



SAPLING
FINANCIAL CONSULTANTS

EXCEL-BASED REPORTING PACKS

PRESENTED BY: Rob Hong, Co-Founder
Sapling Financial Consultants Inc.





WEBINAR OVERVIEW

- 01 Overview of Excel Reporting
- 02 Insightful Financial Reporting
- 03 Financial Reporting Best Practices
- 04 Loan Covenants Calculations
- 05 Actionable Operational KPIs
- 06 Best Practices
- 07 Q&A



Rob Hong
Co-Founder at Sapling Financial
Consultants Inc.



ABOUT SAPLING

Sapling Financial Consultants is a boutique consultancy specializing in financial modelling and data analytics services for midmarket businesses and scaleups.

Whether you're a midmarket company executive or scaleup founder, we empower you to make financial decisions with clarity and confidence through the use of professional tools tailored to your business.



BUSINESS INTERIORS





GENERAL SERVICES OVERVIEW

Financial Model Build

- A professional financial model built from scratch and tailored to your specific business problem, designed in collaboration with the Sapling team.

-
- Best used for securing financing (internal or external) for new projects, breaking into new markets, and creating models to effectively manage cash flow.

Operating Tool Enhancement

- Often organizations have a few key spreadsheets that underpin their operations. And often, they're less efficient and user-friendly than they could be.

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- Sapling has significant experience upgrading these tools so that users can do more work, with less time, and fewer errors.

Data Analytics

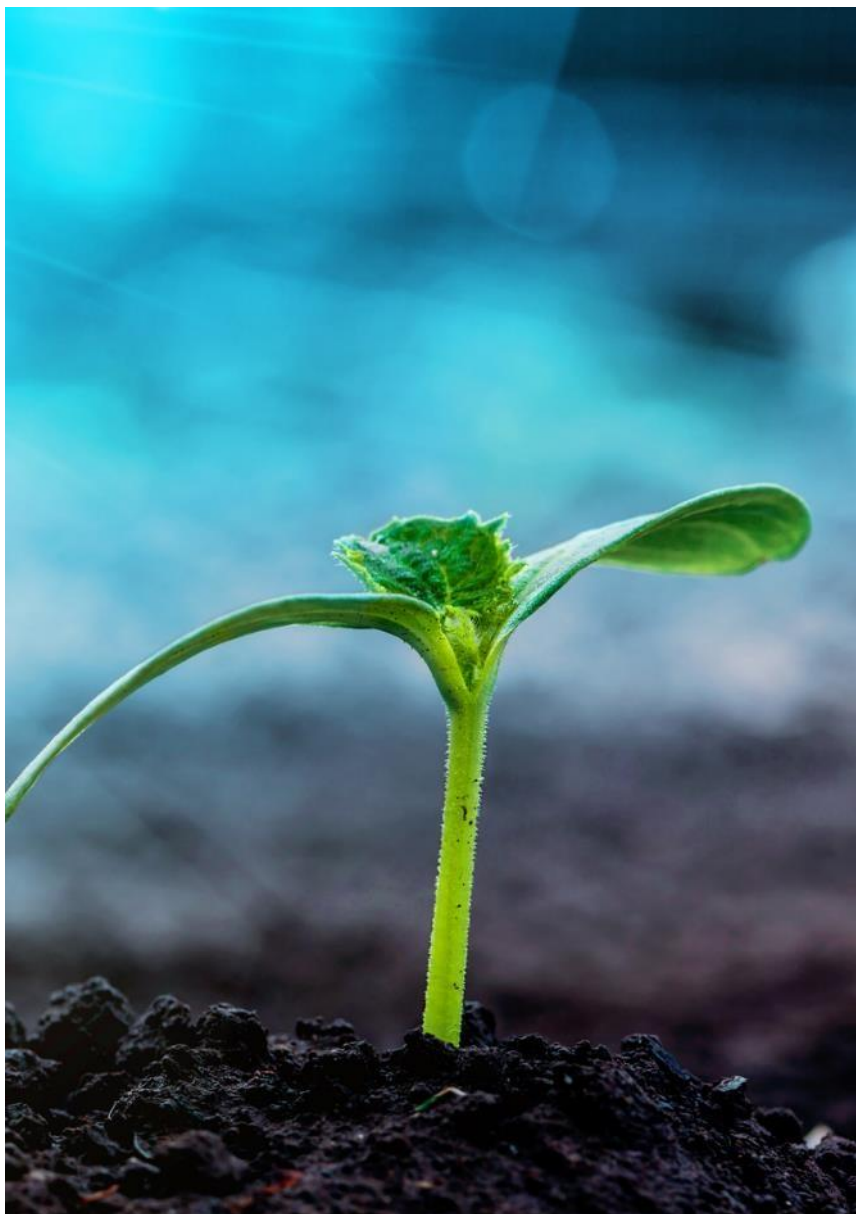
- Leverage the Sapling team's data analytics expertise to examine your data, uncover value, and bring inefficiencies to light.

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- Our data analytics services, leveraging our programming and SQL capabilities, deliver value in due diligence, negotiation and operating situations.

Automation

- Automating boring, repetitive tasks for which no software exists can be a key value creation lever.

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- Our team stands at the intersection of Finance and Software, and can develop custom solutions to automate tasks and drive EBITDA.

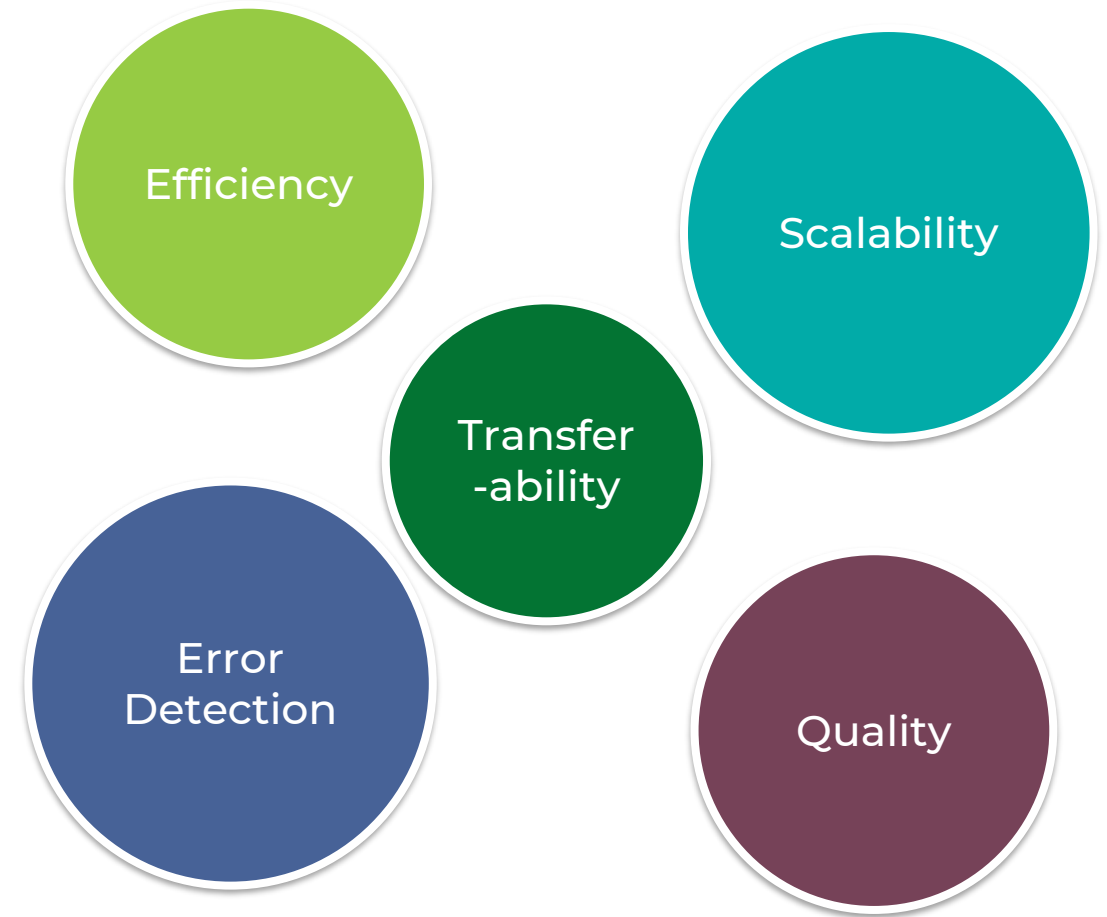


01

OVERVIEW OF
EXCEL REPORTING



OVERVIEW OF EXCEL REPORTING





02

INSIGHTFUL
FINANCIAL
REPORTING



CONSOLIDATION OF FINANCIAL REPORTS



Three Financial Statements

- Balance Sheet
- Income Statement
- Cash Flow Statement



Detailed Buildups of Numbers

- e.g.
- EBITDA waterfall
 - Revenue by business line or geography
 - Contribution margin by product



