DFC | U.S. International Development Finance Corporation

User Guide for DFC Financial Projections Model Builder Tool

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1. **Overview**

The financial projections model builder tool is designed to allow applicants and DFC personnel to create basic project financial projections quickly and efficiently. Following are key features:

- It is a Microsoft Excel-based template that utilizes Visual Basic for Applications (VBA) macros as well as formulas that require the Excel "Analysis Toolpak" add-in. Therefore, the user should allow macros to run and activate the "Analysis Tookpak" add-in to ensure that the template functions properly.

- The template can be configured to accommodate both new/greenfield projects and expansions of existing businesses. An embedded macro will allow the user to choose which configuration is required.

- Your system will likely prompt you to enable Macros when you open this Excel file. So, make sure to click "Enable Content."

- The template captures data/assumptions on an <u>annual</u> basis. If non-annual (i.e. quarterly or monthly) projections are critical to the evaluation of the project, then applicants should provide a separate model that captures information in their required format.

- The projections are denominated in <u>thousands of U.S. dollars</u>. If the user is entering historical data denominated in another currency, the template will allow them to translate the data into U.S. dollars (please see section 3 below)

- The template is designed such that the average user will only need to enter data on the "Start," "Historical Data" (if the project is an expansion), and "Assumptions" worksheets. The template will generate the projections based on data entered into those worksheets. Only experienced modelers should attempt to edit other parts of the template.

Please note that the user should provide information regarding the source of their model assumptions when submitting projections to DFC. For instance, if the projections show certain assumptions regarding the growth of project revenue, the applicant should be able to show that those assumptions are consistent with their market research and business plan.

2. **Getting Started**

Click on the "**Start**" worksheet that is the first tab in the workbook:
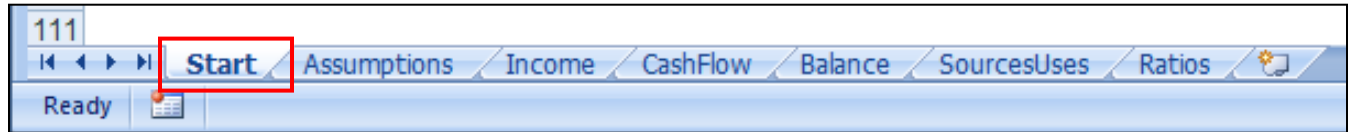
This worksheet (shown below) requires the input of **three** key pieces of information and includes a "Print" button that will allow the user to print out the workbook output pages at any time.

1. Type in the name of the project or company for which the projections are being generated.

2. Choose the type of transaction. This is a macro button. When the user clicks on it, a dialogue box will appear that allows the user to choose whether the project/company is new or an expansion. Depending upon the user's choice, the template may reconfigure to accommodate the transaction.


3. Type in the target date for first disbursement of the DFC-supported debt. This will set the "base year" for the projections.

3. Enter Historical Data

The "**Historical Data**" worksheet will only be visible if the user has chosen "**Expansion of Existing Company/Corporate Finance**" as the transaction type on the "Start" worksheet. If the transaction type is a "New Company/Stand-alone Project Finance," then the "Historical Data" worksheet will be hidden, and the user may skip this section.
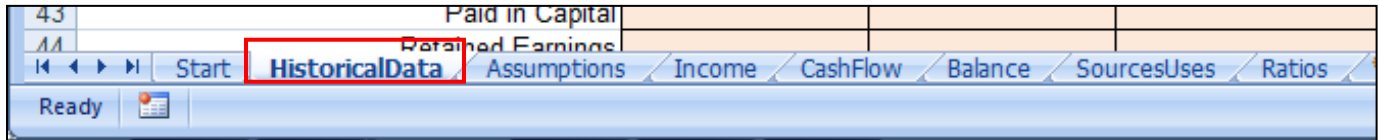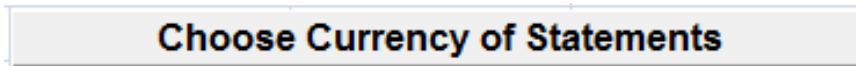

The "Historical Data" worksheet allows the user to enter up to three (3) years of historical financial statements. Please note the following features:

- This worksheet allows the user to indicate whether the historical statements are being entered in U.S. dollars or another currency. A full explanation of this functionality is on the next page.
- No matter which currency the data is in, the amounts should be entered in "**thousands**" of units. For example, if the company's cash balance at the end of 2012 was 3,245,016 Euros, then the user should enter "3,245" into the field.
- The years are pre-calculated based on the current date entered onto the "Start" worksheet. The template assumes a fiscal year end date of December 31 and counts back three fiscal years from the template start date. If the company's fiscal years are different, the user can change them manually in the fields in Row 6.
- Except for the optional manual adjustment described above, the user should only enter data into the blue-tinted source data fields in rows 14 through 69. Entering data below row 69 will cause the template to malfunction.
- For each statement entered, the user should choose from the drop-down what type of statement it is (i.e. Audited, Company Prepared, etc.)
- DFC strongly prefers that an expanding company provide three years of financial data, but for the purposes of the projections, the most recent year is the most important because that is the one that will tie in with the projected data.

Sample Company Historical Financial Statements			
	Choose Currency of Statements		
	Please enter amounts in "thousands" of currency units.		
	2017	**2018**	**2019**
Statement Preparation Type	Audited-Unqualifi ▼	Audited-Unqualifi ▼	Audited-Unqualifie ▼
Balance Sheet Items			
Current Assets			
Cash and Cash Equivalents			
Receivables (Trade)			
Receivables (Notes, Other)			
Inventory (Sum of all Types)			
Fixed Assets			
Land			
Buildings and Leasehold Improvements			

Choosing the Currency of the Historical Statements

The user clicks on the "**Choose Currency of Statements**" button:

Choose Currency of Statements

A dialogue box will ask the user if the historical data is denominated in U.S. dollars or another currency.

