SedonaOffice

13TH ANNUAL USERS CONFERENCE

January 12-14, 2015 | Coronado Bay, CA

Financial Reporting
Using Microsoft Excel

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Financial Reporting Overview

Balance sheets, income statements and other financial statements are essential for understanding a company's financial status and performance. This guide illustrates the steps for creating different types of financial statements using the general ledger data from SedonaOffice.

Reporting Periods
The reports created using the tools described herein are period end reports. Reports can be run for a complete year, year-to-date, quarterly or monthly periods. They are not meant to be used for mid-month, weekly or daily financial reports.

Microsoft Excel
All the reports as reviewed within this guide are created using Microsoft Excel. For purposes of this guide Microsoft Excel 2007 has been used. Excel 2007 or higher is highly recommended as it has expanded capabilities to handle over one million rows of data.

SedonaOffice General Ledger Structure

Before we begin, let's review the SedonaOffice General Ledger Structure. Understanding of this and how transactions are created in SedonaOffice is essential to create useful financial reports.

Let's start off by looking at the creation of a general ledger transaction. Remember there are many different ways a general ledger transaction is created in SedonaOffice, but each has the same characteristics upon completion.

Invoice Example

This is a simple service invoice.

Below is the journal information for the invoice created.

General Ledger Account Code

The first segment of each transaction is the GL Account. The collection of GL accounts within your accounting system is called the Chart of Accounts.

Branch Code
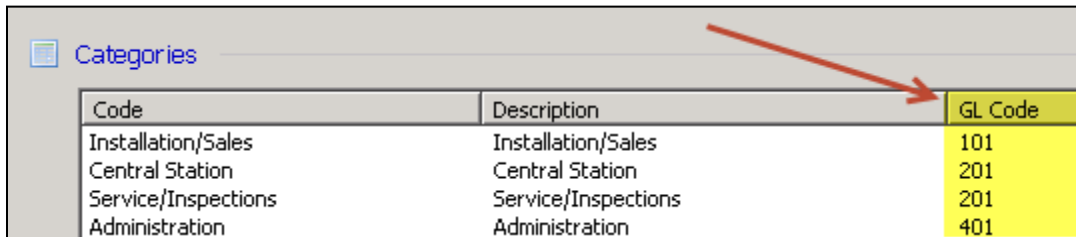
The next segment to a transaction is the Branch GL Code. This code is setup in the Branch setup in SedonaOffice. Each Branch requires a unique GL Code (including any inactive Branches).

Category Code

The third segment is the Category GL Code. This code is setup in the Category setup in SedonaOffice. Each Category requires a unique GL Code (including any inactive Branches).

Fiscal Year

The fourth element of each transaction is the fiscal year. This is automatically set based on the posting period for the entry.

Monthly Period

The last element of the general ledger transaction is the monthly period. This is automatically set based on the posting period for the entry.

GL Mask

The GL Mask is the complete set of GL Data created for each line in a transaction. The GL Mask is made up of 5 parts:

GL Code – Branch – Category – Fiscal Year – Period

The separator used by SedonaOffice is a '-' (dash). Therefore it is highly recommended you do not use a dash in any of your GL Codes.

In the invoice example above we have three lines of GL Data. Here is the complete GL Code for each line.

1) Debit to Accounts Receivable 11000-20-000-2007-12
2) Credit to Income   40010-20-101-2007-12
3) Credit to Sales Tax Liability   24030-20-000-2007-12

NOTE: The Category GL Code for balance sheet accounts is always all zeros. In this case it is '000'.

Extracting the GL Data from SedonaOffice to Excel

GL data must be extracted from SedonaOffice for use in building financial reports in Excel. But don't worry; this is an easy process using the tools provided by SedonaOffice.

The GL Summary Table
The GL Summary Table resides in your SedonaOffice database and is the data source for your Excel-based financial statements. Refreshing the table can take up to 20 minutes depending on the size of your database, but should be much less for properly configured servers.