Additional Info

- e.g.
- Intercompany transactions
 - Post-deal normalizations
 - Adjustments

sage

qb
QuickBooks®

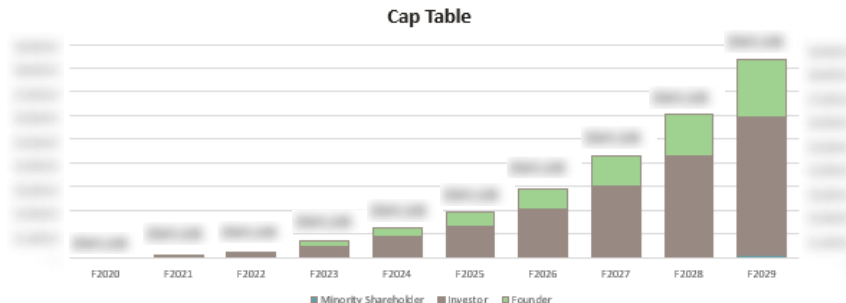
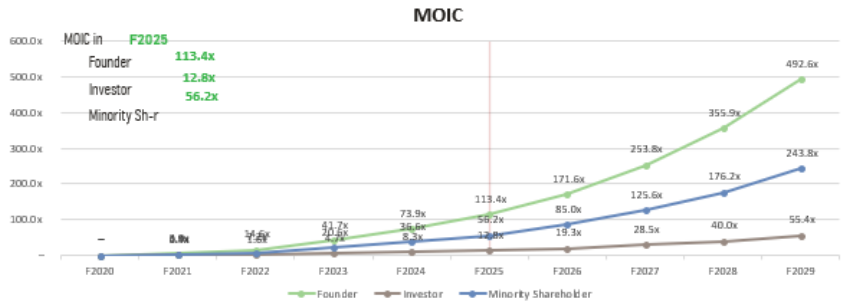
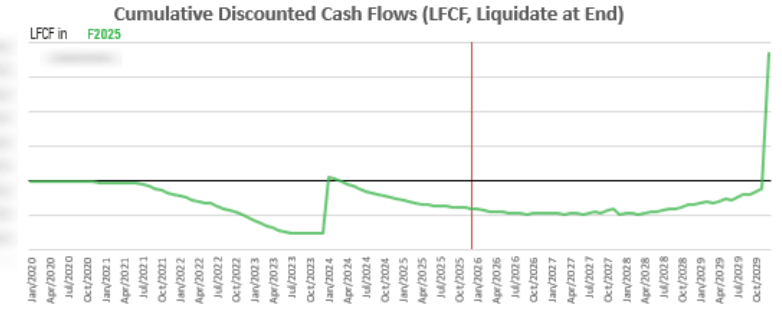
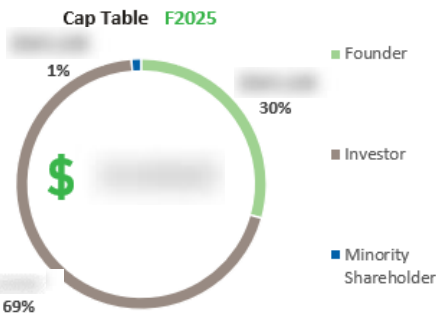
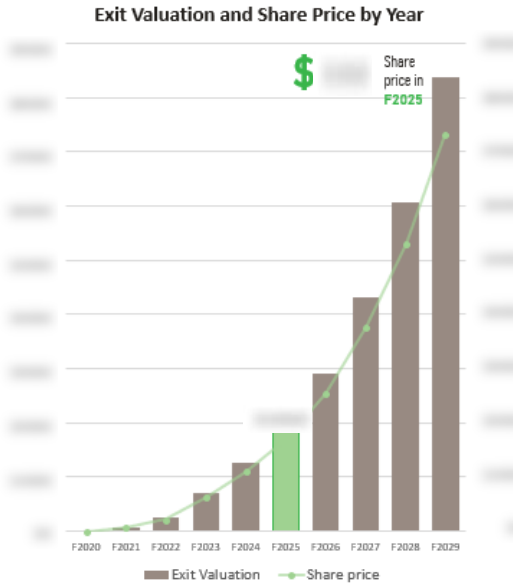
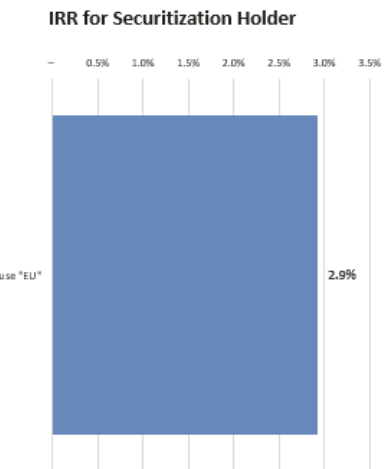
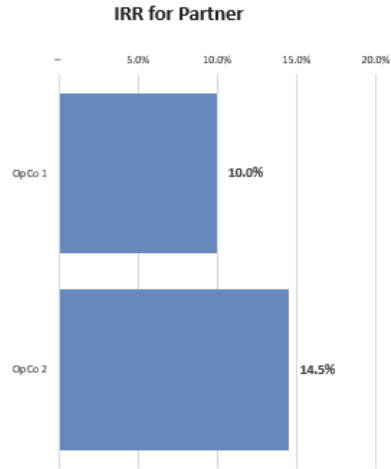


Excel



CREATION OF HIGHLY CUSTOMIZED REPORTS

Exit Valuation and Returns, USD





03

FINANCIAL REPORTING BEST PRACTICES



BEST PRACTICE – INPUT

Organize and format financial data from your financial system:

Entity	Consolidated Account	Type	Summary Tag	Orig GL Code	Orig Account Name	Jul-19	Aug-19	Sep-19
Entity A	Rent and Utilities	Expense	Rent and Utilities	800510	Operating Expenses: Operating Expenses: Rent and Utilities	79,478	21,038	12,396
Entity A	Office Expenses	Expense	Office Expenses	801010	Operating Expenses: Operating Expenses: Office Expenses	40,351	37,053	33,426
Entity A	Insurance	Expense	Insurance	801510	Operating Expenses: Operating Expenses: Insurance	10,692	28,726	6,092
Entity A	Communications	Expense	Communications	802010	Operating Expenses: Operating Expenses: Communications	96,953	35,458	37,469
Entity A	Legal	Expense	Legal	802510	Operating Expenses: Operating Expenses: Legal	51,640	16,924	50,833
Entity A	Advertising and Marketing	Expense	Advertising and Marketing	803010	Operating Expenses: Operating Expenses: Advertising and Marketing	9,682	94,595	45,792
Entity A	Professional Expenses	Expense	Professional Expenses - Regional	803510	Operating Expenses: Operating Expenses: Professional Expenses	85,253	14,911	62,568
Entity A	Professional Expenses: Accounting	Expense	Professional Expenses - Regional	803530	Operating Expenses: Operating Expenses: Professional Expenses: Accounting	4,481	1,906	1,215
Entity A	Professional Expenses: Deals	Expense	Professional Expenses - Corporate	803540	Operating Expenses: Operating Expenses: Professional Expenses: Deals	2,622	49,796	66,319
Entity A	Professional Expenses: IT Consulting	Expense	Professional Expenses - Regional	803560	Operating Expenses: Operating Expenses: Professional Expenses: IT Consulting	59,269	68,943	97,282
Entity A	Professional Expenses: Communications Consulting	Expense	Professional Expenses - Regional	803570	Operating Expenses: Operating Expenses: Professional Expenses: Communications Consulting	5,893	44,405	60,868
Entity A	Professional Expenses: Finance Consulting	Expense	Professional Expenses - Regional	803580	Operating Expenses: Operating Expenses: Professional Expenses: Finance Consulting	10,620	76,685	46,315
Entity A	Professional Expenses: Financing	Expense	Professional Expenses - Regional	803590	Operating Expenses: Operating Expenses: Professional Expenses: Financing	92,800	27,265	52,696
Entity A	Professional Expenses: Tax Consulting	Expense	Professional Expenses - Regional	803600	Operating Expenses: Operating Expenses: Professional Expenses: Tax Consulting	33,277	8,439	24,665
Entity A	Prof Expenses: Dues and Subscriptions	Expense	Professional Expenses - Regional	803610	Operating Expenses: Operating Expenses: Prof Expenses: Dues and Subscriptions	54,871	79,725	78,288
Entity A	Health and Wellness	Expense	Salaries and Benefits	803710	Operating Expenses: Operating Expenses: Health and Wellness	80,636	15,368	50,256
Entity A	Professional Expenses: Deals	Expense	Professional Expenses - Corporate	803810	Transaction Expenses	66,086	83,963	93,541
Entity A	Salaries and Benefits	Expense	Salaries and Benefits	804510	Operating Expenses: Operating Expenses: Salaries and Benefits	28,693	1,952	27,537
Entity A	Salaries and Benefits: CPP	Expense	Salaries and Benefits	804520	Operating Expenses: Operating Expenses: Salaries and Benefits: CPP	18,316	69,182	29,295
Entity A	Salaries and Benefits: Operating Expenses: Salaries and Benefits: EI	Expense	Salaries and Benefits	804530	Operating Expenses: Operating Expenses: Salaries and Benefits: Operating Expenses: Salaries and Benefits: EI	68,296	48,443	28,931
Entity A	Salaries and Benefits: Employer Health Tax	Expense	Salaries and Benefits	804535	Operating Expenses: Operating Expenses: Salaries and Benefits: Employer Health Tax	69,983	17,427	41,635
Entity A	Salaries and Benefits: Staff Salaries and Wages	Expense	Salaries and Benefits	804540	Operating Expenses: Operating Expenses: Salaries and Benefits: Staff Salaries and Wages	77,208	32,055	11,015
Entity A	Salaries and Benefits: Staff Salaries and Wages: Regular Wages	Expense	Salaries and Benefits	804541	Operating Expenses: Operating Expenses: Salaries and Benefits: Staff Salaries and Wages: Regular Wages	42,841	40,454	14,210
Entity A	Salaries and Benefits: Staff Salaries and Wages: Overtime Wages	Expense	Salaries and Benefits	804542	Operating Expenses: Operating Expenses: Salaries and Benefits: Staff Salaries and Wages: Overtime Wages	71,415	12,800	69,169
Entity A	Salaries and Benefits: Staff Salaries and Wages: Bonuses	Expense	Salaries and Benefits	804543	Operating Expenses: Operating Expenses: Salaries and Benefits: Staff Salaries and Wages: Bonuses	45,212	71,904	88,310
Entity A	Salaries and Benefits: Benefits - Life Insurance	Expense	Salaries and Benefits	804550	Operating Expenses: Operating Expenses: Salaries and Benefits: Benefits - Life Insurance	73,783	22,585	22,573
Entity A	Salaries and Benefits: Benefits	Expense	Salaries and Benefits	804560	Operating Expenses: Operating Expenses: Salaries and Benefits: Benefits	75,420	30,749	80,239
Entity A	Salaries and Benefits: Payroll Processing Fees	Expense	Salaries and Benefits	804570	Operating Expenses: Operating Expenses: Salaries and Benefits: Payroll Processing Fees	56,982	76,486	62,624
Entity A	Salaries and Benefits: Vacation Time Accrual	Expense	Salaries and Benefits	804580	Operating Expenses: Operating Expenses: Salaries and Benefits: Vacation Time Accrual	80,083	24,722	43,846
Entity A	Salaries and Benefits: HSSA Allowance	Expense	Salaries and Benefits	804590	Operating Expenses: Operating Expenses: Salaries and Benefits: HSSA Allowance	52,283	96,803	5,596
Entity A	Repairs and Maintenance	Expense	Repairs and Maintenance	805010	Operating Expenses: Repairs and Maintenance	69,909	60,064	98,759
Entity A	Meals and Entertainment	Expense	Meals and Entertainment	805110	Operating Expenses: Meals and Entertainment	73,170	12,688	31,286
Entity A	Travel and Conferences	Expense	Travel and Conferences	805510	Operating Expenses: Travel and Conferences	9,219	66,652	32,230
Entity A	Travel and Conferences: Travel	Expense	Travel and Conferences	805520	Operating Expenses: Travel and Conferences: Travel	20,885	8,966	74,935
Entity A	Travel and Conferences: Conferences	Expense	Travel and Conferences	805530	Operating Expenses: Travel and Conferences: Conferences	87,551	27,259	28,653
Entity A	Bad Debt	Expense	Bad Debt	806010	Operating Expenses: Bad Debt	3,379	47,166	27,782
Entity A	Bank Charges	Expense	Bank Charges	807010	Operating Expenses: Bank Charges	18,553	68,186	8,772



BEST PRACTICE – FORMAT

Colour Code, set up auto tagging, and use dropdown boxes to eliminate input error:

Entity	Consolidated Account	Type	Summary Tag	Counterparty	Eliminate on	Orig GL Code	Orig Account Name	Jul-19	Aug-19	Sep-19
Entity A	Rent and Utilities	Expense	Rent and Utilities			800510	Operating Expenses: Operating Expenses: Rent and Utilities	79,478	21,038	12,396
Entity A	Office Expenses	Expense	Office Expenses			801010	Operating Expenses: Operating Expenses: Office Expenses	40,351	37,053	33,426
Entity A	Insurance	Expense	Insurance			801510	Operating Expenses: Operating Expenses: Insurance	10,692	28,726	6,092
Entity A	Communications	Expense	Communications			802010	Operating Expenses: Operating Expenses: Communications	96,953	35,458	37,469
Entity A	Legal	Expense	Legal			802510	Operating Expenses: Operating Expenses: Legal	51,640	16,924	50,833
Entity A	Advertising and Marketing	Expense	Advertising and Marketing			803010	Operating Expenses: Operating Expenses: Advertising and Marketing	9,682	94,595	45,792
Entity A	Professional Expenses	Expense	Professional Expenses - Regional			803510	Operating Expenses: Operating Expenses: Professional Expenses	85,253	14,911	62,568
Entity A	Professional Expenses: Accounting	Expense	Professional Expenses - Regional			803530	Operating Expenses: Operating Expenses: Professional Expenses: Accounting	4,481	1,906	1,215
Entity A	Professional Expenses: Deals	Expense	Professional Expenses - Corporate			803540	Operating Expenses: Operating Expenses: Professional Expenses: Deals	2,622	49,796	66,319
Entity A	Professional Expenses: IT Consulting	Expense	Professional Expenses - Regional			803560	Operating Expenses: Operating Expenses: Professional Expenses: IT Consulting	59,269	68,943	97,282
Entity A	Professional Expenses: Communications Consulting	Expense	Professional Expenses - Regional			803570	Operating Expenses: Operating Expenses: Professional Expenses: Communications Consulting	5,893	44,405	60,868
Entity A	Professional Expenses: Finance Consulting	Expense	Professional Expenses - Regional			803580	Operating Expenses: Operating Expenses: Professional Expenses: Finance Consulting	10,620	76,685	46,315
Entity A	Professional Expenses: Financing	Expense	Professional Expenses - Regional			803590	Operating Expenses: Operating Expenses: Professional Expenses: Financing	92,800	27,265	52,696
Entity A	Professional Expenses: Tax Consulting	Expense	Professional Expenses - Regional			803600	Operating Expenses: Operating Expenses: Professional Expenses: Tax Consulting	33,277	8,439	24,665
Entity A	Prof Expenses: Dues and Subscriptions	Expense	Professional Expenses - Regional			803610	Operating Expenses: Operating Expenses: Prof Expenses: Dues and Subscriptions	54,871	79,725	78,288
Entity A	Rent and Utilities	Expense	Rent and Utilities			5001	Rent			
Entity A	Office Expenses	Expense	Office Expenses			5002	Supplies			
Entity A	Insurance	Expense	Insurance			5003	Insurance & Bank			
Entity A	Communications	Expense	Communications			5004	Professional - Communications			
Entity A	Legal	Expense	Legal			5005	Professional - Legal			
Entity A	Advertising and Marketing	Expense	Advertising and Marketing			5006	Advertising & Marketing			
Entity A	Professional Expenses	Expense	Professional Expenses - Regional			5007	Professional - General			
Entity A	Professional Expenses: Accounting	Expense	Professional Expenses - Regional			5008	Professional - Accounting			
Entity A	Professional Expenses: Deals	Expense	Professional Expenses - Corporate			5009	Professional - Deals			
Entity A	Professional Expenses: IT Consulting	Expense	Professional Expenses - Regional			5010	Professional - IT Consulting			
Entity A	Professional Expenses: Communications Consulting	Expense	Professional Expenses - Regional			5011	Professional - Communications - Agency			
Entity A	Professional Expenses: Finance Consulting	Expense	Professional Expenses - Regional			5012	Professional - Finance			
Entity A	Professional Expenses: Financing	Expense	Professional Expenses - Regional			5013	Professional - Finance Systems			
Entity A	Professional Expenses: Tax Consulting	Expense	Professional Expenses - Regional			5014	Professional - Tax			
Entity A	Prof Expenses: Dues and Subscriptions	Expense	Professional Expenses - Regional			5015	Dues & Subscriptions			
Entity A	Revenue - Subscriptions Sold to Related Entities	Revenue	Revenues - Other	Entity B	Consolidation	45321	Dues & Subscriptions - Eliminate on Consolidation	(133,000)	(133,000)	(133,000)
Entity B	Prof Expenses: Dues and Subscriptions	Expense	Professional Expenses - Regional	Entity A	Consolidation	5015	Dues & Subscriptions - Eliminate on Consolidation	(133,000)	(133,000)	(133,000)