Enter a number to indicate whether historical statements are denominated in USD or not:
1 = Historical Statements are USD denominated
2 = Historical Statements are not USD denominated

Enter 1 or 2

OK
Cancel

If the user chooses "1" (Historical Statements are USD denominated), then no reconfiguration of the worksheet is needed. If the user chooses "2" (Historical Statements are not USD denominated), then the worksheet will reconfigure as shown below to allow the user to put in an exchange rate for each year. **Note**: the user cannot choose different currencies for different years – the source currency must be the same for all years entered.
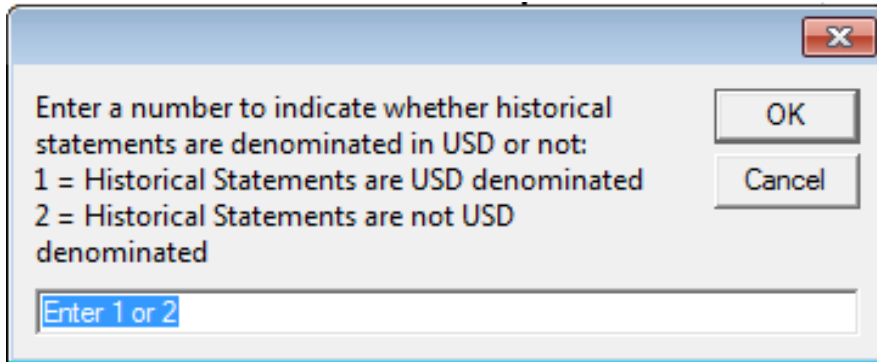
Sample Company Historical Financial Statements

Choose Currency of Statements

Please enter amounts in "thousands" of currency units.

	2017	2018	2019
Statement Preparation Type	Audited-Unqualifi ▼	Audited-Unqualifi ▼	Audited-Unqualifie ▼
End of Year Exchange Rate (statement currency/USD)			

After the user has entered the source data for all available years, they should click the "Convert to USD" button at the bottom of the input section. That will run a macro that will hide the input section and show only the converted amounts.

69	Other Non-Cash Adjustments to Equity				
70					
71			Convert to USD		
72			(if statements entered in other currency)		

If the user has run the conversion macro but then needs to go back into the source data to edit/correct an item, they can click on the "Re-open Entry Fields" button to run a macro that will make the input section visible again. Then they can scroll back up into the input section and correct the source data.

ance Sheet Items		Re-open Entry Fields (to edit original currency data)	

4.   Enter Assumptions for Projections

Users inputting all transactions types will use the "**Assumptions**" worksheet to enter their assumptions regarding revenues and various types of costs.   The first year in the "Assumptions" worksheet is the calendar year of the current date entered on the "Start" worksheet. Including the current year, the "Assumptions" worksheet allows for thirteen (13) years of data (pictures on the following pages have been truncated for space considerations). Users should only enter data into aqua cells. Changing other cells may cause the template to malfunction.
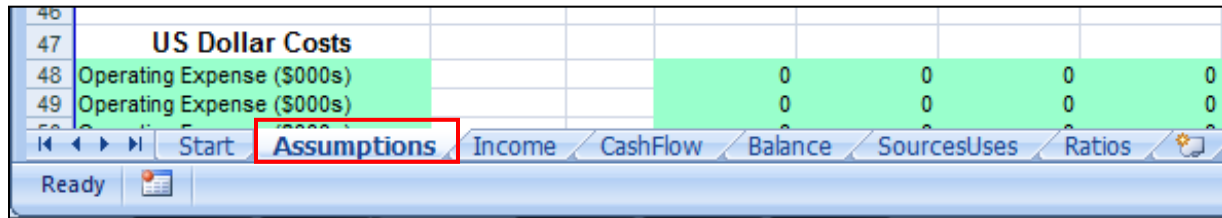
4.1 Revenue Assumptions

The Revenue section of the "Assumptions" worksheet allows the user to:

- Enter names of up to four (4) lines of business.
- Indicate via drop-down menu whether each line of business is an existing or new line of business.
- Enter the expected sales volumes and prices for each year. These should be entered in actual units. The template will convert them to thousands of USD.
- Enter three years of expected future local currency/USD conversion rates. If sales are expected to be in USD, then the user should leave the conversion rate at 1.00. Whatever exchange rate is entered in the third year is held constant for the remainder of the project since the volatility of exchange rates makes projecting them highly uncertain after that point.

Calendar Year			2020	2021	2022	2023	2024	2025
			Sample Company					
Revenues in $000s								
Business Line "A"			Existing					
Number of Units sold annually			0	0	0	0	0	0
Price per Unit (local currency)			0	0	0	0	0	0
Currency conversion (local currency per USD)			1.00	1.00	1.00	1.00	1.00	1.00
Business Line "A" Revenue in $000s			0	0	0	0	0	0
Business Line "B"			Existing					
Number of Units sold annually			0	0	0	0	0	0
Price per Unit (local currency)			0	0	0	0	0	0
Currency conversion (local currency per USD)			1.00	1.00	1.00	1.00	1.00	1.00
Business Line "B" Revenue in $000s			0	0	0	0	0	0
Business Line "C"			Existing					
Number of Units sold annually			0	0	0	0	0	0
Price per Unit (local currency)			0	0	0	0	0	0
Currency conversion (local currency per USD)			1.00	1.00	1.00	1.00	1.00	1.00
Business Line "C" Revenue in $000s			0	0	0	0	0	0
Business Line "D"			Existing					
Number of Units sold annually			0	0	0	0	0	0
Price per Unit (local currency)			0	0	0	0	0	0
Currency conversion (local currency per USD)			1.00	1.00	1.00	1.00	1.00	1.00
Business Line "D" Revenue in $000s			0	0	0	0	0	0
Total Sales Revenues in $000s			0	0	0	0	0	0

4.2 Operating Cost Assumptions

The Operating Costs section of the "Assumptions" worksheet allows the user to enter assumptions regarding both the **direct cost of goods sold** (the materials and labor used directly to produce the product or service) and the **indirect/overhead expenses** (such as rent, utilities, marketing, insurance, day-to-day accounting or legal services, etc.).