GL Summary Update Wizard
Select the SedonaOffice Client Tools to begin the process of updating the GL Data.
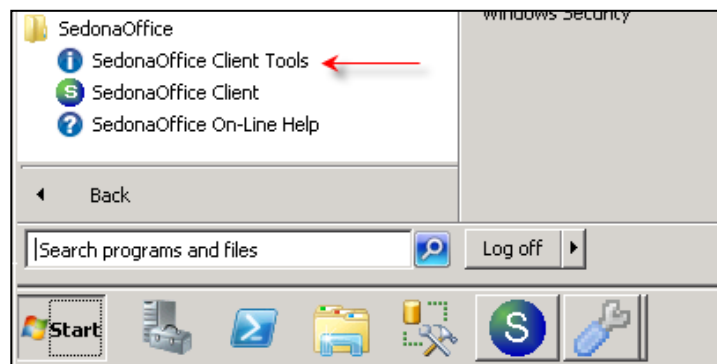
Select the GL Summary Update Wizard option then press Open.
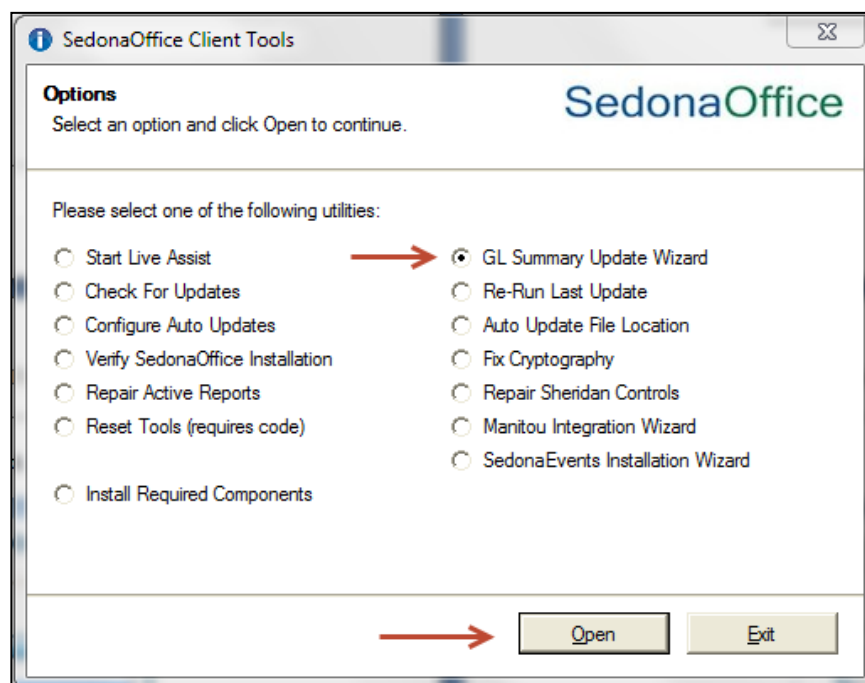
Choose the SedonaOffice database to update then press Next.
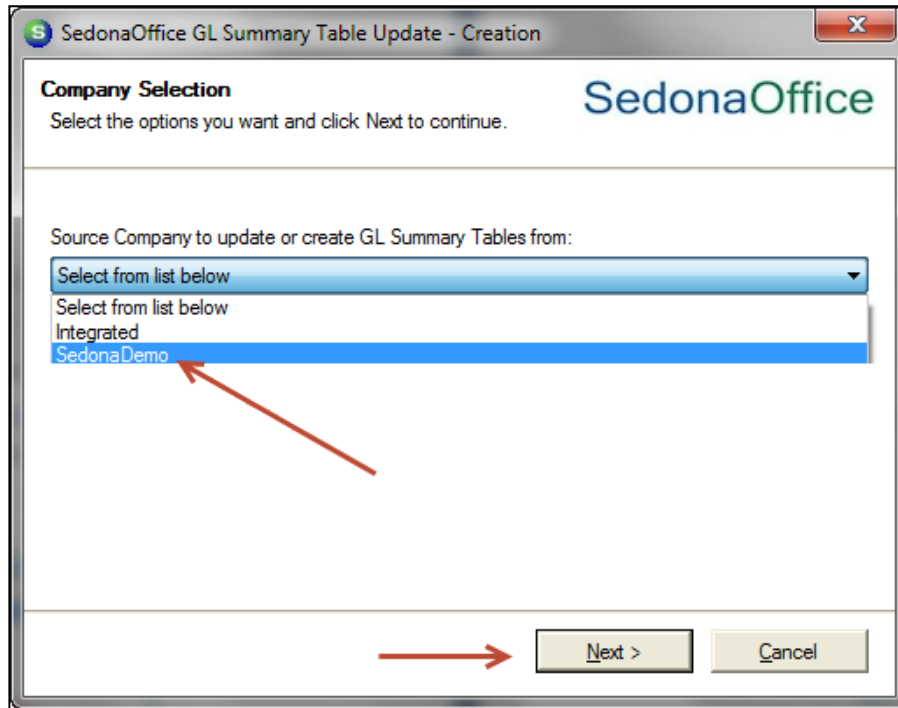
Wait for the process to finish; it can take up to 20 minutes based on the size of your database and configuration of your server.
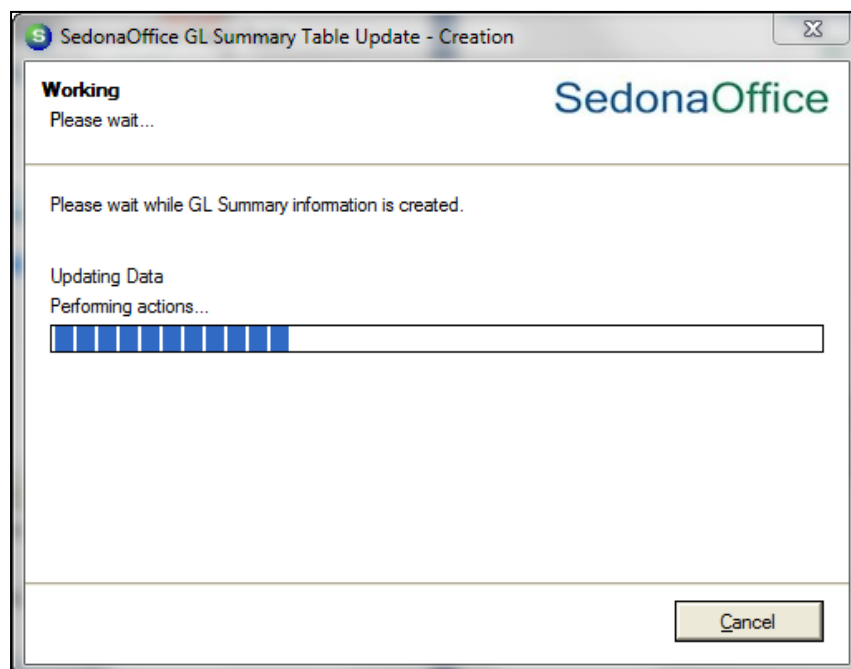
Then press Finish.
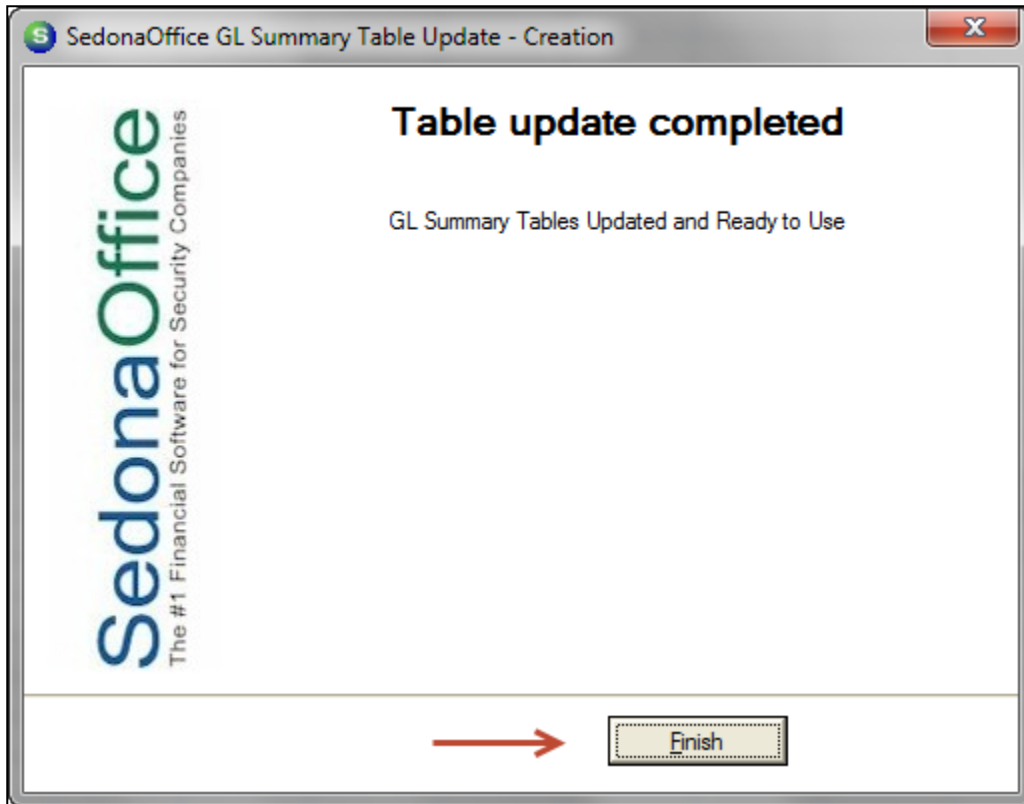
NOTE: You must run the GL Summary Update Wizard to update the GL Summary Table to reflect any modifications to the GL Data in SedonaOffice. Consequently, you may run the process several times during your month-end closing process as you make adjustments in SedonaOffice and create your financial statements.

