

Small Business Financial Review Checklist

For owners who want a regular, structured look at their numbers · Last updated September 2026

Use this each month or quarter once the books are reconciled. It works from your income statement (profit and loss) and balance sheet, plus your bank balances.

Income statement

Task
☐ Compare revenue with last month, the same month last year and your budget.
☐ Work out gross margin % and check whether it moved.
☐ Find the three largest expense changes and explain each one.
☐ Identify one-off items so they don't distort the trend.
☐ Compare net income with the change in cash, and explain the gap.

Balance sheet

Task
☐ Confirm bank balances match reconciled statements.
☐ Review accounts receivable in total and by age.
☐ Check inventory levels against recent sales.
☐ Review accounts payable and credit card balances.
☐ Check that GST/HST payable matches your returns and payments.
☐ Check payroll liabilities are up to date.
☐ Agree loan balances to the lender's statements.
☐ Review owner draws or shareholder loan balances.

Cash and working capital

Task
☐ Calculate the current ratio and days sales outstanding, and compare with last period.
☐ If cash is going down, estimate months of cash runway.
☐ Note any upcoming large payments or seasonal dips.

Formulas

Measure	How to work it out
Gross margin %	$(\text{Revenue} - \text{cost of goods sold}) \div \text{revenue} \times 100$

Net margin %	$\text{Net income} \div \text{revenue} \times 100$
Current ratio	$\text{Current assets} \div \text{current liabilities}$
Days sales outstanding	$\text{Accounts receivable} \div \text{revenue for the period} \times \text{days in the period}$
Months of cash runway	$\text{Cash} \div \text{average monthly net cash outflow (only if cash is going down)}$

Findings and follow-up

Finding	Action	Owner	By when

Sources

Standard accounting definitions. Ronidex worked approach for the review routine.

This checklist is general educational information for Canadian small businesses. It is not personalized tax, legal or accounting advice, and it may not cover every situation. Confirm requirements and dates with the Canada Revenue Agency or your province, or talk to a qualified professional.