- The direct cost of goods sold is entered as a percentage of the total revenues. If there are numerous product lines, this percentage may be a weighted average number derived through a complex analysis of the materials and labor required to produce each line of revenue. If the user feels that it would be helpful to provide this information in the model, then the user should create an additional worksheet for these detailed calculations and in row 33 of the Assumptions worksheet refer to the weighted average percentage calculated on the additional worksheet.
- The indirect/overhead costs are broken into two categories, those expended in local currency and those expended in USD. Enter the name of each type of expense in the first column and the amounts in "thousands" of currency units in each year. The projected currency conversion rate entered in the revenue section will be used to convert local currency expenses into USD.
- Though depreciation/amortization is an overhead cost, do not include it anywhere in this section. It will be calculated separately in another section.
- Note: If there are certain legal or other professional fees that are being incurred in the pre-operating (i.e. construction/startup) period, and those expenses are being counted as part of the project cost, do not enter them in this section. Those "development" expenses should be entered into the CAPITAL COSTS section described below.

Calendar Year			2020	2021	2022	2023	2024	2025
Operating Costs in $000s								
Cost of Goods Sold as % of Total Sales Revenue			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost of Goods Sold in $000s			0	0	0	0	0	0
Indirect/Overhead Costs								
Local Currency Costs								
Operating Expense (local 000s)			0	0	0	0	0	0
Operating Expense (local 000s)			0	0	0	0	0	0
Operating Expense (local 000s)			0	0	0	0	0	0
Operating Expense (local 000s)			0	0	0	0	0	0
Operating Expense (local 000s)			0	0	0	0	0	0
Total Local Currency Cost (local 000s)			0	0	0	0	0	0
Conversion (local currency per USD)			1.00	1.00	1.00	1.00	1.00	1.00
Total Local currency cost in $000s			0	0	0	0	0	0
US Dollar Costs								
Operating Expense ($000s)			0	0	0	0	0	0
Operating Expense ($000s)			0	0	0	0	0	0
Operating Expense ($000s)			0	0	0	0	0	0
Operating Expense ($000s)			0	0	0	0	0	0
Operating Expense ($000s)			0	0	0	0	0	0
Total US Dollar Costs ($000s)			0	0	0	0	0	0
Total Indirect Costs ($000s)			0	0	0	0	0	0

4.3 Capital Cost Assumptions

The Capital Costs section of the "Assumptions" worksheet allows the user to enter up to ten separate capital cost line items. The name of each item should be entered in the first column, and annual amounts in thousands of USD should be entered in each year.

Note: **Even if the user considers DFC interest/fees during construction and start-up working capital as project costs, do not enter them in this section**. Interest/fees and working capital are calculated in later sections.

Calendar Year			2020	2021	2022	2023	2024	2025
Capital Costs in $000s								
Capital Expenditures (Up-front costs)								
Expense Line Item 1			0	0	0	0	0	0
Expense Line Item 2			0	0	0	0	0	0
Expense Line Item 3			0	0	0	0	0	0
Expense Line Item 4			0	0	0	0	0	0
Expense Line Item 5			0	0	0	0	0	0
Expense Line Item 6			0	0	0	0	0	0
Expense Line Item 7			0	0	0	0	0	0
Expense Line Item 8			0	0	0	0	0	0
Expense Line Item 9			0	0	0	0	0	0
Expense Line Item 10			0	0	0	0	0	0
Total Annual Capital Expenditures			0	0	0	0	0	0

4.4 DFC Debt Assumptions

For many projects, the DFC loan will be the only (or the primary) long-term debt financing, so assumptions regarding the DFC debt are input separately from any other debt assumptions.

- The user should consult with their DFC contact regarding the appropriate rates for the interest, commitment fee and facility fee.
- The loan term and any grace period on principal repayments should be entered in **months**.
- **Do not use either January 1 or December 31 as the Estimated Date of First Drawdown in cell D82.**
- It is rare for DFC to allow a mortgage-style amortization schedule, but there is a hidden worksheet that will calculate such a schedule automatically if the user chooses that option in cell D86.
- Remember to enter disbursements totaling the full loan amount in Row 92. Otherwise the amortization calculations will be incorrect.

Calendar Year			2020	2021	2022	2023	2024	2025
DFC Debt Assumptions and Schedule								
Total Loan Amount in $000s			0	Base Interest Cost is usually the U.S. Treasury rate for				
Base Interest Cost (%)			2.50%	← comparable maturity or another internationally-accepted				
Interest Risk Spread (%)			4.00%	rate. Discuss w/ your DFC contact.				
All-in Annual Interest Rate (%)			6.50%					
Commitment Fee (%)			0.00%					
Facility/Administrative Fee (%)			0.00%					
Total Loan Term (months)			120					
Grace Period on Principal Repayment (months)			12					
# of payments per year			4	← Enter "2" for semi-annual; Enter "4" for quarterly				
Estimated Date of First Drawdown			06/15/20					
Estimated Date of First Principal Repayment			06/15/21					
Estimated Maturity Date			06/15/30	For Straightline, enter "1"; For Mortgage-style, enter "2"				
Number of Principal Payments			37	DFC rarely allows mortgage-style payments. Discuss with your				
Straight-line or Mortgage-Style?			1	← DFC contact before choosing option "2".				
# of principal Payments if quarterly			0	3	4	4	4	4
# of principal Payments if semi-annual			0	2	2	2	2	2
			0	3	4	4	4	4
Outstanding Principal (Start of Year)			0	0	0	0	0	0
DFC Debt Principal Disbursements in $000s			0	0	0	0	0	0
DFC Debt Fees (Facility, Commitment)			0	0	0	0	0	0
DFC Debt Interest			0	0	0	0	0	0
DFC Debt Principal Repayments			0	0	0	0	0	0
Total DFC Debt Service			0	0	0	0	0	0
Outstanding Principal (End of Year)			0	0	0	0	0	0

4.5 Other Non-Subordinated Debt Assumptions

As noted above, the DFC loan is frequently a project's only non-subordinated debt funding. However, in some cases (particularly expansions of existing companies where other debt may already be on the balance sheet), DFC may allow other debt funding facilities to be carried and amortized alongside the DFC loan so long as the servicing of those facilities does not jeopardize the servicing of the DFC loan. Therefore, the template allows the user to enter information about disbursements, fees, interest and repayments on both long-term and short term non-DFC debt funding facilities.

