial Reports That Build Board Confidence**

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## BOARD READY FINANCIALS

### ***How to Present Financial Reports That Build Board Confidence***

Financial reports don't have to feel confusing or intimidating. When your books are organized, they become simple tools that help you make confident decisions — not documents you avoid opening.

This guide explains the three key financial reports every organization should understand, what they tell you, and how to review them without overwhelm.

*Clear reports. Confident decisions.*

## WHO THIS GUIDE IS FOR

Not every business owner or organizational leader starts out feeling confident with financial reports — and that's completely normal. This guide is designed for:

- Small business owners
- Nonprofit leaders and executive directors
- Board members responsible for financial oversight
- New entrepreneurs
- Service-based and product-based organizations
- Anyone who wants clearer financial insight without feeling overwhelm

*No prior bookkeeping knowledge required.*

## WHY FINANCIAL REPORTS MATTER

Financial reports are more than numbers on a page — they are decision-making tools.

### **Your Financial Reports:**

- Show whether your organization is financially healthy
- Reveal spending trends and highlight unusual expenses
- Help plan for taxes and avoid surprises
- Support loan, grant, or funding applications
- Guide pricing, programming, and growth decisions
- Highlight cash flow pressure before it becomes a problem
- Help you decide when to hire, invest, or expand

*When reports are reviewed regularly, surprises decrease — and confidence grows.*



### AT A GLANCE: THE THREE CORE REPORTS

Every organized bookkeeping system produces three core reports that together tell the full financial story of your organization:

Report	What It Tells You
Profit & Loss Statement	Income earned and expenses paid — and whether you're operating at a surplus or deficit
Balance Sheet	What your organization owns, owes, and your net worth at a point in time
Cash Flow Summary	How money moves in and out of your organization

*Together, they provide clarity, direction, and control.*

### AT A GLANCE: FINANCIAL REPORTING CADENCE

Financial reports are most valuable when reviewed consistently — not just at tax time or audit season.

Monthly Reviews	Quarterly + Annual Reviews
Profit & Loss, Balance Sheet, Cash Flow (if used), income & expenses review, cash position	Compare budget vs. actual, review trends & variances, confirm restricted/project funds, discuss with bookkeeper or CPA, year-end P&L and Balance Sheet, prepare records for tax filing

### HOW TO READ REPORT NUMBERS IN QUICKBOOKS ONLINE

Number Type	How It Appears
Income / Revenue	Positive numbers
Expenses	Positive numbers
Net Surplus	Positive — when income exceeds expenses
Net Deficit	Negative number or shown in parentheses ( )

#### Balance Sheet Basics

Item	How It Appears
Assets	Positive balances — what your organization owns
Liabilities	Positive balances — what your organization owes
Equity / Net Assets	The difference between assets and liabilities



### Common Display Conventions

- Negative numbers may appear in parentheses ( ) or in red
- Zero balances may be hidden unless settings are adjusted

### What to Watch For

- Unexpected negative balances
- Large month-to-month changes
- Missing accounts or blank sections

#### Quick Tip

*If a number looks unusual, ask your bookkeeper before assuming something is wrong. You don't need to be an accountant — just familiar enough to ask the right questions.*

## REPORT 1 — PROFIT & LOSS STATEMENT

The Profit & Loss (P&L) — also called an Income Statement — shows whether your organization is earning more than it spends. It covers a specific period of time: a month, a quarter, or a year.

- Total income or revenue earned
- Total expenses paid
- Net surplus or deficit for the period

### What to Review Monthly

- Income trends — is revenue growing, steady, or declining?
- Expense increases — are any categories higher than expected?
- Unusual charges — anything you don't recognize?
- Consistency — are results in line with prior months?

## REPORT 2 — BALANCE SHEET

The Balance Sheet shows your organization's financial position at a specific moment in time. Unlike the P&L — which covers a period — the Balance Sheet is a snapshot.

- How much cash do we have right now?
- What does our organization own (assets)?
- What does our organization owe (liabilities)?
- What is our overall net worth or net assets (equity)?

### What to Review Monthly

- Cash balances — do they match your expectations?
- Loan balances — are they decreasing as payments are made?
- Credit card balances — are they reasonable and manageable?
- Accounts receivable — does anyone owe your organization money?
- Accounts payable — do you owe vendors or contractors?

*A strong balance sheet supports strong organizational decisions.*



## REPORT 3 — CASH FLOW SUMMARY

Cash flow shows how money actually moves through your organization — not just what was earned, but when cash was received and spent. An organization can show a surplus on the P&L and still run short on cash.

- Avoid cash shortages before they happen
- Plan for upcoming large expenses
- Decide when it's safe to invest, hire, or expand programs
- Stay prepared during slow months or seasonal funding gaps

### What It Shows

Category	Description
Operating Activities	Cash from core operations
Investing Activities	Cash spent on or received from assets
Financing Activities	Cash from loans, contributions, or repayments

## HOW TO REVIEW REPORTS WITH CONFIDENCE

Financial reports can feel unfamiliar if no one has explained what to look for. This simple process helps you understand key information, spot trends, and ask better questions — without needing an accounting background.