Importing the SedonaOffice GL Data into Excel

Let's now review how to import the GL Data into Microsoft Excel. In this example we are going to use the feature in Excel to Query an External Data Source using Microsoft Query. This feature is available in most recent versions of Excel.
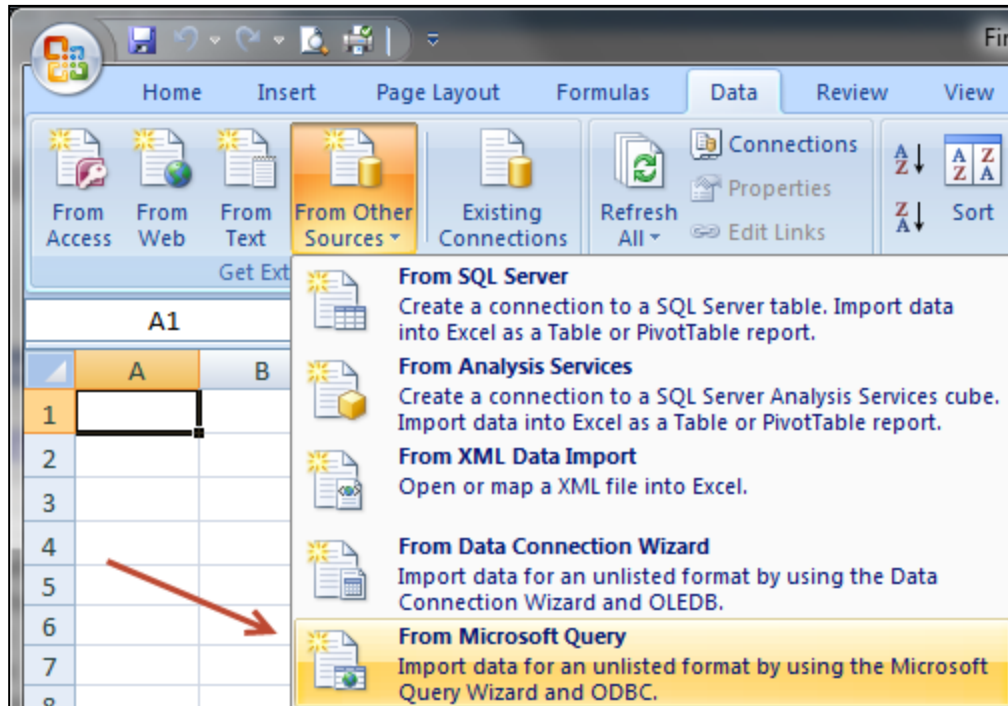
If you have not already done so, you will need to create a Data Source connection to your SedonaOffice database.
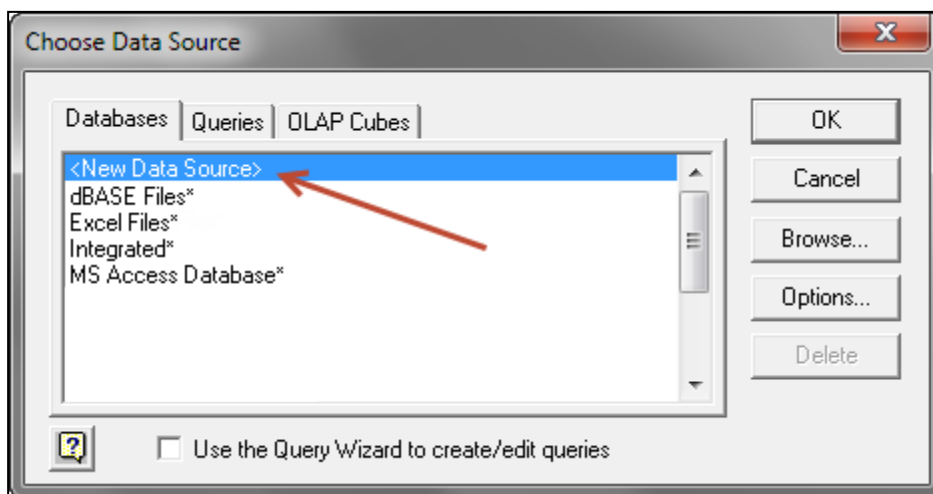
To create the new Data Source:

1. Name the data source appropriately
2. Select 'SQL Server' as the driver to connect to the database
3. Press the Connect button
   a) On the SQL Server Login Screen select the name of the SQL Server for SedonaOffice
   b) Use "SedonaReports" as the Login ID, no password is needed
   c) Select the Options tab and select the name of your production SedonaOffice database

1) Press OK
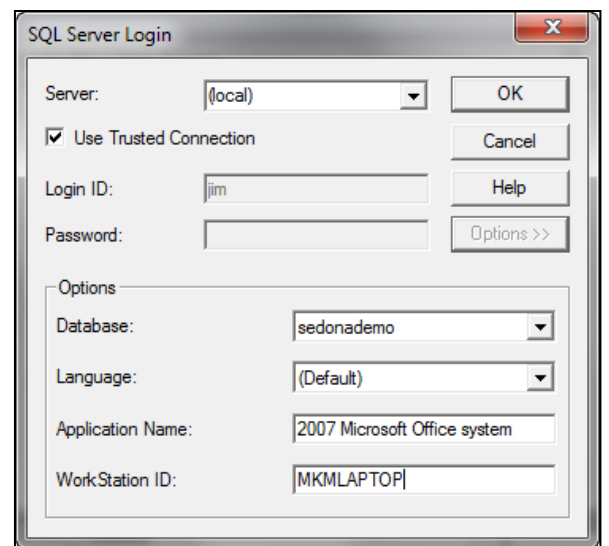
Select the data source you just created to create the Query. Uncheck the 'Use the Query Wizard…" this will take you directly to Microsoft Query to create the Query.
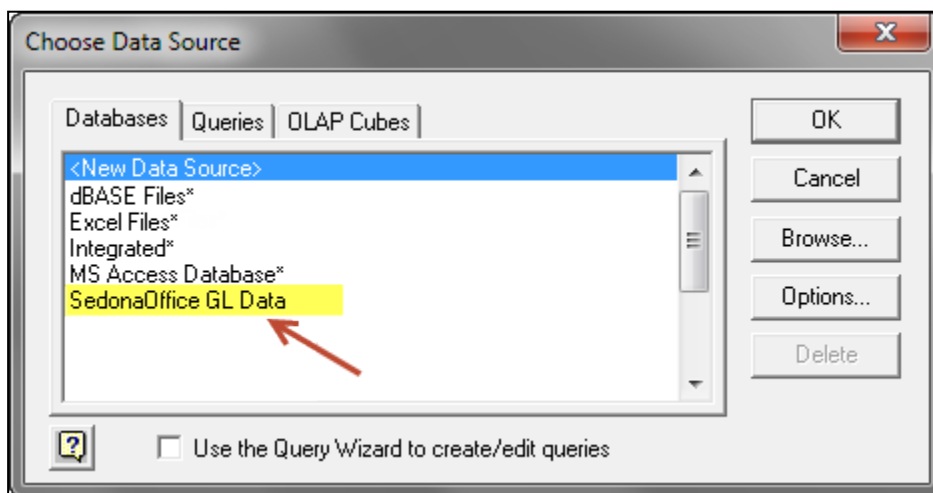
Select the "SO_Complete_GL_Total_YTD" table to use in the Query. Then click Close.
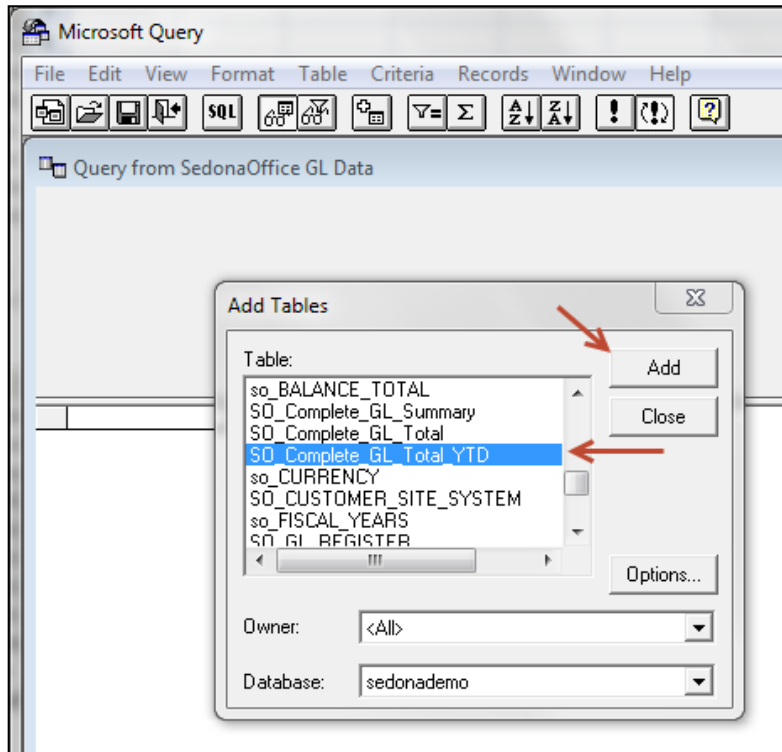
Next, select the data fields and criteria for the data to be returned. Select all the data elements in the Table. While it doesn't really matter what order to display the data fields, using the order as shown below will be more logical when viewed with Excel.

Since this table can contain thousands if not hundreds of thousands of records, it is best to use some criteria to limit the data that returns.