Calendar Year			2020	2021	2022	2023	2024	2025	2026
Other Senior Debt -- Assumptions and Schedule			Note: Multiple senior debt sources are not appropriate for many projects. Please consult your DFC contact before making assumptions regarding other senior debt sources.						
Name of Lender	Name								
Annual Interest Rate (%)		0%							
Outstanding Principal (Start of Year)			0	0	0	0	0	0	0
Principal Disbursements (in $000s)			0	0	0	0	0	0	0
Fees (in $000s)			0	0	0	0	0	0	0
Interest			0	0	0	0	0	0	0
Principal Repayments (in $000s)			0	0	0	0	0	0	0
Total Other Senior Debt Service			0	0	0	0	0	0	0
Outstanding Principal (End of Year)			0	0	0	0	0	0	0
Short Term Debt -- Assumptions and Schedule			Note: Other debt sources are not appropriate for many projects. Please consult your DFC contact before making assumptions regarding short term debt facilities.						
Name of Lender	Name								
Annual Interest Rate (%)		0%							
Outstanding Principal (Start of Year)			0	0	0	0	0	0	0
Principal Disbursements (in $000s)			0	0	0	0	0	0	0
Fees (in $000s)			0	0	0	0	0	0	0
Interest			0	0	0	0	0	0	0
Principal Repayments (in $000)			0	0	0	0	0	0	0
Total Short Term Debt Service			0	0	0	0	0	0	0
Outstanding Principal (End of Year)			0	0	0	0	0	0	0

4.6 Subordinated Debt and Equity Assumptions

DFC treats Subordinated Debt as "deeply subordinated" – i.e. it acts like equity. Therefore, if a subordinated debt component is part of the funding structure, please consult your DFC contact regarding any payments under that facility. Moreover, DFC's standard loan documentation contains certain restrictions on equity payouts that are intended to protect DFC's position as a senior creditor. Dividend payouts are not allowed at all until the project is operating, and a maximum payout ratio thereafter may be stipulated as part of the loan terms.

Calendar Year			2020	2021	2022	2023	2024	2025	2026	2027	2028	202
Subordinated Debt -- Assumptions and Schedule			Note: Some projects may structure equity as subordinated debt or may obtain subordinated debt from a 3rd party. This is somewhat unusual for an DFC-supported project, so please consult your DFC contact before making any assumptions regarding subordinated debt.									
Name of Lender	Name											
Outstanding Principal (Start of Year)			0	0	0	0	0	0	0	0	0	
Principal Disbursements ($000s)			0	0	0	0	0	0	0	0	0	
Fees or Interest (if allowed) ($000s)			0	0	0	0	0	0	0	0	0	
Principal Repayments ($000s)			0	0	0	0	0	0	0	0	0	
Total Subordinated Debt Service			0	0	0	0	0	0	0	0	0	
Outstanding Principal (End of Year)			0	0	0	0	0	0	0	0	0	
Equity and Reconciliation of Retained Earnings												
Equity (Start of Year) in $000s			0	0	0	0	0	0	0	0	0	
New Equity Contributions in $000s			-									
Equity (End of Year)			0	0	0	0	0	0	0	0	0	
Retained Earnings (Start of Year)			0	0	0	0	0	0	0	0	0	
Net Income			0	0	0	0	0	0	0	0	0	
Dividend Payout Ratio (%)			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0
Dividends Paid			0	0	0	0	0	0	0	0	0	
Retained Earnings (End of Year)			0	0	0	0	0	0	0	0	0	

4.7 Income Tax Assumptions

The Income Tax section of the "Assumptions" worksheet allows the user to input the estimated tax rate that will be charged on the earnings of the project. This rate is applied to earnings after depreciation and interest. If the project benefits from any tax credits or exemptions that affect the rate at which the company is taxed or the amount of taxable net income, these effects should be captured by calculating the effective profit tax rate the company faces over all its income. If the exemptions are numerous or complex, it may be advisable to capture all of the tax effects in a separate spreadsheet. This spreadsheet can be used to calculate the annual effective tax rate as a share of all income and linked to this row.

In some cases, a project will have a tax holiday of a certain number of years, and the user will leave the rate at 0% for those periods.

Calendar Year			2020	2021	2022	2023	2024	2025
Income Tax Assumptions								
Tax Rate			0%	0%	0%	0%	0%	0%

4.8 Depreciation/Amortization Assumptions

The Depreciation/Amortization section of the "Assumptions" worksheet allows the user to input assumptions regarding the time period over which the project's "hard assets" will be depreciated.

Note: If the user has chosen the template configuration for the expansion of an existing business, then the worksheet will include a row for putting in the weighted average depreciation for the business's existing asset base (see row highlighted in red). If the user has chosen the template configuration for a new company/project, that row will be hidden and the only depreciable assets that will be shown are the new hard assets listed in the capital expenditure section.

In either case, the user should choose the year in which depreciation is to start (cell D152) and for each line item enter the approximate number of years over which that item should be depreciated (column B). In some countries, the tax codes are so rudimentary that the user may not know the allowable number of years over which certain assets may be depreciated. Getting the level of depreciation correct is only critical if the income tax rate is high because depreciation is a deduction used in calculating taxable income.

Calendar Year			2020	2021	2022	2023	2024	2025
Depreciation/Amortization Assumptions								
Year Depreciation/Amortization Begins			2020					
	Years							
Pre-Existing Fixed Assets	0		0	0	0	0	0	0
Expense Line Item 1	0		0	0	0	0	0	0
Expense Line Item 2	0		0	0	0	0	0	0
Expense Line Item 3	0		0	0	0	0	0	0
Expense Line Item 4	0		0	0	0	0	0	0
Expense Line Item 5	0		0	0	0	0	0	0
Expense Line Item 6	0		0	0	0	0	0	0
Expense Line Item 7	0		0	0	0	0	0	0
Expense Line Item 8	0		0	0	0	0	0	0
Expense Line Item 9	0		0	0	0	0	0	0
Expense Line Item 10	0		0	0	0	0	0	0
Total Annual Depreciation Exp.			0	0	0	0	0	0

4.9 Working Capital and Debt Service Reserve Assumptions

Net working capital is the amount of "liquidity" a company/project requires and is generally defined as (receivables + inventory)-(payables). The start-up working capital required by a new company, or a sudden increase in working capital required by an expanding company, can be a significant cash expense during the start-up or expansion period. So, providing a realistic estimate of the magnitudes of receivables, inventory and payables is an important part of the projections.