- Open your Profit & Loss report
- Review total income or revenue — is it what you expected?
- Review your largest expenses — anything unusual?
- Check net result — are you operating at a surplus?
- Open your Balance Sheet
- Confirm cash balances look accurate
- Review outstanding debts or credit card balances

Ten minutes per month builds strong financial awareness. Start small. Focus on consistency — not perfection.

## COMMON REPORT REVIEW CHALLENGES

Even with accurate reports, reviewing financial statements can feel unfamiliar at first. Many leaders experience one or more of these:

- Reports feel unfamiliar — numbers don't connect to real decisions
- Numbers don't match expectations — without a clear explanation why
- It's unclear what's most important to look at first
- Questions feel hard to form — you're not sure what to ask
- Reports are reviewed too late to take meaningful action
- Reports are generated but never discussed with a professional
- Decisions are made without referencing the reports at all

*Awareness is the first step toward confident review.*



**READINESS CHECK: ARE YOU REVIEWING YOUR FINANCIAL REPORTS REGULARLY?**

Consistent report review turns bookkeeping data into meaningful insight. Check each statement that is true for your organization today.

Check Yes for each statement that is true for your organization.

ASSESSMENT STATEMENT	YES
I review my Profit & Loss monthly	<input type="checkbox"/>
I review my Balance Sheet monthly	<input type="checkbox"/>
I understand our net result (surplus or deficit)	<input type="checkbox"/>
I know our current cash balance	<input type="checkbox"/>
I feel confident discussing reports with my bookkeeper or CPA	<input type="checkbox"/>
I compare this month's results to prior months	<input type="checkbox"/>
I review reports early enough to take action if needed	<input type="checkbox"/>

Your Score: \_\_\_\_ / 7 YES answers

Count the number of statements marked "Yes" to determine your score.

**How to Interpret Your Results**

Result	What It Means
6-7 YES	You're in great shape — keep it up
4-5 YES	Small improvements may make a meaningful difference
0-3 YES	Professional support could have a significant impact

Based on your score, use the guide below to understand your current position.



## QUESTIONS TO ASK YOUR BOOKKEEPER OR CPA

Clear questions lead to clearer financial understanding and better decision-making. Use this list at your next meeting.

- Can you explain our Profit & Loss in plain language?
- Are our reports accurate and current?
- Are there unusual variances I should know about?
- Can you highlight trends I should watch over the next few months?
- Are our reports ready for tax filing or audit?
- Are there opportunities to improve cash flow or reduce expenses?

## YOU DON'T HAVE TO DO THIS ALONE

Many leaders choose to work with a professional bookkeeper to take the uncertainty out of financial management.

- Keep reports accurate, current, and organized
- Reduce financial confusion — your bookkeeper explains what the numbers mean
- Catch issues early, before they become costly problems
- Support confident decision-making with reliable data
- Save time and reduce stress so you can focus on your mission or business

*With the right support, financial reports become tools — not tasks.*

## WHAT TO BRING TO YOUR FIRST BOOKKEEPING MEETING

No preparation is required for a first conversation — but if you want to make the most of your time, this checklist will help.

- Access to your accounting software — or a note that you don't have one yet
- Your most recent bank and credit card statements
- A rough sense of your monthly income and expenses
- Any questions you have about your current setup
- Notes on transactions or reports that have felt confusing
- A list of upcoming financial events — loans, grants, major purchases, tax deadlines

### Quick Tip

*There's no wrong place to start. Your first meeting is a conversation, not a test. Come as you are.*



### YOUR FREE BOOKKEEPING REVIEW

OakPath offers a free 30-minute Financial Review to help you assess your current bookkeeping system. During this session, we will:

- Review your current bookkeeping setup
- Identify any risk or compliance concerns
- Highlight opportunities for improvement
- Answer your questions — no preparation required

**Schedule Your Free Bookkeeping Review**  
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### SECURITY & CONFIDENTIALITY

Professional bookkeepers use secure, encrypted systems to protect financial information. Your records remain private, controlled, and accessible only to authorized users.

*Trust begins with security.*

### ABOUT OAKPATH BOOKKEEPING SERVICES

OakPath Bookkeeping Services provides trusted, reliable bookkeeping support for nonprofits and small businesses in Jefferson County, Washington and beyond. We believe bookkeeping is more than entering numbers — it is about creating clarity, supporting compliance, and building confidence in every financial decision your organization makes.

Founded by Marie Osborne, a Certified QuickBooks Online ProAdvisor with 40+ years of leadership experience — including 17 years overseeing multimillion-dollar nonprofit and county administration budgets — OakPath brings deep nonprofit expertise and genuine care to every client relationship.

Value	What It Means for You
Trust	Your financial records are handled with care, discretion, and complete integrity
Accuracy	Precise, up-to-date records support confident decisions and clean audits
Partnership	Supportive bookkeeping so you are never facing your finances alone

*With organized books and consistent review habits, you gain insight, confidence, and control.*

**Rooted in Trust. Grounded in Accuracy.**