Criteria Selections:

1. YTD_Net <> $0 – By selecting this option only data with values will be returned.
2. Fiscal Year >= 2011 – In this case only years 2011, 2012 and 2013 are needed so limit the data to only these fiscal years.
3. Fiscal Year < 2014 – In this case since 2014 has been created we can remove these entries since were still reporting on 2013.
4. Net_Amount <>$0 – This is included as an 'OR' selection. This is necessary to return the Retained Earnings account (more on this later).

Now that we have completed the Query, click the Return Data icon, and the GL Data will be returned to Excel.
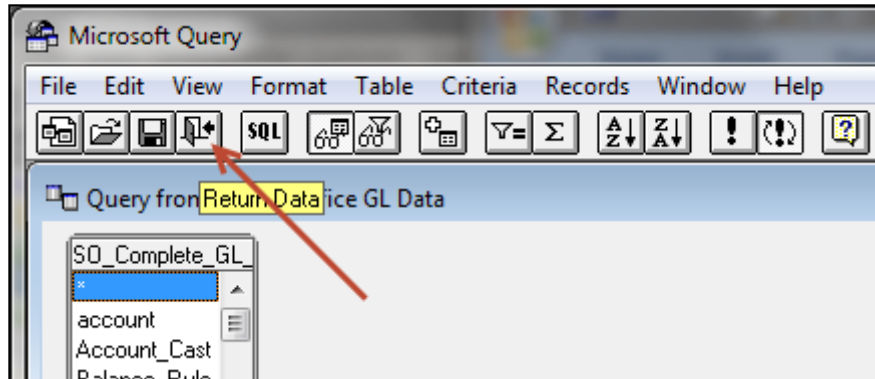
Understanding the GL Data

Now that the GL Data has been retrieved, let's take a close look at what we have.

	Account_Cast	Debit_Amount	Credit_Amount	Net_Amount	YTD_Debit	YTD_Credit	YTD_Net	Balance_Rule	account	Fiscal_Year	Period_Number
403	15030-20-000-2013-8	500	0	500	500	0	500	1	15030-20-000	2013	8
404	15030-20-000-2013-9	0	0	0	500	0	500	1	15030-20-000	2013	9
405	20000-10-000-2011-0	7220	12155	4935	7220	12155	4935	2	20000-10-000	2011	0
406	20000-10-000-2011-1	0	0	0	7220	12155	4935	2	20000-10-000	2011	1
407	20000-10-000-2011-10	0	0	0	7220	12155	4935	2	20000-10-000	2011	10

GL Data Elements

- **Account_Cast** – The Account_Cast is the complete GL Mask that includes the GL Account Code, Branch, Category, Fiscal Year and Period. There is one unique Account_Cast for each accounting period of the unique combination of GL Code, Branch and Category.

- **Debit_Amount** – The Debit_Amount is the current period debit total for all transactions with this Account_Cast.

- **Credit_Amount** – The Credit_Amount is the current period credit total for all transactions with this Account_Cast.

- **Net_Amount** – The Net_Amount is the current period net balance based on the Balance_Rule for the GL Account.

- **YTD_Debit** – The YTD_Debit is the running balance of the YTD Debits for the Account_Cast.

- **YTD_Credit** – The YTD_Credit is the running balance of the YTD Credits for the Account_Cast.

- **YTD_Net** – The YTD_Net is the running YTD total for the GL Account based on the Balance_Rule.

- **Balance_Rule** – The Balance_Rule specifies if the GL Account is a debit or credit balance account.

    - 1 = Debit Balance – The Net amounts are calculated as Debit – Credit
    - 2 = Credit Balance – The Net amounts are calculated as Credit – Debit

The Zero (0) Period – Balance Sheet Accounts Only

Balance sheet accounts will contain a 0 (zero) period which is the YTD carry forward from the previous fiscal year.

Income Statement GL Accounts do not have a 0 (zero) period as each new fiscal year these accounts begin accumulating new.

Retained Earnings Account

The Retained Earnings account's GL Data is carried forward in the 0 (zero) period record only, and the carry forward retained earnings is in the Net_Amount bucket. You'll need to remember this when you put together your balance sheet.

	Account_Cast	Debit_Amount	Credit_Amount	Net_Amount	YTD_Debit	YTD_Credit	YTD_Net
495	30900-10-000-2011-0	13909.18	814747	800837.82	0	0	0
496	30900-10-000-2012-0	0	2856	2856	0	0	0
600	30900-10-000-2013-0	0	2856	2856	0	0	0

GL Account, Branch and Category Codes

Before we begin creating the financial statements, let's discuss the things you need to consider when building your GL Codes.

When creating your codes you will want to use a numbering sequence that is logical to the way you want to present your financial reports. Let's review a few examples.

Let's say you have 3 different bank accounts; the checking account, the payroll account and a savings account. When you prepare your balance sheet you may want to display each account on the report or you may want to consolidate the three accounts into one.

For our example we want to consolidate them. So we'll give them the following GL Account Codes:

- 10010 – Checking Account
- 10020 – Payroll Account
- 10030 – Savings Account

With this numbering scheme each of the bank accounts begins with a '100'. This will allow us to select all the bank accounts by selecting a mask of '100*' when selecting the bank accounts. (We'll review this further when we build the reports)

You can use this same numbering scheme for all the different GL Codes as well as for Branches and Categories.

NOTE: Setting up the proper GL Codes is essential to creating your financial statements.

Excel Commands

Here are the Excel commands needed to build the financial reports.

Concatenate

The Concatenate command is necessary to build the GL Mask for the selection of data to report on. The purpose of the Concatenate command is to join several text strings into one text string.

> **Syntax**
>
> CONCATENATE (text1,text2,...)
>
> Text1, text2, ...   are 2 to 255 text items to be joined into a single text item. The text items can be text strings, numbers, or single-cell references.
>
> Remarks
>
> You can also use the ampersand (&) calculation operator instead of the CONCATENATE function to join text items. For example, =A1&B1 returns the same value as =CONCATENATE(A1,B1).

Sumif

The Sumif command is used to bring back the data based on the results of the Concatenate value created. The Sumif command is used to add (sum) cells based on a given condition.

> **Syntax**
>
> SUMIF(range,criteria,sum_range)
>
> Range   is the range of cells that you want evaluated by criteria. Cells in each range must be numbers or names, arrays, or references that contain numbers. Blank and text values are ignored.
>
> Criteria   is the criteria in the form of a number, expression, or text that defines which cells will be added. For example, criteria can be expressed as 32, "32", ">32", or "apples".
>
> Sum_range   are the actual cells to add if their corresponding cells in range match criteria. If sum_range is omitted, the cells in range are both evaluated by criteria and added if they match criteria.

Setting up your "Template" Excel Spreadsheet

The financial statement spreadsheet you build is really a template in that you will be able to use the same spreadsheet month after month. You simply refresh the GL Data and modify a few variables to produce your financial reports for a specific month. Like any spreadsheet, be sure to create a back-up copy each time you make modifications to the template.

The Variables Tab

In the sample below are a set of Variables that will be used for the financial statements. Some of these variables are fixed while others will need to be updated each month. As we build the financial statements you will see how the data is used.

	A	B	C	D	E	F	G
1							
2							
3							
4							
5			Company Name				Sandbox Alarm Company
6			Current Fiscal Year				2013
7			Previous Fiscal Year				2012
8			Current Accounting Period				12
9			Current Month Name				December
10							
11							
12			**Branches**				
14		*	All Branches				*
15		10	Michigan Branch				10
16		20	Ohio Branch				20
17							
18							
19			**Categories**				
21		*	All Categories				*
22		101	Installation/Sales				101
23		201	Central Station				201
24		301	Service/Inspections				301
25		401	Administration				401

Creating a Simple Income Statement

Let's start out by creating a very simple income statement.