BEST PRACTICE – TAGGING

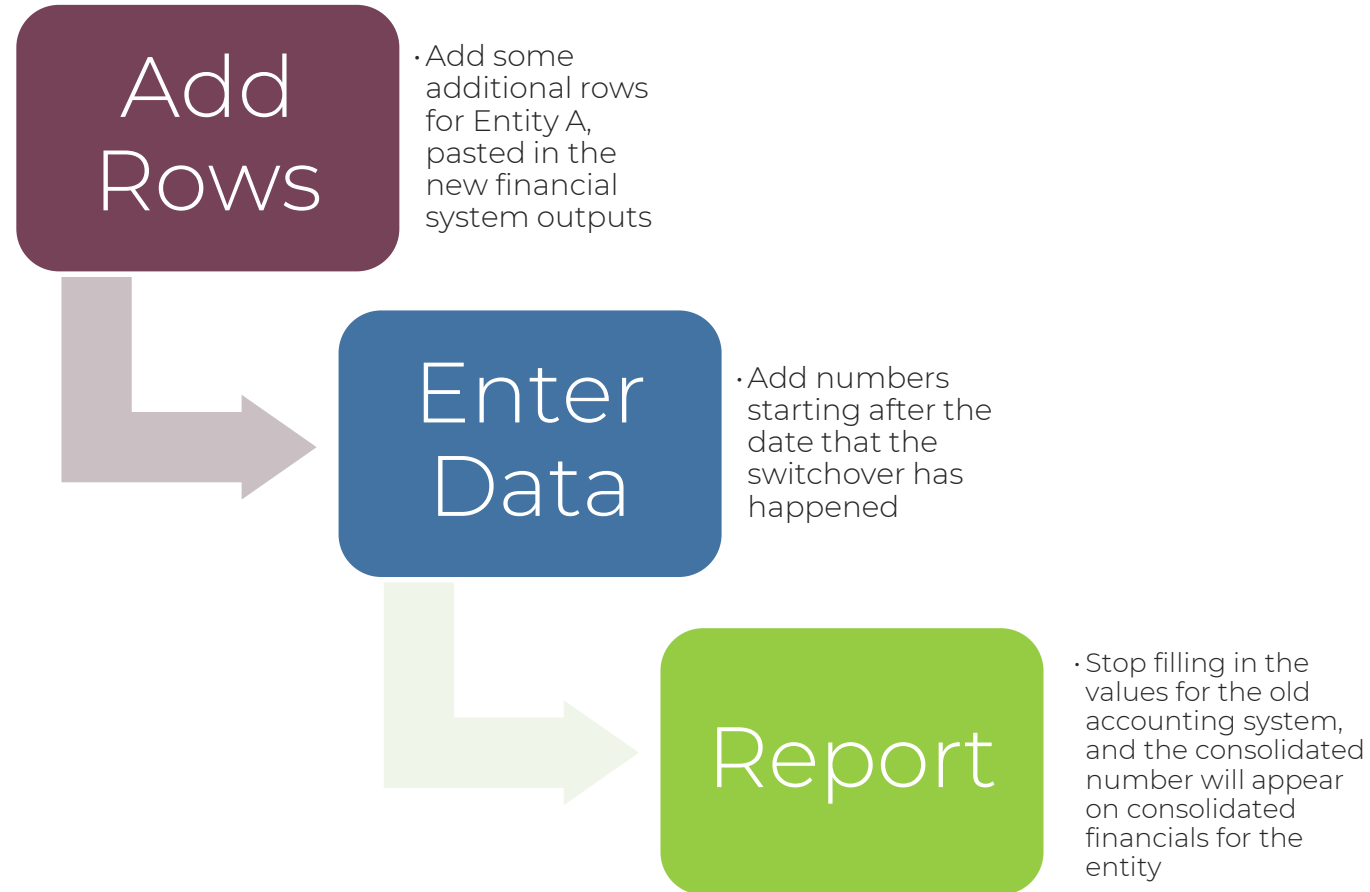
Set up formulaic tagging columns for dynamic reporting:

Entity	Consolidated Account	Type	Summary Tag	Counterparty	Eliminate on	Orig GL Code	Orig Account Name	Jul-19	Aug-19	Sep-19
Entity A	Rent and Utilities	Expense	Rent and Utilities			800510	Operating Expenses: Operating Expenses: Rent and Utilities	79,478	21,038	12,396
Entity A	Office Expenses	Expense	Office Expenses			801010	Operating Expenses: Operating Expenses: Office Expenses	40,351	37,053	33,426
Entity A	Insurance	Expense	Insurance			801510	Operating Expenses: Operating Expenses: Insurance	10,692	28,726	6,092
Entity A	Communications	Expense	Communications			802010	Operating Expenses: Operating Expenses: Communications	96,953	35,458	37,469
Entity A	Legal	Expense	Legal			802510	Operating Expenses: Operating Expenses: Legal	51,640	16,924	50,833
Entity A	Advertising and Marketing	Expense	Advertising and Marketing			803010	Operating Expenses: Operating Expenses: Advertising and Marketing	9,682	94,595	45,792
Entity A	Professional Expenses	Expense	Professional Expenses - Regional			803510	Operating Expenses: Operating Expenses: Professional Expenses	85,253	14,911	62,568
Entity A	Professional Expenses: Accounting	Expense	Professional Expenses - Regional			803530	Operating Expenses: Operating Expenses: Professional Expenses: Accounting	4,481	1,906	1,215
Entity A	Professional Expenses: Deals	Expense	Professional Expenses - Corporate			803540	Operating Expenses: Operating Expenses: Professional Expenses: Deals	2,622	49,796	66,319
Entity A	Professional Expenses: IT Consulting	Expense	Professional Expenses - Regional			803560	Operating Expenses: Operating Expenses: Professional Expenses: IT Consulting	59,269	68,943	97,282
Entity A	Professional Expenses: Communications Consulting	Expense	Professional Expenses - Regional			803570	Operating Expenses: Operating Expenses: Professional Expenses: Communications Consulting	5,893	44,405	60,868
Entity A	Professional Expenses: Finance Consulting	Expense	Professional Expenses - Regional			803580	Operating Expenses: Operating Expenses: Professional Expenses: Finance Consulting	10,620	76,685	46,315
Entity A	Professional Expenses: Financing	Expense	Professional Expenses - Regional			803590	Operating Expenses: Operating Expenses: Professional Expenses: Financing	92,800	27,265	52,696
Entity A	Professional Expenses: Tax Consulting	Expense	Professional Expenses - Regional			803600	Operating Expenses: Operating Expenses: Professional Expenses: Tax Consulting	33,277	8,439	24,665
Entity A	Prof Expenses: Dues and Subscriptions	Expense	Professional Expenses - Regional			803610	Operating Expenses: Operating Expenses: Prof Expenses: Dues and Subscriptions	54,871	79,725	78,288
Entity A	Rent and Utilities	Expense	Rent and Utilities			5001	Rent			
Entity A	Office Expenses	Expense	Office Expenses			5002	Supplies			
Entity A	Insurance	Expense	Insurance			5003	Insurance & Bank			
Entity A	Communications	Expense	Communications			5004	Professional - Communications			
Entity A	Legal	Expense	Legal			5005	Professional - Legal			
Entity A	Advertising and Marketing	Expense	Advertising and Marketing			5006	Advertising & Marketing			
Entity A	Professional Expenses	Expense	Professional Expenses - Regional			5007	Professional - General			
Entity A	Professional Expenses: Accounting	Expense	Professional Expenses - Regional			5008	Professional - Accounting			
Entity A	Professional Expenses: Deals	Expense	Professional Expenses - Corporate			5009	Professional - Deals			
Entity A	Professional Expenses: IT Consulting	Expense	Professional Expenses - Regional			5010	Professional - IT Consulting			
Entity A	Professional Expenses: Communications Consulting	Expense	Professional Expenses - Regional			5011	Professional - Communications - Agency			
Entity A	Professional Expenses: Finance Consulting	Expense	Professional Expenses - Regional			5012	Professional - Finance			
Entity A	Professional Expenses: Financing	Expense	Professional Expenses - Regional			5013	Professional - Finance Systems			
Entity A	Professional Expenses: Tax Consulting	Expense	Professional Expenses - Regional			5014	Professional - Tax			
Entity A	Prof Expenses: Dues and Subscriptions	Expense	Professional Expenses - Regional			5015	Dues & Subscriptions			
Entity A	Revenue - Subscriptions Sold to Related Entities	Revenue	Revenues - Other	Entity B	Consolidation	45321	Dues & Subscriptions - Eliminate on Consolidation	(133,000)	(133,000)	(133,000)
Entity B	Prof Expenses: Dues and Subscriptions	Expense	Professional Expenses - Regional	Entity A	Consolidation	5015	Dues & Subscriptions - Eliminate on Consolidation	(133,000)	(133,000)	(133,000)



BEST PRACTICE – FLEXIBILITY

What if Entity A switches to another accounting system with a new Chart of Accounts?





BEST PRACTICE – FLEXIBILITY

What if Entity A switches to another accounting system with a new Chart of Accounts?

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Entity A	Office Expenses	Expense	Office Expenses	801010	Operating Expenses: Operating Expenses: Office Expenses	40,351	37,053	33,426		
Entity A	Insurance	Expense	Insurance	801510	Operating Expenses: Operating Expenses: Insurance	10,692	28,726	6,092		
Entity A	Communications	Expense	Communications	802010	Operating Expenses: Operating Expenses: Communications	96,953	35,458	37,469		
Entity A	Legal	Expense	Legal	802510	Operating Expenses: Operating Expenses: Legal	51,640	16,924	50,833		
Entity A	Advertising and Marketing	Expense	Advertising and Marketing	803010	Operating Expenses: Operating Expenses: Advertising and Marketing	9,682	94,595	45,792		
Entity A	Professional Expenses	Expense	Professional Expenses - Regional	803510	Operating Expenses: Operating Expenses: Professional Expenses	85,253	14,911	62,568		
Entity A	Professional Expenses: Accounting	Expense	Professional Expenses - Regional	803530	Operating Expenses: Operating Expenses: Professional Expenses: Accounting	4,481	1,906	1,215		
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Entity A	Prof Expenses: Dues and Subscriptions	Expense	Professional Expenses - Regional	803610	Operating Expenses: Operating Expenses: Prof Expenses: Dues and Subscriptions	54,871	79,725	78,288		
Entity A	Rent and Utilities	Expense	Rent and Utilities	5001	Rent				71,322	92,985
Entity A	Office Expenses	Expense	Office Expenses	5002	Supplies				52,693	19,903
Entity A	Insurance	Expense	Insurance	5003	Insurance & Bank				68,011	96,091
Entity A	Communications	Expense	Communications	5004	Professional - Communications				63,253	99,032
Entity A	Legal	Expense	Legal	5005	Professional - Legal				67,183	18,885
Entity A	Advertising and Marketing	Expense	Advertising and Marketing	5006	Advertising & Marketing				16,213	63,294
Entity A	Professional Expenses	Expense	Professional Expenses - Regional	5007	Professional - General				32,741	70,317
Entity A	Professional Expenses: Accounting	Expense	Professional Expenses - Regional	5008	Professional - Accounting				54,791	48,940
Entity A	Professional Expenses: Deals	Expense	Professional Expenses - Corporate	5009	Professional - Deals				31,277	18,953
Entity A	Professional Expenses: IT Consulting	Expense	Professional Expenses - Regional	5010	Professional - IT Consulting				77,523	66,099
Entity A	Professional Expenses: Communications Consulting	Expense	Professional Expenses - Regional	5011	Professional - Communications - Agency				90,620	6,440
Entity A	Professional Expenses: Finance Consulting	Expense	Professional Expenses - Regional	5012	Professional - Finance				15,217	39,243
Entity A	Professional Expenses: Financing	Expense	Professional Expenses - Regional	5013	Professional - Finance Systems				62,642	20,903
Entity A	Professional Expenses: Tax Consulting	Expense	Professional Expenses - Regional	5014	Professional - Tax				25,310	49,279
Entity A	Prof Expenses: Dues and Subscriptions	Expense	Professional Expenses - Regional	5015	Dues & Subscriptions				44,285	58,954



BEST PRACTICE – ADAPTABILITY

What about Intercompany Eliminations?

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Entity A	Professional Expenses: Deals	Expense	Professional Expenses - Corporate			803540	Operating Expenses: Operating Expenses: Professional Expenses: Deals	2,622	49,796	66,319
Entity A	Professional Expenses: IT Consulting	Expense	Professional Expenses - Regional			803560	Operating Expenses: Operating Expenses: Professional Expenses: IT Consulting	59,269	68,943	97,282
Entity A	Professional Expenses: Communications Consulting	Expense	Professional Expenses - Regional			803570	Operating Expenses: Operating Expenses: Professional Expenses: Communications Consulting	5,893	44,405	60,868
Entity A	Professional Expenses: Finance Consulting	Expense	Professional Expenses - Regional			803580	Operating Expenses: Operating Expenses: Professional Expenses: Finance Consulting	10,620	76,685	46,315
Entity A	Professional Expenses: Financing	Expense	Professional Expenses - Regional			803590	Operating Expenses: Operating Expenses: Professional Expenses: Financing	92,800	27,265	52,696
Entity A	Professional Expenses: Tax Consulting	Expense	Professional Expenses - Regional			803600	Operating Expenses: Operating Expenses: Professional Expenses: Tax Consulting	33,277	8,439	24,665
Entity A	Prof Expenses: Dues and Subscriptions	Expense	Professional Expenses - Regional			803610	Operating Expenses: Operating Expenses: Prof Expenses: Dues and Subscriptions	54,871	79,725	78,288
Entity A	Rent and Utilities	Expense	Rent and Utilities			5001	Rent			
Entity A	Office Expenses	Expense	Office Expenses			5002	Supplies			
Entity A	Insurance	Expense	Insurance			5003	Insurance & Bank			
Entity A	Communications	Expense	Communications			5004	Professional - Communications			
Entity A	Legal	Expense	Legal			5005	Professional - Legal			
Entity A	Advertising and Marketing	Expense	Advertising and Marketing			5006	Advertising & Marketing			
Entity A	Professional Expenses	Expense	Professional Expenses - Regional			5007	Professional - General			
Entity A	Professional Expenses: Accounting	Expense	Professional Expenses - Regional			5008	Professional - Accounting			
Entity A	Professional Expenses: Deals	Expense	Professional Expenses - Corporate			5009	Professional - Deals			
Entity A	Professional Expenses: IT Consulting	Expense	Professional Expenses - Regional			5010	Professional - IT Consulting			
Entity A	Professional Expenses: Communications Consulting	Expense	Professional Expenses - Regional			5011	Professional - Communications - Agency			
Entity A	Professional Expenses: Finance Consulting	Expense	Professional Expenses - Regional			5012	Professional - Finance			
Entity A	Professional Expenses: Financing	Expense	Professional Expenses - Regional			5013	Professional - Finance Systems			
Entity A	Professional Expenses: Tax Consulting	Expense	Professional Expenses - Regional			5014	Professional - Tax			
Entity A	Prof Expenses: Dues and Subscriptions	Expense	Professional Expenses - Regional			5015	Dues & Subscriptions			
Entity A	Revenue - Subscriptions Sold to Related Entities	Revenue	Revenues - Other	Entity B	Consolidation	45321	Dues & Subscriptions - Eliminate on Consolidation	(133,000)	(133,000)	(133,000)
Entity B	Prof Expenses: Dues and Subscriptions	Expense	Professional Expenses - Regional	Entity A	Consolidation	5015	Dues & Subscriptions - Eliminate on Consolidation	(133,000)	(133,000)	(133,000)

