

Financial Dashboard Documentation

1. Executive Summary

This financial report and dashboard provide an in-depth analysis of the company's financial performance, covering key financial metrics, budget tracking, revenue trends, expense management, and profitability insights. Designed for financial analysts and decision-makers, this tool helps assess financial health and make informed business decisions.

2. Data Sources

The data used in this analysis is sourced from multiple financial reports, including:

- **Balance Sheet:** Capturing assets, liabilities, and equity
 - **Income Statement:** Recording revenues, expenses, and net profit
 - **Budget Data:** Comparing actual performance against planned targets
 - **Date Table:** Enabling time-based calculations and insights
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3. Data Processing & Power Query Transformations

Data Preparation & Cleaning

- **Data Cleaning & Formatting:** Handling missing values, standardizing column names
- **Merging Tables:** Combining related financial datasets for a unified view
- **Creating Custom Columns:** Enhancing segmentation and analysis
- **Filtering Data:** Ensuring relevant periods and entities are included

4. Key Metrics & DAX Measures

Several DAX measures were created to analyze financial performance, including:

Revenue Metrics

- **Total Revenue** = $\text{SUM}(\text{Budget}[\text{Budget}]) \text{ WHERE Group} = \text{"Revenue"}$
- **Revenue Growth Rate** = $(\text{Current Revenue} - \text{Previous Revenue}) / \text{Previous Revenue}$

Expense Metrics

- **Total Expense** = $\text{SUM}(\text{Income Statement}[\text{Amount}]) \text{ WHERE Category IN \{"COGS", "Expense"\}}$
- **Expense Growth Rate** = $(\text{Current Expense} - \text{Previous Expense}) / \text{Previous Expense}$

Profitability Analysis

- **Net Profit** = $\text{Total Revenue} - \text{Total Expense}$
- **Gross Profit Margin** = $\text{Gross Profit} / \text{Revenue}$
- **Net Profit Margin** = $\text{Net Profit} / \text{Revenue}$

Liquidity Ratios

- **Current Ratio** = $\text{Current Assets} / \text{Current Liabilities}$
- **Quick Ratio** = $(\text{Current Assets} - \text{Inventory}) / \text{Current Liabilities}$

Leverage Ratios

- **Debt-to-Equity Ratio** = $\text{Total Liabilities} / \text{Total Equity}$
- **Leverage Ratio** = $\text{Total Liabilities} / (\text{Total Liabilities} + \text{Equity})$

5. Dashboard Pages & Visualizations

1. Overview Page (Main Navigation Page)

- **KPI Cards:** Displays key financial indicators such as Net Profit, Revenue Growth, Expense Growth, Leverage Ratio
- **Monthly Trends Overview:** A summary of financial performance trends
- **Quick Navigation to Detailed Reports:** Interactive buttons for ease of use

2. Income Statement Analysis

- **Waterfall Chart:** Shows net profit breakdown by revenue and expenses
- **Revenue vs Expense Line Chart:** Compares monthly trends
- **Category-Wise Expense Breakdown:** Pie chart for significant expenses

3. Budget Performance Tracking

- **Actual vs Budget Variance Table:** Highlights discrepancies between projected and actual revenue & expenses
- **Bar Chart:** Visual representation of monthly revenue and expense performance
- **KPI Card:** Displays budget achievement percentage for quick assessment

4. Financial Ratios & Risk Analysis

- **Trend Line:** Historical analysis of financial risks
 - **Entity Status Table:** Identifies dormant entities within the financial records
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6. Financial Analysis & Key Findings

1. Balance Sheet Overview

- **Total Assets: \$350 million**
- **Total Liabilities & Equity: \$350 million**
- **Return on Assets (ROA): 5%**
- **Return on Equity (ROE): 103%**
- **Debt-to-Equity Ratio (D/E): 1978%**
- **Liquidity Ratio: 1.06**

Insights:

- **The company relies heavily on debt financing, increasing financial risk.**
- **Liquidity is balanced but not particularly strong, impacting resilience to unexpected liabilities.**

2. Budget vs. Actual Performance

- **Actual Profit: \$17.42 million | Budgeted: \$6.96 million**
- **Actual Revenue: \$115.92 million | Budgeted: \$45.55 million**
- **Actual Cost of Sales: \$98.50 million | Budgeted: \$38.53 million**

Insights:

- **The company exceeded expected revenue and profit, indicating strong performance or conservative budgeting.**
- **The large variance suggests a need for improved financial forecasting accuracy.**

3. Income Statement Analysis

- **Total Revenue: \$115.92 million**
- **Total Cost of Sales (COGS): \$98.50 million**
- **Net Profit: \$17 million (15.02%)**
- **Gross Profit: \$49.4 million (42.61%)**

Insights:

- **Rising operational costs impact net profit despite strong revenue generation.**
- **Optimization of expenses can improve net profitability.**

4. Additional Key Observations

- 1. Entity 3 appears dormant → No financial transactions except for insurance expenses.**
 - 2. Budget vs. Actual Variance → Entity 2 did not meet revenue targets, requiring further analysis.**
 - 3. Profit Drop in April and October → Due to increased expenses and reduced equity, followed by recovery in May and November.**
 - 4. Leverage Ratio Spiked in Q2 → Resulting from increased liabilities, raising financial risk concerns.**
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7. Recommendations

- **Monitor seasonal financial trends → April and October showed financial strain , proactive adjustments needed**
- **Assess dormant entities → Entity 3 requires evaluation for potential liquidation or strategic utilization**
- **Enhance cost management → Expense control strategies can improve profit margins**
- **Improve budget forecasting → Reduce discrepancies between budgeted and actual performance**
- **Optimize debt management → The high debt-to-equity ratio (1978%) requires restructuring or repayment strategies**