	B	C	D	E	F	G	H	I	J	K
1										
2										
3					**Sandbox Alarm Company**					
4					**INCOME STATEMENT**					
6					*For the period ending: December, 2013*					
7	GL MASK							MTD		DATA SELECTION
8				**Revenues:**						
10	400*				Installation Sales			964,462.69		400*-*-*-2013-12

Report Header

For the header we start off with the company name. In this case we use the following command. This command returns the value from the Variables tab that contains the company name.

```
=Variables!G5
```

For the title of the income statement, we typed in "INCOME STATEMENT"
For the period ending line, we use the following command, which brings in the month and year from the Variables tab.

```
="For the period ending: "&Variables!G9&", "&Variables!G6
```

Report Data

In this example we are going to break our income into four different lines. For this example we are going to mask the lines of data using a GL Mask.

GL Mask

Let's review how we retrieve and format a row of data. The first row of data is the installation revenue. In this example all the installation revenue GL Codes have been mapped to begin with "400", therefore to return all the GL Data with these values we select a GL Mask of "400*"

Data Selection

The next key element to return the correct GL Data is the Data Selection. The Data Selection is a mapping of the "GL Code – Branch – Category – Fiscal Year – Period". In the example for the first row of GL Data to create a Data Selection to return the installation sales we build the data using this command.

```
=$B10&"-"&Variables!$G$14&"-"&Variables!$G$21&"-"&Variables!$G$6&"-"&Variables!$G$8
```

In this example:

The GL Code is returned from the cell "B10", which contains the installation revenue GL Mask. "400*"

The Branch returns the "All Branches" variable from the Variables tab. "*"

The Category returns the "All Categories" variable from the Variables tab. "*"

The Fiscal Year returns the Current Fiscal Year variable from the Variables tab. "2013"

The Period returns the Current Accounting Period variable from the Variables tab. "12"

Between each variable a "-" is used in the command to separate each element.
The end result of the command is: 400*-*-*-2013-12

GL Data
The last command we need to know is the SUMIF, which will be used to bring back the results from our Data Selection.

For the first line of data for the installation sales, we use the following SUMIF command:

```
=SUMIF('GL Data'!A:A,K10,'GL Data'!D:D)
```

Here's how this command brings back the installation sales.

The first variable is the data to look for in the GL Data tab, here we have selected the entire Column A.

The next variable is the data to compare on, for this transaction we are using the GL Data we mapped for the installation sales.

The last variable is the data to SUM when a match is found. Since this is a monthly report, we will select the Monthly Net_Amount which is contained in Column D.

The subset of data below from the GL Data tab represents the data that matched the criteria for the installation sales. All the amounts in Column D were summed to return the total installation sales for the month.

	A	B	C	D	E	F	G
1	Account_Cast	Debit_Amount	Credit_Amount	Net_Amount	YTD_Debit	YTD_Credit	YTD_Net
823	40000-10-101-2013-12	0	181058	181058	0	181058	181058
824	40000-20-101-2013-12	25	41523.22	41498.22	25	403839.22	403814.22
829	40010-10-101-2013-12	0	703554	703554	0	738999	738999
834	40010-10-301-2013-12	0	0	0	0	100	100
838	40010-20-101-2013-12	0	37794.25	37794.25	435	1442982.28	1442547.28
843	40030-10-201-2013-12	0	324	324	0	738	738
848	40030-20-201-2013-12	0	234.22	234.22	0	465.89	465.89

Copy and Paste Additional Rows

Creating all the additional rows is very easy. Simply fill in the GL Mask and Description for each row, then Copy and Paste the Data Selection and GL Data formulas (you can also use the Copy Down "CTRL-D" command).

Summing Data and Format

Use the SUM command to add all the revenue lines.

964,462.69
730,823.09
981,526.82
1,401.22
=SUM(I9:I12)

Use the borders feature in Excel to create separation and formatting for the financial statement.

Here is how the top section of our income statement looks with all the Revenue lines.

	B	C D E	F	G	H	I	J	K
1								
2			**Sandbox Alarm Company**					
3			**INCOME STATEMENT**					
4			All Branches, All Categories					
5			*For the period ending: December, 2013*					
6	GL MASK					**MTD**		DATA SELECTION
7			**Revenues:**					
9	400*		Installation Sales			964,462.69		400*-*-*-2013-12
10	421*		Service & Inspections Sales			730,823.09		421*-*-*-2013-12
11	431*		Monitoring Sales			981,526.82		431*-*-*-2013-12
12	49*		Miscellaneous Sales			1,401.22		49*-*-*-2013-12
13						2,678,213.82		

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Here's the completed income statement.

	B	C	D	E	F	G	H	I	J	K
1										
2					**Sandbox Alarm Company**					
3					**INCOME STATEMENT**					
4					All Branches, All Categories					
5					*For the period ending: December, 2013*					
6	GL MASK							**MTD**		DATA SELECTION
7					**Revenues:**					
9	400*				Installation Sales			964,462.69		400*-*-*-2013-12
10	421*				Service & Inspections Sales			730,823.09		421*-*-*-2013-12
11	431*				Monitoring Sales			981,526.82		431*-*-*-2013-12
12	49*				Miscellaneous Sales			1,401.22		49*-*-*-2013-12
13								2,678,213.82		
15					**Cost of Goods Sold:**					
17	500*				Installation Materials			278,811.60		500*-*-*-2013-12
18	510*				Installation Labor			169,876.58		510*-*-*-2013-12
19	521*				Service Materials			154,752.33		521*-*-*-2013-12
20	520*				Service Labor			112,337.55		520*-*-*-2013-12
21								715,778.06		
23					**Gross Profit**			1,962,435.76		
25					**Expenses**					
27	60100				Salaries			940,085.35		60100-*-*-2013-12
28	60125				Commissions			7,862.22		60125-*-*-2013-12
29	60010				Advertising			92,924.33		60010-*-*-2013-12
30	609*				Postage & Delivery			219.35		609*-*-*-2013-12
31	61*				Vehicles			85,523.99		61*-*-*-2013-12
32	62*				Bank Fees			750.00		62*-*-*-2013-12
33	65*				Employee Benefits			63,684.00		65*-*-*-2013-12
34	71*				Office Expenses			6,688.00		71*-*-*-2013-12
35	78*				Phone & Internet			5,700.00		78*-*-*-2013-12
36								1,203,437.24		
38					**Net Ordinary Income**			758,998.52		
40					**Other Income (Expense):**					
42	80005				Interest Income			145,255.74		80005-*-*-2013-12
43	80110				Allowance for Income Taxes			36,000.00		80110-*-*-2013-12
45					**Net Profit**			868,254.26		

Setting the Print Area

Set a Print Area in the Excel spreadsheet to not include the GL Mask and Data Selection and you end up with a very nice looking income statement.

Sandbox Alarm Company
INCOME STATEMENT
For the period ending: December, 2013

	MTD
Revenues:	
Installation Sales	964,462.69
Service & Inspections Sales	730,823.09
Monitoring Sales	981,526.82
Miscellaneous Sales	1,401.22
	2,678,213.82
Cost of Goods Sold:	
Installation Materials	278,811.60
Installation Labor	169,876.58
Service Materials	154,752.33
Service Labor	112,337.55
	715,778.06
Gross Profit	1,962,435.76
Expenses	
Salaries	947,947.57
Advertising	92,924.33
Vehicles	85,523.99
Bank Fees	750.00
Employee Benefits	63,684.00
Insurance	-
Travel	-
Office Expenses	6,688.00
Phone & Internet	5,700.00
Depreciation	-
Miscellaneous	219.35
	1,203,437.24
Net Ordinary Income	758,998.52
Other Income (Expense):	
Discounts	-
Interest Income	145,255.74
Allowance for Income Taxes	36,000.00
Net Profit	868,254.26

Adding a Year-to-Date column to the Income Statement

In this example we have added a new column called YTD:

	B	C	D	E	F	G	H	I	J	K	L
1											
2											
3					**Sandbox Alarm Company**						
4					**INCOME STATEMENT**						
6					*For the period ending: December, 2013*						
7	GL MASK							MTD	YTD		DATA SELECTION
8			Revenues:								
10	400*		Installation Sales					964,462.69	2,767,722.39		400*-*-*-2013-12
11	421*		Service & Inspections Sales					730,823.09	2,097,938.09		421*-*-*-2013-12
12	431*		Monitoring Sales					981,526.82	2,779,213.56		431*-*-*-2013-12
13	49*		Miscellaneous Sales					1,401.22	1,406.22		49*-*-*-2013-12
14								2,678,213.82	7,646,280.26		

The SUMIF for YTD

All we have to do is modify the SUMIF command to return the data from the YTD_Net column based on using the same Data Selection as used in the monthly financial statement.