The receivables account on the balance sheet is calculated by multiplying the number of days of receivables (entered in row 168 of the "Assumptions" worksheet) by the average daily revenue of the business. It represents the number of days of revenue that customers owe to the project company at any one time. If customers pay the project company cash at the time of the transaction, receivables may be very low or zero. If the project company allows customers to pay over time, receivables will be higher. Moreover, if the local market is such that many customers are likely to pay late, a higher amount of receivables days should be estimated.

The inventory account on the balance sheet is calculated by multiplying the number of days of inventory (entered in row 169 of the "Assumptions" worksheet) by the average daily cost of goods sold. It represents the number of days of product that the company intends to have in stock at any one time. This will vary significantly depending upon the type of business. Some types of business carry little to no inventory; others may carry a few months worth.

The payables account on the balance sheet is calculated by multiplying the number of days of payables (entered in row 170 on the "Assumptions" worksheet) by the average daily costs (both direct and overhead) of the business. It represents the number of days of cost that the project company owes to its vendors, labor, etc. at any one time. If vendors have provided the company with relatively generous payment terms, the days of payables will be larger.

DFC generally requires that projects maintain a restricted cash account that could be used as an emergency reserve in the event that a short-term liquidity crisis prevents the project from making a debt service payment. This reserve is generally sized to cover several months of projected debt service (6-12 months is common), and it is generally funded at the beginning of the project. The user should enter the assumed number of months of debt service reserve into row 171 of the "Assumptions" worksheet.

Calendar Year			2020	2021	2022	2023	2024	2025
Working Capital and Debt Service Reserve Assumptions								
Days in Receivables			0	0	0	0	0	0
Days Inventory			0	0	0	0	0	0
Days in Payables			0	0	0	0	0	0
Months Debt Service to Restricted Cash			0	0	0	0	0	0

4.10 Cost of Capital Assumptions

Finally, the "Assumptions" worksheet allows the user to enter the equity investors' required equity return rate in cell B180. This allows the template to calculate a weighted average cost of capital (WACC) and determine if the project has a positive net present value.

Cost of Capital (for Net Present Value Calculation Purposes)		
Amount of DFC Debt	0	#DIV/0!
Amount of other Senior Debt	0	#DIV/0!
Amount of Sub-Debt/Equity	0	#DIV/0!
Total Project Capitalization	0	#DIV/0!
Cost of Debt	#DIV/0!	
Cost of Equity	20%	
Weighted Average Cost of Capital	#DIV/0!	

5.   Review Template Output

Once the user has filled out the relevant sections of the "Assumptions" worksheet (and entered Historical Data, if applicable), the template will build projected financial statements and perform ratio analysis. The user may need to execute small (usually cosmetic) changes to the other worksheets for presentation purposes.

5.1   Income Statement

The "Income" worksheet shows the income, or profit and loss, statement that has been generated using the assumptions entered on the "Assumptions" worksheet. This worksheet shows the revenues and operating expenses, both in absolute terms ($000s of USD) and in percentage terms so that the user can readily see what each product line contributes to total revenue, the percentage of total revenue spent on each expense line item, and the net profit margin of the project.

Note: If the user has chosen the template configuration for the expansion of an existing business, then the worksheet will include columns for the most recent actual fiscal year (highlighted in red below). If the user has chosen the template configuration for a new company/project, those columns will be hidden.

If the user has not utilized all the rows (for instance, if there are only two lines of business rather than four or there are unused operating expense rows), then the user may want to hide unused rows for presentation purposes. Do not delete these rows. Simply hide them by highlighting the row to be hidden, right-clicking and choosing "Hide" from the right-click menu.

Calendar Year	2019 Actual	%	2020 Projected	%	2021 Projected	%	2022 Projected	%	2023 Projected	%	2024 Projected	%
Revenues		%		%		%		%		%		%
Business Line "A" Revenue in $000s			0		0		0		0		0	
Business Line "B" Revenue in $000s			0		0		0		0		0	
Business Line "C" Revenue in 000			0		0		0		0		0	
Business Line "D" Revenue in 000			0		0		0		0		0	
Gross Revenues	0		0		0		0		0		0	
Cost of Product Sold	0		0		0		0		0		0	
Operating Expenses												
Operating Expense (local 000s)			0		0		0		0		0	
Operating Expense (local 000s)			0		0		0		0		0	
Operating Expense (local 000s)			0		0		0		0		0	
Operating Expense (local 000s)			0		0		0		0		0	
Operating Expense (local 000s)			0		0		0		0		0	
Operating Expense ($000s)			0		0		0		0		0	
Operating Expense ($000s)			0		0		0		0		0	
Operating Expense ($000s)			0		0		0		0		0	
Operating Expense ($000s)			0		0		0		0		0	
Operating Expense ($000s)			0		0		0		0		0	
Total Operating Expenses	0		0		0		0		0		0	
Gross Operating Profit (EBITDA)	0		0		0		0		0		0	
Depreciation Expense	0		0		0		0		0		0	
EBIT	0		0		0		0		0		0	
Interest & Fee Income/(Expense)	0		0		0		0		0		0	
Income Taxes	0		0		0		0		0		0	
Special (Historical) Items	0											
Net Income	0		0		0		0		0		0	
Dividends	0		0		0		0		0		0	
Addition to Retained Earnings	0		0		0		0		0		0	

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5.2 Cash Flow Statement, Debt Service Coverage and Net Present Value

The "CashFlow" worksheet has three output sections. The first section is the cash flow statement. It is a direct cash flow statement generated using the cash-based line items from the Income worksheet and the "non-income" cash inflow and outflow assumptions from the Assumptions worksheet and the Balance worksheet (see section 5.3). Some companies/accountants produce an indirect cash flow statement that starts with net income and adjusts for non-cash items. DFC prefers the direct format that does not need to include the adjustment of any non-cash items.

Note: If the user has chosen the template configuration for the expansion of an existing business, then the worksheet will include a column for the most recent actual fiscal year (highlighted in red below). If the user has chosen the template configuration for a new company/project, that column will be hidden. If the actual statements were provided in another currency and converted to USD, the historical statement will only take account of actual cash movements and will factor out year-to-year translation adjustments.