Set up dropdown boxes to eliminate entries at the Consolidation level, or the Entity level to group together sister subsidiaries or “sub-entities”.

These eliminations will be applied to the appropriate account in the consolidated financials.



BEST PRACTICE – SUMMARIZE AND REPORT

Use SUMIFS/SUMPRODUCT to feed the inputted information to reports at a consolidated level:

Financial Statements	Jan-20 2020	Feb-20 2020	Mar-20 2020	Apr-20 2020	May-20 2020	Jun-20 2020	Jul-20 2020	Aug-20 2020	Sep-20 2020	Oct-20 2020	Nov-20 2020	Dec-20 2020
PNL - ENTIRE COMPANY - Pre-Close												
<i>Pre-Close</i>												
Revenues												
Total Revenues	\$8,000,000	\$8,700,000	\$5,300,000	\$5,080,000	\$5,088,000	\$7,080,000	\$6,000,000	\$7,080,000	\$6,912,000	\$8,000,000	\$8,400,000	\$9,000,000
COGS												
Total COGS	\$3,200,000	\$2,500,000	\$2,444,400	\$3,100,500	\$2,900,000	\$3,088,000	\$3,231,000	\$3,951,000	\$4,000,000	\$3,700,000	\$4,080,000	\$4,092,000
Gross Margin	\$4,800,000	\$6,200,000	\$2,855,600	\$1,979,500	\$2,188,000	\$3,992,000	\$2,769,000	\$3,129,000	\$2,912,000	\$4,300,000	\$4,320,000	\$4,908,000
Operating Expenses												
Total Operating Expenses	\$2,160,000	\$2,160,000	\$2,310,005	\$2,310,028	\$4,350,695	\$4,651,525	\$42,405,000	\$42,405,000	\$43,305,000	\$42,630,000	\$42,630,000	\$2,850,000
EBITDA	\$2,640,000	\$4,040,000	\$545,595	(\$330,528)	(\$2,162,695)	(\$659,525)	(\$39,636,000)	(\$39,276,000)	(\$40,393,000)	(\$38,330,000)	(\$38,310,000)	\$2,058,000
Operating Expenses : Operating Expenses : Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-	-	-
EBIT	\$2,640,000	\$4,040,000	\$545,595	(\$330,528)	(\$2,162,695)	(\$659,525)	(\$39,636,000)	(\$39,276,000)	(\$40,393,000)	(\$38,330,000)	(\$38,310,000)	\$2,058,000
Operating Expenses : Interest Expense	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
EBT	\$2,635,000	\$4,035,000	\$540,595	(\$335,528)	(\$2,167,695)	(\$664,525)	(\$39,641,000)	(\$39,281,000)	(\$40,398,000)	(\$38,335,000)	(\$38,315,000)	\$2,053,000
Total Other Income/(Expense)	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	\$2,635,000	\$4,035,000	\$540,595	(\$335,528)	(\$2,167,695)	(\$664,525)	(\$39,641,000)	(\$39,281,000)	(\$40,398,000)	(\$38,335,000)	(\$38,315,000)	\$2,053,000
BS - ENTIRE COMPANY - Pre-Close												
Assets												
<i>Current Assets</i>												
Total Current Assets	\$3,108,030	\$1,744,530	\$2,071,530	\$1,522,530	\$2,287,380	\$2,459,650	\$1,858,132	\$2,014,562	\$1,960,832	\$1,690,562	\$1,693,032	\$1,784,562
<i>Non-Current Assets</i>												
Total Non-Current Assets	\$1,698,000	\$1,695,000	\$1,710,000	\$1,680,000	\$1,680,000	\$1,680,000	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000
Total Assets	\$4,806,030	\$3,439,530	\$3,781,530	\$3,202,530	\$3,967,380	\$4,139,650	\$2,023,132	\$2,179,562	\$2,125,832	\$1,855,562	\$1,858,032	\$1,949,562
Liabilities												
<i>Current Liabilities</i>												
Total Current Liabilities	\$710,000	\$851,000	\$1,220,000	\$1,205,000	\$1,245,500	\$1,242,200	\$1,241,000	\$1,226,000	\$1,556,000	\$1,553,000	\$1,545,500	\$1,583,000
<i>Long-Term Liabilities</i>												
Total Long-Term Liabilities	-	-	\$600,000	\$450,000	\$300,000	\$6,000,000	\$5,850,000	\$5,700,000	\$5,550,000	\$5,400,000	\$5,250,000	\$53,700,000
Total Liabilities	\$710,000	\$851,000	\$1,820,000	\$1,655,000	\$1,545,500	\$7,242,200	\$7,091,000	\$6,926,000	\$7,106,000	\$6,953,000	\$6,795,500	\$55,283,000
Equity												
Total Equity	\$4,096,030	\$2,588,530	\$1,961,530	\$1,547,530	\$2,421,880	(\$3,102,550)	(\$5,067,868)	(\$4,746,438)	(\$4,980,168)	(\$5,097,438)	(\$4,937,468)	(\$53,333,438)
Total Liabilities and Equity	\$4,806,030	\$3,439,530	\$3,781,530	\$3,202,530	\$3,967,380	\$4,139,650	\$2,023,132	\$2,179,562	\$2,125,832	\$1,855,562	\$1,858,032	\$1,949,562
<i>Balance Check</i>	-	-	-	-	-	-	-	-	-	-	-	-



BEST PRACTICE – SUMMARIZE AND REPORT

Use SUMIFS/SUMPRODUCT to feed the inputted information to reports at an entity level:

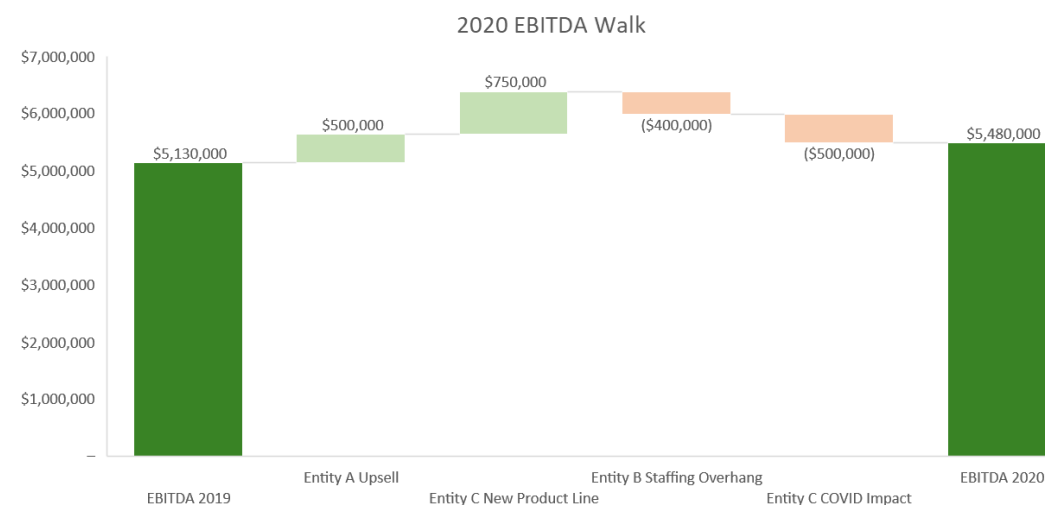
Financial Statements	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
Consolidated Entity PNL - Subsidiary												
Subsidiary												
Pre-Close												
Revenues												
Total Revenues	\$8,000,000	\$8,700,000	\$5,300,000	\$5,080,000	\$5,088,000	\$7,080,000	\$6,000,000	\$7,080,000	\$6,912,000	\$8,000,000	\$8,400,000	\$9,000,000
COGS												
Total COGS	\$3,200,000	\$2,500,000	\$2,444,400	\$3,100,500	\$2,900,000	\$3,088,000	\$3,231,000	\$3,951,000	\$4,000,000	\$3,700,000	\$4,080,000	\$4,092,000
Gross Margin	\$4,800,000	\$6,200,000	\$2,855,600	\$1,979,500	\$2,188,000	\$3,992,000	\$2,769,000	\$3,129,000	\$2,912,000	\$4,300,000	\$4,320,000	\$4,908,000
Operating Expenses												
Total Operating Expenses	\$960,000	\$960,000	\$1,260,010	\$1,260,055	\$5,341,391	\$5,943,050	\$81,050,000	\$81,050,000	\$82,850,000	\$82,400,000	\$82,400,000	\$2,840,000
EBITDA	\$3,840,000	\$5,240,000	\$1,595,590	\$719,445	(\$3,153,391)	(\$1,951,050)	(\$78,281,000)	(\$77,921,000)	(\$79,938,000)	(\$78,100,000)	(\$78,080,000)	\$2,068,000
Operating Expenses : Operating Expenses : Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-	-	-
EBIT	\$3,840,000	\$5,240,000	\$1,595,590	\$719,445	(\$3,153,391)	(\$1,951,050)	(\$78,281,000)	(\$77,921,000)	(\$79,938,000)	(\$78,100,000)	(\$78,080,000)	\$2,068,000
Operating Expenses : Interest Expense	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
EBT	\$3,835,000	\$5,235,000	\$1,590,590	\$714,445	(\$3,158,391)	(\$1,956,050)	(\$78,286,000)	(\$77,926,000)	(\$79,943,000)	(\$78,105,000)	(\$78,085,000)	\$2,063,000
Total Other Income/(Expense)	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	\$3,835,000	\$5,235,000	\$1,590,590	\$714,445	(\$3,158,391)	(\$1,956,050)	(\$78,286,000)	(\$77,926,000)	(\$79,943,000)	(\$78,105,000)	(\$78,085,000)	\$2,063,000
Consolidated Entity BS - Subsidiary												
Assets												
<i>Current Assets</i>												
Total Current Assets	\$2,422,020	\$1,423,020	\$1,531,020	\$1,227,020	\$1,690,920	\$1,870,100	\$1,353,088	\$1,514,708	\$1,409,888	\$1,229,708	\$1,238,688	\$1,299,708
<i>Non-Current Assets</i>												
Total Non-Current Assets	\$1,132,000	\$1,130,000	\$1,140,000	\$1,120,000	\$1,120,000	\$1,120,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Total Assets	\$3,554,020	\$2,553,020	\$2,671,020	\$2,347,020	\$2,810,920	\$2,990,100	\$1,463,088	\$1,624,708	\$1,519,888	\$1,339,708	\$1,348,688	\$1,409,708
Liabilities												
<i>Current Liabilities</i>												
Total Current Liabilities	\$620,000	\$714,000	\$960,000	\$950,000	\$977,000	\$974,800	\$974,000	\$964,000	\$1,184,000	\$1,182,000	\$1,177,000	\$1,202,000
<i>Long-Term Liabilities</i>												
Total Long-Term Liabilities	-	-	\$400,000	\$300,000	\$200,000	\$4,000,000	\$3,900,000	\$3,800,000	\$3,700,000	\$3,600,000	\$3,500,000	\$35,800,000
Total Liabilities	\$620,000	\$714,000	\$1,360,000	\$1,250,000	\$1,177,000	\$4,974,800	\$4,874,000	\$4,764,000	\$4,884,000	\$4,782,000	\$4,677,000	\$37,002,000
Equity												
Total Equity	\$2,934,020	\$1,839,020	\$1,311,020	\$1,097,021	\$1,633,919	(\$1,984,700)	(\$3,410,912)	(\$3,139,292)	(\$3,364,112)	(\$3,442,292)	(\$3,328,312)	(\$35,592,292)
Total Liabilities and Equity	\$3,554,020	\$2,553,020	\$2,671,020	\$2,347,021	\$2,810,919	\$2,990,100	\$1,463,088	\$1,624,708	\$1,519,888	\$1,339,708	\$1,348,688	\$1,409,708
<i>Balance Check</i>	-	-	-	\$1	\$1	-	-	-	-	-	-	-



BEST PRACTICE – SUMMARIZE AND REPORT

Create meaningful tables and charts:

Entity A Expense Analysis					
Summary Account	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19
Advertising and Marketing	\$9,682	\$94,595	\$45,792	\$16,213	\$63,294
Bad Debt	\$3,379	\$47,166	\$27,782	–	–
Bank Charges	\$18,553	\$68,186	\$8,772	–	–
Communications	\$96,953	\$35,458	\$37,469	\$63,253	\$99,032
Insurance	\$10,692	\$28,726	\$6,092	\$68,011	\$96,091
Legal	\$51,640	\$16,924	\$50,833	\$67,183	\$18,885
Meals and Entertainment	\$73,170	\$12,688	\$31,286	–	–
Office Expenses	\$40,351	\$37,053	\$33,426	\$52,693	\$19,903
Professional Expenses - Corporate	\$68,708	\$133,759	\$159,860	\$31,277	\$18,953
Professional Expenses - Regional	\$346,464	\$322,279	\$423,897	\$403,129	\$360,175
Rent and Utilities	\$79,478	\$21,038	\$12,396	\$71,322	\$92,985
Repairs and Maintenance	\$69,909	\$60,064	\$98,759	–	–
Salaries and Benefits	\$841,151	\$560,930	\$575,236	–	–
Travel and Conferences	\$117,655	\$102,877	\$135,818	–	–
Total Expenses	\$1,827,785	\$1,541,743	\$1,647,418	\$773,081	\$769,318





04

LOAN COVENANTS CALCULATIONS



LOAN COVENANT CALCULATIONS – NON-LEVERAGED

Most of the data needed can be pulled directly from GL Megasheet:

Loan Covenants			
Line of Credit			
Securable Receivables - % of Total			100.0%

Borrowing Limit			
	Month 1	Month 2	Month 3
Accounts Receivable			
Total Accounts Receivable	\$100	\$150	\$200
% Assumed > 90 Days	5.0%	5.0%	5.0%
Assumed Amount > 90 Days	\$5	\$8	\$10
Good Receivables	\$95	\$143	\$190
Securable %	100.0%	100.0%	100.0%
Securable Receivables	\$95	\$143	\$190
Borrowing Limit			
Max per Securable Assets	\$95	\$143	\$190
Total Borrowing Limit	\$95	\$143	\$190



LOAN COVENANT CALCULATIONS - LEVERAGED

Allow a structured way of inputting Adjustments (addbacks, quality of earnings normalizations, etc.):

Covenant Inputs			
Deemed Amount - Quarter Ending			EBITDA Amount
30-Sep-19			\$2,000,000
31-Dec-19			\$3,000,000
31-Mar-20			\$1,000,000
30-Jun-20			\$4,000,000
Max Unrestricted Cash Balance			\$3,000,000
Total Debt to EBITDA Covenants			
01-Jul-20		30-Jun-22	3.50x
01-Jul-22		31-Mar-23	3.00x
01-Apr-23		01-Aug-50	2.50x

Compliance Certificate			
	31-Jul-20	31-Aug-20	30-Sep-20

7. (a) Total Debt to EBITDA Ratio

(i) Total Debt

Entity A	\$10,231,598	\$10,148,427	\$10,185,503
Entity A	\$12,277,918	\$12,178,112	\$12,222,604
Entity B	\$6,138,959	\$6,089,056	\$6,111,302
Entity C	\$12,277,918	\$12,178,112	\$12,222,604
Cash			
Entity A	(\$5,200,329)	(\$4,002,391)	(\$5,737,183)
Plus Cash to Reach Max of \$3,000,000	\$2,200,329	\$1,002,391	\$2,737,183
Total Debt	\$37,926,394	\$37,593,708	\$37,742,012