=SUMIF('GL Data'!A:A,M12,'GL Data'!G:G)

|	A	B	C	D	E	F	G
1	Account_Cast	Debit_Amount	Credit_Amount	Net_Amount	YTD_Debit	YTD_Credit	YTD_Net
823	40000-10-101-2013-12	0	181058	181058	0	181058	181058
824	40000-20-101-2013-12	25	41523.22	41498.22	25	403839.22	403814.22
829	40010-10-101-2013-12	0	703554	703554	0	738999	738999
834	40010-10-301-2013-12	0	0	0	0	100	100
838	40010-20-101-2013-12	0	37794.25	37794.25	435	1442982.28	1442547.28
843	40030-10-201-2013-12	0	324	324	0	738	738
848	40030-20-201-2013-12	0	234.22	234.22	0	465.89	465.89

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Here's the completed Year to Date income statement.

	GL MASK				MTD	YTD	DATA SELECTION
3			**Sandbox Alarm Company**				
4			**INCOME STATEMENT**				
6			*For the period ending: December, 2013*				
7	**GL MASK**				**MTD**	**YTD**	**DATA SELECTION**
8			**Revenues:**				
10	400*		Installation Sales		964,462.69	2,767,722.39	400*-*-*-2013-12
11	421*		Service & Inspections Sales		730,823.09	2,097,938.09	421*-*-*-2013-12
12	431*		Monitoring Sales		981,526.82	2,779,213.56	431*-*-*-2013-12
13	49*		Miscellaneous Sales		1,401.22	1,406.22	49*-*-*-2013-12
14					**2,678,213.82**	**7,646,280.26**	
16			**Cost of Goods Sold:**				
18	500*		Installation Materials		278,811.60	1,078,601.60	500*-*-*-2013-12
19	510*		Installation Labor		169,876.58	494,878.58	510*-*-*-2013-12
20	521*		Service Materials		154,752.33	453,062.51	521*-*-*-2013-12
21	520*		Service Labor		112,337.55	315,673.55	520*-*-*-2013-12
22					**715,778.06**	**2,342,216.24**	
24			**Gross Profit**		**1,962,435.76**	**5,304,064.02**	
26			**Expenses**				
28	601*		Salaries		947,947.57	3,714,017.27	601*-*-*-2013-12
29	600*		Advertising		92,924.33	272,260.36	600*-*-*-2013-12
30	61*		Vehicles		85,523.99	246,687.99	61*-*-*-2013-12
31	62*		Bank Fees		750.00	750.00	62*-*-*-2013-12
32	65*		Employee Benefits		63,684.00	176,952.00	65*-*-*-2013-12
33	66*		Insurance		-	1,030.30	66*-*-*-2013-12
34	70*		Travel		-	60.00	70*-*-*-2013-12
35	71*		Office Expenses		6,688.00	18,064.00	71*-*-*-2013-12
36	78*		Phone & Internet		5,700.00	5,824.00	78*-*-*-2013-12
37	64*		Depreciation		-	149.00	64*-*-*-2013-12
38	73*		Miscellaneous		219.35	394.35	73*-*-*-2013-12
39					**1,203,437.24**	**4,436,189.27**	
41			**Net Ordinary Income**		**758,998.52**	**867,874.75**	
43			**Other Income (Expense):**				
45	80003		Discounts		-	20.00	80003-*-*-2013-12
46	80005		Interest Income		145,255.74	395,243.74	80005-*-*-2013-12
47	80110		Allowance for Income Taxes		36,000.00	80,000.00	80110-*-*-2013-12
49			**Net Profit**		**868,254.26**	**1,183,138.49**	

Creating a Balance Sheet

In this example we'll create a simple balance sheet. The same rules will apply using the GL Mask, the Data Selection and the SUMIF command.

	GL MASK			DATA SELECTION
		Sandbox Alarm Company		
		Balance Sheet		
		For the period ending: December, 2013		
		Assets		
		Current Assets		
	100*	Cash on Hand	2,131,660.65	100*-*-*-2013-12
	11000	Accounts Receivable	54,990.00	11000-*-*-2013-12
	12000	Inventory	24,648.84	12000-*-*-2013-12
	12010	Materials WIP	38,450.64	12010-*-*-2013-12
	12030	Labor WIP	27,104.78	12030-*-*-2013-12
	12040	Commissions WIP	300.00	12040-*-*-2013-12
	14010	Employee Advances	2,500.00	14010-*-*-2013-12
	14030	Prepaid Expenses	7,730.00	14030-*-*-2013-12
			2,287,384.91	
		Fixed & Other Assets		
	15000	Furniture & Fixtures	325,888.00	15000-*-*-2013-12
	15020	Vehicles	86,550.00	15020-*-*-2013-12
	15030	Computers & Software	161,588.00	15030-*-*-2013-12
			574,026.00	
		Total Assets	2,861,410.91	

Retained Earnings Balance

As discussed earlier the Retained Earnings is always stored in the zero accounting period. For this one Data Selection you'll need to change the accounting period to zero. Remember the Retained Earnings amount is stored in the Net_Amount column, so you'll need to adjust the SUMIF command accordingly.

	Account_Cast	Debit_Amount	Credit_Amount	Net_Amount	YTD_Debit	YTD_Credit	YTD_Net
600	30900-10-000-2012-0	0	2856	2856	0	0	0

Net Income (Loss) for the Current Fiscal Year

The net income (or loss) for the current fiscal year is not stored in a GL Account, so the easiest way to pick up this value is from the YTD Income Statement created earlier.

='Income Statement YTD'!K98

32			**Liabilities & Equity**			
34			**Current Liabilities**			
36	2000*		Accounts Payable		7,880.00	2000*-*-*-2013-12
37	201*		Unapplied Cash/Credits		1,111.81	201*-*-*-2013-12
38	230*		Sales Tax Payable		29,878.00	230*-*-*-2013-12
39	231*		Accrued Wages		38,464.00	231*-*-*-2013-12
40	240*		Corporate Taxes		2,879.46	240*-*-*-2013-12
41	242*		Current Portion of Notes Payable		85,250.00	242*-*-*-2013-12
42	25*		Deferred Revenues		1,284.15	25*-*-*-2013-12
43					166,747.42	
45			**Long Term Liabilities**			
46	270*		Notes Payable		1,258,669.00	270*-*-*-2013-12
47					1,258,669.00	
49			**Total Liabilities**		1,425,416.42	
50						
51			**Equity**			
53	301*		Paid in Capital		250,000.00	301*-*-*-2013-12
54	30900		Retained Earnings		2,856.00	30900-*-*-2013-0
55			Net Income Current Fiscal Year		1,183,138.49	
56					1,435,994.49	
58			**Total Liabilities & Equity**		2,861,410.91	

The final Balance Sheet is shown below.