Calendar Year	2019 Actual	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected
Cash Flow Statement						
Sales	0	0	0	0	0	0
Change in Receivables	0	0	0	0	0	0
Cash from Sales	0	0	0	0	0	0
Cost of Goods Sold	0	0	0	0	0	0
Change in Inventory	0	0	0	0	0	0
Change in Payables/Other Curr. Liabilities	0	0	0	0	0	0
Cash Production Costs	0	0	0	0	0	0
Gross Cash Profits	0	0	0	0	0	0
Cash Operating Expenses	0	0	0	0	0	0
Cash After Operations	0	0	0	0	0	0
Taxes Paid	0	0	0	0	0	0
Net Cash After Operations	0	0	0	0	0	0
Capital Expenditures	0	0	0	0	0	0
Other Historical Cash Items	0					
Net Cash After Investing Activities	0	0	0	0	0	0
Interest & Fee Income/(Expense)	0	0	0	0	0	0
Dividends Paid	0	0	0	0	0	0
Short Term Debt Inflow/(Outflow)	0	0	0	0	0	0
LT Senior Debt Inflow/(Outflow)	0	0	0	0	0	0
Subordinated Debt Inflow/(Outflow)	0	0	0	0	0	0
Change in other LT Liabilities	0	0	0	0	0	0
Equity Inflow/(Outflow)	0	0	0	0	0	0
Net Cash After Financing Activities	0	0	0	0	0	0
Beginning Cash	0	0	0	0	0	0
Change in Cash	0	0	0	0	0	0
Cash (to)/from debt reserve		0	0	0	0	0
Ending Cash	0	0	0	0	0	0

The second section of the "CashFlow" worksheet is the debt service coverage analysis. It will show the project's ability to pay debt service in each period both at the operating level and on a total cash available level. As with the section above, the column for historical information will only show if the template has been configured for an expansion project.

Calendar Year		2019	2020	2021	2022	2023	2024	2025
Debt Service Coverages/Cash Available for Debt Service (CADS)								
Operating Debt Service Coverage								
Net Cash After Operations (Operating CADS)		0	0	0	0	0	0	0
Net Interest & Fee Expense		0	0	0	0	0	0	0
Principal Payments		0	0	0	0	0	0	0
Total Debt Service		0	0	0	0	0	0	0
Operating CADS/Interest & Fee		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Operating CADS/Principal		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Operating CADS/Total Debt Service		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average Debt Service Coverage			N/A					
Total Debt Service Coverage								
Net Cash Flow		0	0	0	0	0	0	0
+Interest & Fee Expense		0	0	0	0	0	0	0
+Principal Repayment		0	0	0	0	0	0	0
+Dividends Paid		0	0	0	0	0	0	0
Total CADS		0	0	0	0	0	0	0
Interest & Fee Expense		0	0	0	0	0	0	0
Principal Repayment		0	0	0	0	0	0	0
Total Debt Service		0	0	0	0	0	0	0
Total CADS/Interest+Fee		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total CADS/Scheduled Principal		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total CADS/Total Debt Service		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average Debt Service Coverage			N/A					

The final section of the "CashFlow" worksheet calculates the overall return on the project and the return to equity investors. This analysis tells DFC and the investors if the project is economically attractive given probable project assumptions. If the investors have a definite plan to sell the project at some future date, then the user may enter a terminal value in the relevant year in row 92.

Calendar Year		2019	2020	2021	2022	2023	2024	2025
Discounted Cash Flow (DCF)/Net Present Value (NPV) Analysis								
Project Value/Returns								
Equity and Debt Invested			0	0	0	0	0	0
Net Cash After Operations			0	0	0	0	0	0
Net (Outflow)/Inflow			0	0	0	0	0	0
Weighted average cost of capital			#DIV/0!					
Internal Rate of Return			#NUM!					
Net Present Value			#DIV/0!					
Equity Value/Returns								
Equity Invested			0	0	0	0	0	0
Dividends Paid			0	0	0	0	0	0
Terminal Value								
Net (Outflow/Inflow)			0	0	0	0	0	0
Cost of Equity			20%					
Internal Rate of Return			#NUM!					
Net Present Value			$0					
Working Capital Analysis								
Increase/(Decrease) in Receivables		0	0	0	0	0	0	0
Increase/(Decrease) in Inventory		0	0	0	0	0	0	0
(Increase)/Decrease in Payables		0	0	0	0	0	0	0
Net Working Capital Cost		0	0	0	0	0	0	0

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5.3 Balance Sheet

The "Balance" worksheet brings together all the flows, cash and non-cash, to show the "accumulation" of each type of asset and liability/equity at the end of each period. There are a few things to note:

- The column for an actual historical year, the row for "Pre-existing Fixed Assets" and the row for "Other Long Term Liabilities" will only show if the user has chosen the configuration for an expansion of an existing company.
- If the user hasn't used all the line items in the non-current assets, they may hide unused rows.
- If the cash balance (row 7) goes negative, the template will display a warning message.
- If Total Assets do not equal Total Liabilities and Net Worth, the reconciliation in row 55 will show the error.

Calendar Year	2019	2020	2021	2022	2023	2024	2025
	Actual	Projected	Projected	Projected	Projected	Projected	Projected
Assets							
Current Assets							
Cash	0	0	0	0	0	0	0
Debt Service Reserve/Restricted Cash		0	0	0	0	0	0
Accounts Receivable	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0
Total Current Assets	0	0	0	0	0	0	0
Non-Current Assets							
Pre-existing Fixed Assets	0	0	0	0	0	0	0
Expense Line Item 1		0	0	0	0	0	0
Expense Line Item 2		0	0	0	0	0	0
Expense Line Item 3		0	0	0	0	0	0
Expense Line Item 4		0	0	0	0	0	0
Expense Line Item 5		0	0	0	0	0	0
Expense Line Item 6		0	0	0	0	0	0
Expense Line Item 7		0	0	0	0	0	0
Expense Line Item 8		0	0	0	0	0	0
Expense Line Item 9		0	0	0	0	0	0
Expense Line Item 10		0	0	0	0	0	0
Accumulated Depreciation	0	0	0	0	0	0	0
Total Non-Current Assets	0	0	0	0	0	0	0
Total Assets	0	0	0	0	0	0	0
Liabilities and Net Worth							
Current Liabilities							
Accounts Payable	0	0	0	0	0	0	0
Short Term Debt	0	0	0	0	0	0	0
Current Portion -- Long Term Debt	0	0	0	0	0	0	0
Total Current Liabilities	0	0	0	0	0	0	0
Non-Current Liabilities							
Long Term Debt-Senior	0	0	0	0	0	0	0
Subordinated Debt	0	0	0	0	0	0	0
Other Long Term Liabilities	0	0	0	0	0	0	0
Total Non-Current Liabilities	0	0	0	0	0	0	0
Net Worth/Stockholders Equity							
Stock and Paid in Capital	0	0	0	0	0	0	0
Retained Earnings	0	0	0	0	0	0	0
Total Net Worth	0	0	0	0	0	0	0
Total Liabilites and Net Worth	0	0	0	0	0	0	0
Reconciliation	0	0	0	0	0	0	0