Last Twelve Months (LTM) Walk to EBITDA including Addbacks			
"Accounting EBITDA"	\$3,245,078	\$3,517,952	\$3,776,095
(ii) Net Income			
(iii) increased by the sum of			
(A) non-recurring, extraordinary or unusual losses satisfactory to the Lenders			
(A)	\$400,000	\$400,000	\$400,000
(B)	-	-	-
(B) Interest Expense			
(C) Income Tax Expense			
(D) non-cash compensation paid by the Obligors	\$420,000	\$500,000	\$580,000
Total	-	-	-
(I) transaction costs and expenses on the Closing Date	\$3,252,321	\$7,080,709	\$7,080,709
Less Cap	-	(\$2,080,709)	(\$2,080,709)
Total	\$3,252,321	\$5,000,000	\$5,000,000
(J) extraordinary, unusual and non-recurring charges, expenses or losses	\$389,239	\$772,177	\$856,005
Less Cap	-	-	-
Total	\$389,239	\$772,177	\$856,005
Sum of items (A) to (K)	\$4,461,560	\$6,672,177	\$6,836,005
(v) (ii) + (iii) [EBITDA]			
LTM	\$7,706,638	\$10,190,129	\$10,612,100
(vi) Applicable Corporate Costs			
General Corporate Overhead Costs - LTM	\$2,640,223	\$2,917,633	\$3,375,398
Applicable %	75.0%	75.0%	75.0%
Amount per %	\$1,980,167	\$2,188,225	\$2,531,549
Max	\$1,500,000	\$1,500,000	\$1,500,000
Applied Corporate Costs	\$1,500,000	\$1,500,000	\$1,500,000
sum of (v) and (vi) (LTM)	\$9,206,638	\$11,690,129	\$12,112,100
(vii) (i) divided by the sum of (v) and (vi)	4.12x	3.22x	3.12x
Covenant			
Effective Covenant	3.50x	3.50x	3.50x
Covenant Status?	Offside	Onside	Onside



05

**ACTIONABLE
OPERATIONAL
KPIS**



OPERATIONAL REPORTING

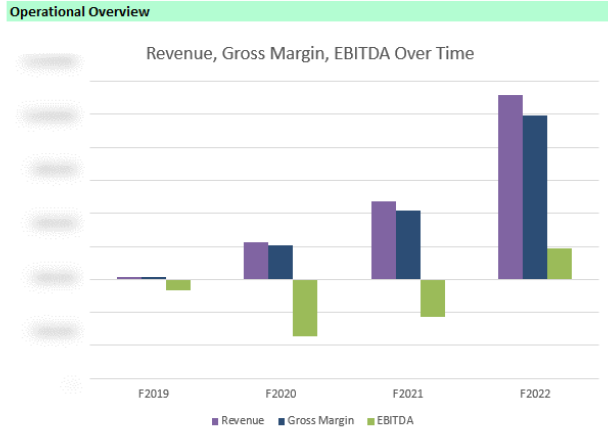
Key Focus on Straightforwardness and Stability:





EXCEL-BASED REPORTING PACK DATA

Excel-Based Reporting Pack outputs tend to be composed of:

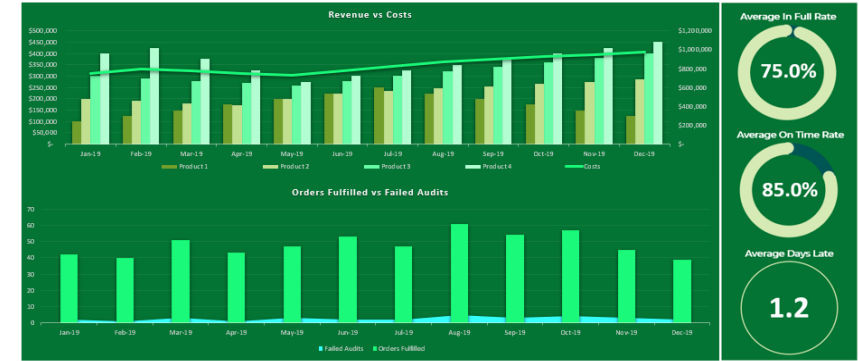


Financial Data

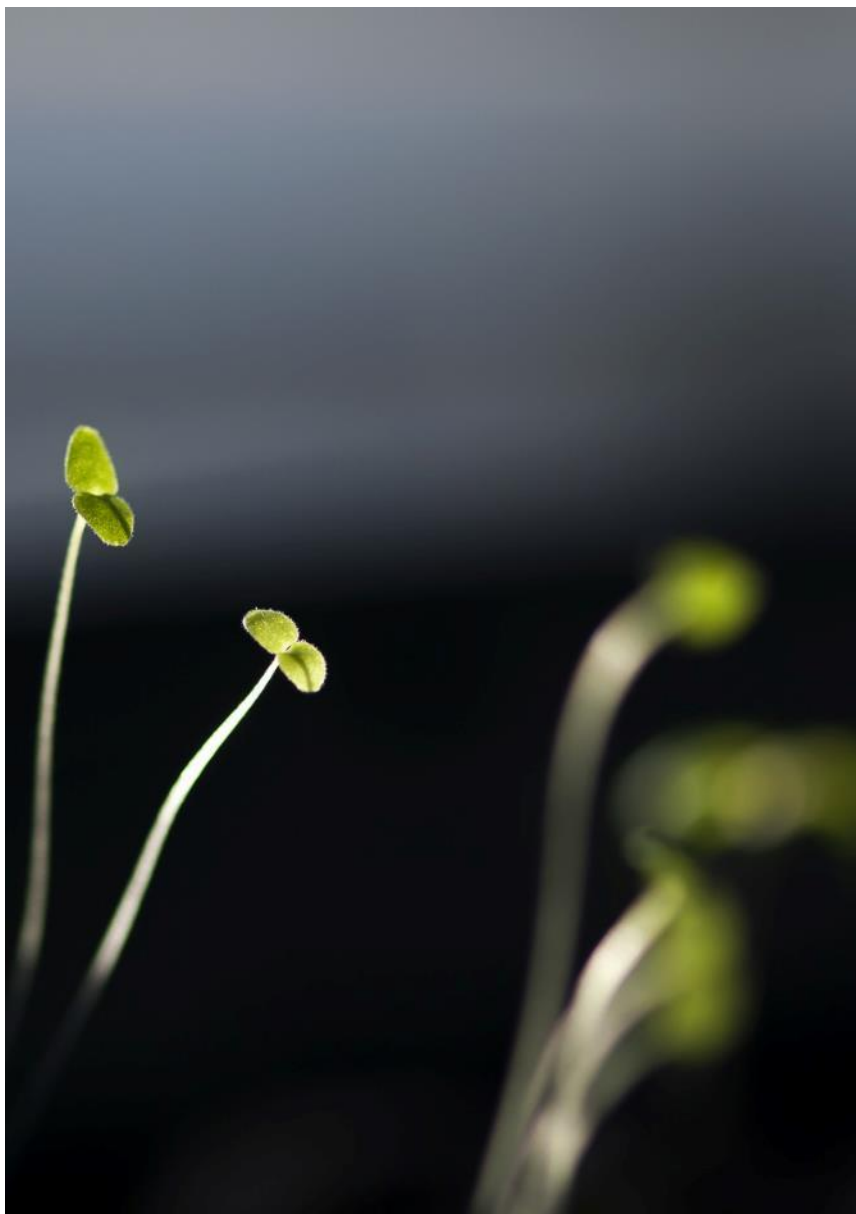
- This comes from the GL Megasheet
- It is key to pay special attention to data's level of granularity

Operational Data

- Hardcoded value approach
- Manual and structured
- Data warehouse approach
- Operational nature



	KPI Entry					
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Orders Fulfilled	41	40	51	42	45	53
Failed Audits	1	-	2	1	3	2



06

BEST PRACTICES



BEST PRACTICES

To ensure the most efficient and robust product:





07

Q&A



SAPLING
FINANCIAL CONSULTANTS

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