Sandbox Alarm Company

Balance Sheet

For the period ending: December, 2013

Assets

Current Assets

Cash on Hand	2,131,660.65
Accounts Receivable	54,990.00
Inventory	24,648.84
Materials WIP	38,450.64
Labor WIP	27,104.78
Commissions WIP	300.00
Employee Advances	2,500.00
Prepaid Expenses	7,730.00
	2,287,384.91

Fixed & Other Assets

Furniture & Fixtures	325,888.00
Vehicles	86,550.00
Computers & Software	161,588.00
	574,026.00
Total Assets	2,861,410.91

Liabilities & Equity

Current Liabilities

Accounts Payable	7,880.00
Unapplied Cash/Credits	1,111.81
Sales Tax Payable	29,878.00
Accrued Wages	38,464.00
Corporate Taxes	2,879.46
Current Portion of Notes Payable	85,250.00
Deferred Revenues	1,284.15
	166,747.42

Long Term Liabilities

Notes Payable	1,258,669.00
	1,258,669.00
Total Liabilities	1,425,416.42

Equity

|	
Paid in Capital	250,000.00
Retained Earnings	2,856.00
Net Income Current Fiscal Year	1,183,138.49
	1,435,994.49
Total Liabilities & Equity	2,861,410.91

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Creating a Budget

When you create a budget you want to use the same format as your Income Statement layout. This is necessary as there should be a direct one-to-one relationship for each line of data on the income statement with a line on the budget.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Sandbox Alarm Company													
Budget													
For the period ending: December, 2013													
Revenues:													
Installation Sales	215,000	235,000	224,000	250,000	210,000	300,000	220,000	220,000	220,000	220,000	220,000	220,000	2,754,000
Service & Inspections Sales	185,000	185,000	186,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	2,221,000
Monitoring Sales	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	2,880,000
Miscellaneous Sales	100	100	100	100	100	100	100	100	100	100	100	100	1,200
	640,100	660,100	650,100	675,100	635,100	725,100	645,100	645,100	645,100	645,100	645,100	645,100	7,856,200
Cost of Goods Sold:													
Installation Materials	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	1,080,000
Installation Labor	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	540,000
Service Materials	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	480,000
Service Labor	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,400,000
Gross Profit	440,100	460,100	450,100	475,100	435,100	525,100	445,100	445,100	445,100	445,100	445,100	445,100	5,456,200
Expenses													
Salaries	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	3,300,000
Advertising	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	270,000
Conferences	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Security Services	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Postage & Delivery	50	50	50	50	50	50	50	50	50	50	50	50	600
Vehicles	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
Bank Fees	50	50	50	50	50	50	50	50	50	50	50	50	600
Employee Benefits	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	210,000
Insurance	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Travel & Entertainment	10	10	10	10	10	10	10	10	10	10	10	10	120
Office Expenses	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400
Phone & Internet	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Depreciation Expenses	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Discounts Taken	-	-	-	-	-	-	-	-	-	-	-	-	-
	344,110	344,110	344,110	344,110	344,110	344,110	344,110	344,110	344,110	344,110	344,110	344,110	4,129,320
Net Ordinary Income	95,990	115,990	105,990	130,990	90,990	180,990	100,990	100,990	100,990	100,990	100,990	100,990	1,326,880
Expenses													
Interest Income	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	420,000
Allowance for Income Taxes	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	78,000
Net Profit	124,490	144,490	134,490	159,490	119,490	209,490	129,490	129,490	129,490	129,490	129,490	129,490	1,668,880

In the Budget shown above there are some hidden columns which contain the rolling YTD totals by period. We'll need these totals when we create Actual to Budget YTD financials.

		1		2		3		4
Sandbox Alarm Company								
Budget								
For the period ending: December, 2013								
Revenues:	Jan		Feb		Mar		Apr	
Installation Sales	215,000	215,000	235,000	450,000	224,000	674,000	250,000	924,000
Service & Inspections Sales	185,000	185,000	185,000	370,000	186,000	556,000	185,000	741,000
Monitoring Sales	240,000	240,000	240,000	480,000	240,000	720,000	240,000	960,000
Miscellaneous Sales	100	100	100	200	100	300	100	400
	640,100	640,100	660,100	1,300,200	650,100	1,950,300	675,100	2,625,400

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Actual to Budget – Income Statement

In this example we can copy the YTD Income Statement to a new worksheet, and then add the Budget and Variance columns.

Month to Date Budget

To get the results for the month-to-date budget use the OFFSET command.   The OFFSET command will return a value from the offset of a base cell location (i.e. D10). In this case we offset the value based on the month number setup in the Variables tab (i.e. $G$8 = 12) times 2 (i.e. 12*2=24) minus 1 to return column 23 (i.e. $220,000 is the value in the 23rd column to the right of D10.

=OFFSET(Budget!D10,0,(Variables!$G$8*2)-1)

C	D	Y	Z	AA	AB	AC	AD
1							
3	**Sandbox Alarm Company**						
5	**Budget**						
6	*For the period ending: December, 2013*						
7			11			12	
8	**Revenues:**	Nov		Dec			YTD
10	Installation Sales	220,000	2,534,000	220,000	2,754,000		2,754,000
11	Service & Inspections Sales	185,000	2,036,000	185,000	2,221,000		2,221,000
12	Monitoring Sales	240,000	2,640,000	240,000	2,880,000		2,880,000
13	Miscellaneous Sales	100	1,100	100	1,200		1,200
14		645,100	7,211,100	645,100	7,856,200		7,856,200

Yearly Budget

For the Yearly Budget we must return the value from the Year to Date totals on the Budget. In this case we've used the SUMIFS command.

=SUMIFS(Budget!F10:AB10,Budget!$F$7:$AB$7,Variables!$G$8)

C	D	Y	Z	AA	AB	AC	AD
1							
3	**Sandbox Alarm Company**						
5	**Budget**						
6	*For the period ending: December, 2013*						
7			11			12	
8	**Revenues:**	Nov		Dec			YTD
10	Installation Sales	220,000	2,534,000	220,000	2,754,000		2,754,000
11	Service & Inspections Sales	185,000	2,036,000	185,000	2,221,000		2,221,000
12	Monitoring Sales	240,000	2,640,000	240,000	2,880,000		2,880,000
13	Miscellaneous Sales	100	1,100	100	1,200		1,200
14		645,100	7,211,100	645,100	7,856,200		7,856,200

Sandbox Alarm Company
ACTUAL TO BUDGET - INCOME STATEMENT
For the period ending: December, 2013