5.4 Sources and Uses Calculation

The "SourcesUses" worksheet is the only output worksheet that may require more than cosmetic adjustments because there are many circumstances that can affect how the investors and DFC define "the project" and thus what line items are included in sources and uses. As currently programmed, the worksheet pulls in:

Uses
- All the capital expenditures from rows 58 to 67 of the Assumptions worksheet.
- The working capital requirement from the period with the greatest working capital increase.
- The debt service reserve funding from the period with the maximum funding level.
- Interest and fees (both DFC and any other lenders) during the interest-only grace period (i.e. during construction)
- The net cash on the balance sheet at the end of the first period (cash left over after funding the first year of project costs stands as a proxy for "contingency").

Sources
- DFC Debt Disbursements
- Other Long Term and Subordinated Debt Disbursements
- New Equity Contributions

If the pre-programmed line items don't accurately describe the sources and uses for a particular project, then the user/DFC officer can adjust them as needed.

Calendar Year	2020	2021	2022	2023	2024	2025
	Projected	Projected	Projected	Projected	Projected	Projected
Uses of Funds						
Expense Line Item 1	0	0	0	0	0	0
Expense Line Item 2	0	0	0	0	0	0
Expense Line Item 3	0	0	0	0	0	0
Expense Line Item 4	0	0	0	0	0	0
Expense Line Item 5	0	0	0	0	0	0
Expense Line Item 6	0	0	0	0	0	0
Expense Line Item 7	0	0	0	0	0	0
Expense Line Item 8	0	0	0	0	0	0
Expense Line Item 9	0	0	0	0	0	0
Expense Line Item 10	0	0	0	0	0	0
Project-Related Working Capital	0	0	0	0	0	0
Funding of Debt Service Reserve	0	0	0	0	0	0
Interest/Fees During Construction	0	0				
Contingency	0					
Annual Total	0	0	0	0	0	0
Total Project Cost	0					
Sources of Funds						
DFC Debt Disbursements	0	0	0	0	0	0
Other LT and Subordinated Debt Disb	0	0	0	0	0	0
New Equity Contributions	0	0	0	0	0	0
Annual Total	0	0	0	0	0	0
Total Financing	0					

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5.5 Ratio Analysis

The "Ratios" worksheet calculates standard ratios and other measures that OPIC reviews. These include Liquidity Ratios, Leverage Ratios, Debt Service Coverage statistics, Profitability statistics and Return statistics.

If there are other summary calculations that are relevant to a particular project, then the user/OPIC officer is free to add them.

Calendar Year		2019	2020	2021	2022	2023	2024	2025
		Actual	Projected	Projected	Projected	Projected	Projected	Projected
Liquidity Ratios								
Quick Ratio								
Current Ratio								
Leverage Ratios								
Debt/Equity								
Senior Debt/Sub-debt+Equity								
Cash Flow and Debt Service Coverage Statistics								
Operating Cash Flow (USD)		0	0	0	0	0	0	0
Operating CADS/Interest+Fees		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Operating CADS/Scheduled Principal		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Operating CADS/Total Debt Service		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Profitability Statistics								
EBITDA (USD)		0	0	0	0	0	0	0
EBITDA (%)								
Net Income (USD)		0	0	0	0	0	0	0
Net Income (%)								
Return Statistics								
Project IRR			#NUM!					
Project NPV			#DIV/0!					
Equity IRR			#NUM!					
Equity NPV			0					

Appendix A: Updating Excel Settings

VBA Macros

The IT management of some organizations restricts users' access to macros because macros from unknown/non-trusted sources can contain malicious code. To enable the macros in DFC's template, you may need to change your Excel Macro Settings (or ask your IT department to change your settings). Below are the instructions from Microsoft for changing Macro Settings.

Excel

1. Click the **Microsoft Office Button** , and then click **Excel Options**.

2. Click **Trust Center**, click **Trust Center Settings**, and then click **Macro Settings**.

3. Click the options that you want:

- **Disable all macros without notification** Click this option if you don't trust macros. All macros in documents and security alerts about macros are disabled. If there are documents with unsigned macros that you do trust, you can put those documents into a trusted location. Documents in trusted locations are allowed to run without being checked by the Trust Center security system.

- **Disable all macros with notification** This is the default setting. Click this option if you want macros to be disabled, but you want to get security alerts if there are macros present. This way, you can choose when to enable those macros on a case by case basis.

- **Disable all macros except digitally signed macros** This setting is the same as the **Disable all macros with notification** option, except that if the macro is digitally signed by a trusted publisher, the macro can run if you have already trusted the publisher. If you have not trusted the publisher, you are notified. That way, you can choose to enable those signed macros or trust the publisher. All unsigned macros are disabled without notification.

- **Enable all macros (not recommended, potentially dangerous code can run)** Click this option to allow all macros to run. This setting makes your computer vulnerable to potentially malicious code and is not recommended.

- **Trust access to the VBA project object model** This setting is for developers and is used to deliberately lock out or allow programmatic access to the VBA object model from any Automation client. In other words, it provides a security option for code that is written to automate an Office program and programmatically manipulate the Microsoft Visual Basic for Applications (VBA) environment and object model. This is a per user and per application setting, and denies access by default. This security option makes it more difficult for unauthorized programs to build "self-replicating" code that can harm end-user systems. For any Automation client to be able to access the VBA object model programmatically, the user running the code must explicitly grant access. To turn on access, select the check box.