GL MASK			December	Budget	Variance	Dec YTD	Budget	Variance	DATA SELECTION
	Revenues:								
400*	Installation Sales		964,462.69	220,000.00	744,462.69	2,767,722.39	2,754,000.00	13,722.39	400*-*-*-2013-12
421*	Service & Inspections Sales		730,823.09	185,000.00	545,823.09	2,097,938.09	2,221,000.00	(123,061.91)	421*-*-*-2013-12
431*	Monitoring Sales		981,526.82	240,000.00	741,526.82	2,779,213.56	2,880,000.00	(100,786.44)	431*-*-*-2013-12
490*	Miscellaneous Sales		1,401.22	100.00	1,301.22	1,406.22	1,200.00	206.22	490*-*-*-2013-12
			2,678,213.82	645,100.00	2,033,113.82	7,646,280.26	7,856,200.00	(209,919.74)	
	Cost of Goods Sold:								
500*	Installation Materials		278,811.60	90,000.00	188,811.60	1,078,601.60	1,080,000.00	(1,398.40)	500*-*-*-2013-12
510*	Installation Labor		169,876.58	45,000.00	124,876.58	494,878.58	540,000.00	(45,121.42)	510*-*-*-2013-12
521*	Service Materials		154,752.33	40,000.00	114,752.33	453,062.51	480,000.00	(26,937.49)	521*-*-*-2013-12
520*	Service Labor		112,337.55	25,000.00	87,337.55	315,673.55	300,000.00	15,673.55	520*-*-*-2013-12
			715,778.06	200,000.00	515,778.06	2,342,216.24	2,400,000.00	(57,783.76)	
	Gross Profit		1,962,435.76	445,100.00	1,517,335.76	5,304,064.02	5,456,200.00	(152,135.98)	
	Expenses								
601*	Salaries		947,947.57	275,000.00	672,947.57	3,714,017.27	3,300,000.00	414,017.27	601*-*-*-2013-12
600*	Advertising		92,924.33	22,500.00	70,424.33	272,260.36	270,000.00	2,260.36	600*-*-*-2013-12
61*	Vehicles		85,523.99	25,000.00	60,523.99	246,687.99	300,000.00	(53,312.01)	61*-*-*-2013-12
62*	Bank Fees		750.00	50.00	700.00	750.00	600.00	150.00	62*-*-*-2013-12
65*	Employee Benefits		63,684.00	17,500.00	46,184.00	176,952.00	210,000.00	(33,048.00)	65*-*-*-2013-12
66*	Insurance		-	100.00	(100.00)	1,030.30	1,200.00	(169.70)	66*-*-*-2013-12
70*	Travel & Entertainment		-	10.00	(10.00)	60.00	120.00	(60.00)	70*-*-*-2013-12
71*	Office Expenses		6,688.00	1,200.00	5,488.00	18,064.00	14,400.00	3,664.00	71*-*-*-2013-12
78*	Phone & Internet		5,700.00	500.00	5,200.00	5,824.00	6,000.00	(176.00)	78*-*-*-2013-12
64*	Depreciation		-	100.00	(100.00)	149.00	1,200.00	(1,051.00)	64*-*-*-2013-12
73*	Miscellaneous		219.35	100.00	119.35	394.35	1,200.00	(805.65)	73*-*-*-2013-12
			1,203,437.24	342,060.00	861,377.24	4,436,189.27	4,104,720.00	331,469.27	
	Net Ordianry Income		758,998.52	103,040.00	655,958.52	867,874.75	1,351,480.00	(483,605.25)	
	Other Income (Expense):								
80003	Discounts Taken		-	-	-	20.00	-	20.00	80003-*-*-2013-12
80005	Interest Income		145,255.74	35,000.00	110,255.74	395,243.74	420,000.00	(24,756.26)	80005-*-*-2013-12
801*	Allowance for Income Taxes		36,000.00	6,500.00	29,500.00	80,000.00	78,000.00	2,000.00	801*-*-*-2013-12
	Net Profit		868,254.26	131,540.00	736,714.26	1,183,138.49	1,693,480.00	(510,341.51)	

Branch Level Income Statement

Here's an example of introducing the Branch level into our financial reporting. In this example we've broken down the income statement at the Branch level, creating a Monthly and YTD income statement for our two Branches.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
1																		
2																		
3					**Sandbox Alarm Company**							* Compares current month and year-to-date						
4																		
5					**INCOME STATEMENT**													
6					*For the period ending: December, 2013*											OH		MI
7		GL MASK						Ohio				Michigan				DATA SELECTION		DATA SELECTION
8					Revenues:			December		YTD		December		YTD				
10		400*			Installation Sales			884,936.00		920,895.00		79,526.69		1,846,827.39		400*-10-*-2013-12		400*-20-*-2013-12
11		421*			Service & Inspections Sales			682,313.00		683,184.00		48,510.09		1,414,754.09		421*-10-*-2013-12		421*-20-*-2013-12
12		431*			Monitoring Sales			898,931.00		899,231.00		82,595.82		1,879,982.56		431*-10-*-2013-12		431*-20-*-2013-12
13		490*			Miscellaneous Sales			-		5.00		1,401.22		1,401.22		490*-10-*-2013-12		490*-20-*-2013-12
14								2,466,180.00		2,503,315.00		212,033.82		5,142,965.26				
16					**Cost of Goods Sold:**													
18		500*			Installation Materials			244,545.00		244,783.00		34,266.60		833,818.60		500*-10-*-2013-12		500*-20-*-2013-12
19		510*			Installation Labor			157,743.00		162,692.00		12,133.58		332,186.58		510*-10-*-2013-12		510*-20-*-2013-12
20		521*			Service Materials			148,878.00		148,907.18		5,874.33		304,155.33		521*-10-*-2013-12		521*-20-*-2013-12
21		520*			Service Labor			98,668.00		104,668.00		13,669.55		211,005.55		520*-10-*-2013-12		520*-20-*-2013-12
22								649,834.00		661,050.18		65,944.06		1,681,166.06				
24					**Gross Profit**			1,816,346.00		1,842,264.82		146,089.76		3,461,799.20				

NOTE: In this example we need to create two DATA SELECTION statements, one for each Branch.

Sandbox Alarm Company

INCOME STATEMENT
For the period ending: December, 2013

	Ohio		Michigan	
Revenues:	**December**	**YTD**	**December**	**YTD**
Installation Sales	884,936	920,895	79,527	1,846,827
Service & Inspections Sales	682,313	683,184	48,510	1,414,754
Monitoring Sales	898,931	899,231	82,596	1,879,983
Miscellaneous Sales	-	5	1,401	1,401
	2,466,180	2,503,315	212,034	5,142,965

Category Level Income Statement

In this example we've created an Income Statement by Department (Category).
In the Data Selection we added the Category to select the financial data.

			Installations	Service	Central Station	Corporate	Totals		Installations DATA SELECTION	Service DATA SELECTION	Central Station DATA SELECTION	Corporate DATA SELECTION
		Sandbox Alarm Company										
		INCOME STATEMENT										
		For the period ending: December, 2013										
	GL MASK											
			Installations	Service	Central Station	Corporate	Totals					
4*		Revenues:	994,674.26	718,233.87	-	965,305.69	2,678,213.82		4*-*-201-2013-12	4*-*-301-2013-12	4*-*-401-2013-12	4*-*-101-2013-12
5*		Cost of Goods Sold:	144.38	267,089.88	180.00	448,363.80	715,778.06		5*-*-201-2013-12	5*-*-301-2013-12	5*-*-401-2013-12	5*-*-101-2013-12
		Gross Profit	994,529.88	451,143.99	(180.00)	516,941.89	1,962,435.76					

Sandbox Alarm Company

INCOME STATEMENT
For the period ending: December, 2013

	Installations	Service	Central Station	Corporate	Totals
Revenues:	994,674.26	718,233.87	-	965,305.69	2,678,213.82
Cost of Goods Sold:	144.38	267,089.88	180.00	448,363.80	715,778.06
Gross Profit	994,529.88	451,143.99	(180.00)	516,941.89	1,962,435.76
Expenses					
Salaries	313,165.00	174,888.00	264,144.35	187,888.00	940,085.35
Commissions	-	-	-	7,862.22	7,862.22
Advertising	-	-	-	92,924.33	92,924.33
Postage & Delivery	-	-	-	-	-
Vehicles	-	57,975.66	-	27,548.33	85,523.99
Bank Fees	-	-	750.00	-	750.00
Employee Benefits	17,369.00	16,338.00	20,577.00	9,400.00	63,684.00
Office Expenses	-	-	6,688.00	-	6,688.00
Phone & Internet	4,500.00	-	1,200.00	-	5,700.00
	335,034.00	249,201.66	293,359.35	325,622.88	1,203,217.89
Net Ordianry Income	659,495.88	201,942.33	(293,539.35)	191,319.01	759,217.87
Other Income (Expense):					
Interest Income	-	-	145,255.74	-	145,255.74
Allowance for Income Taxes	14,000.00	-	22,000.00	-	36,000.00
Net Profit	645,495.88	201,942.33	(170,283.61)	191,319.01	868,473.61