TIP   You can open the macro security settings dialog box from the **Developer** tab in the Ribbon, which is part of the Microsoft Office Fluent user interface. If the **Developer** tab is not available, click the **Microsoft Office Button** , and then click **Excel Options**. Click **Popular**, and then select the **Show Developer tab in the Ribbon** check box.

Analysis Toolpak Add-In

Some of the formulas in the template require the Analysis Toolpak add-in to function properly. To check whether that add-in is active (or to activate it), perform the following steps:

1. Click on the **Microsoft Office Button** and then click **Excel Options.**
2. Click on **Add-Ins.**
3. If the **Analysis Toolpak** and the **Analysis Tookpak – VBA** add-ins are in the "active" list (as shown below), nothing else is needed. If they are in the inactive list, then click on the **Go** button next to "Manage Excel Add-ins."
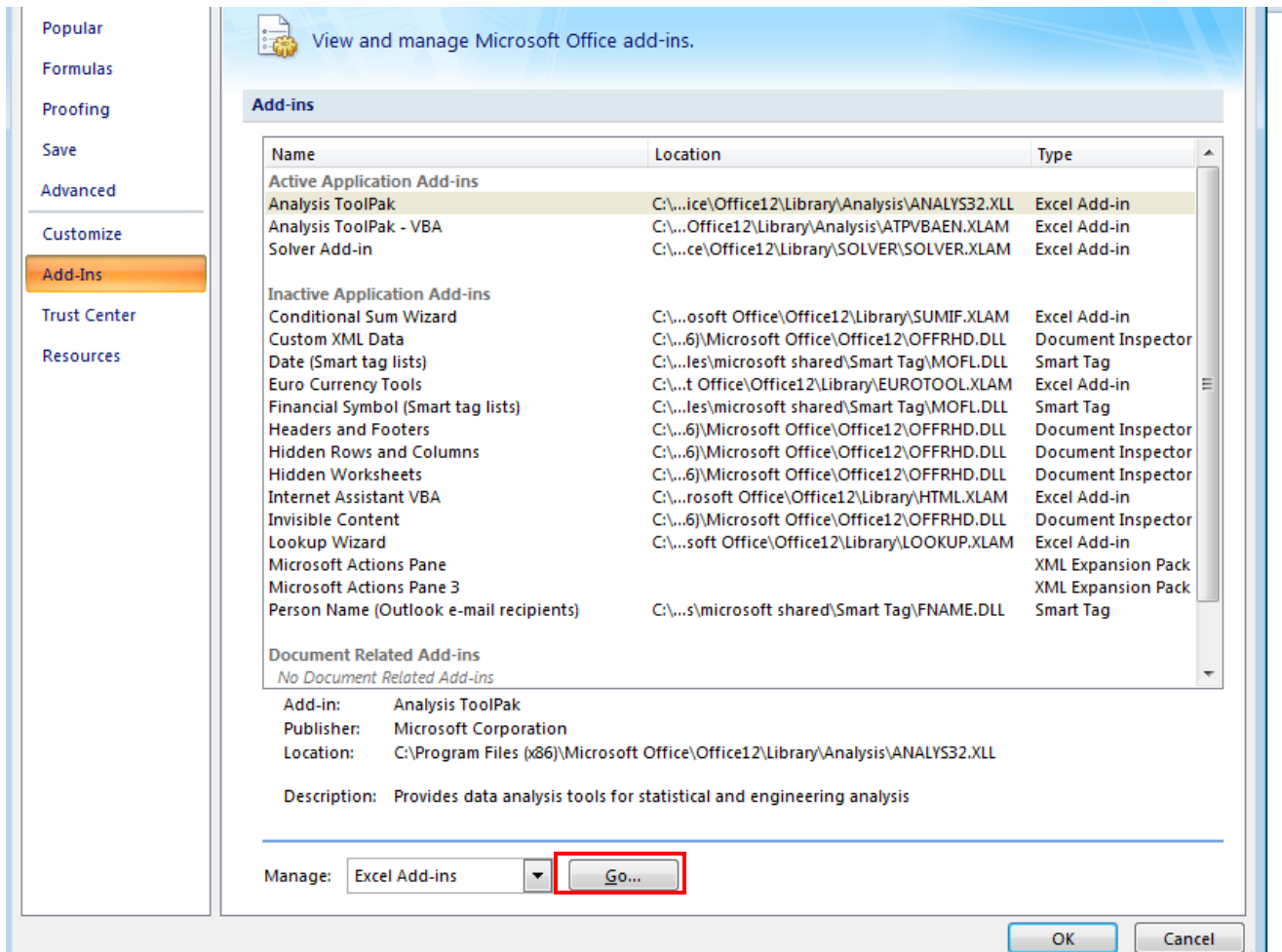
4. The add-ins dialogue box (shown below) will appear. Check the boxes next to all the add-ins you want. Then click **OK**, and then click **OK** again when you get back to the Add-Ins screen.

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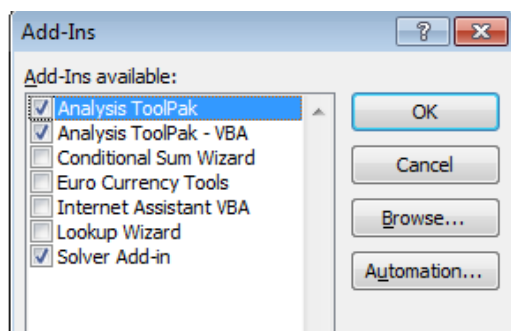
Appendix B: Ratio Formulas

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*The liquidity and leverage measures come from items on the "**Balance**" worksheet.*

Quick Ratio: $\dfrac{\text{Current Assets - Inventory}}{\text{Current Liabilities}}$

Current Ratio: $\dfrac{\text{Current Assets}}{\text{Current Liabilities}}$

Debt to Equity Ratio: $\dfrac{\text{Total Current Liabilities + Total Non-Current Liabilities}}{\text{Total Net Worth}}$

Senior Debt to Subordinated Debt and Equity Ratio:

$$\dfrac{\text{Total Current Liabilities + Total Non-Current Liabilities – Subordinated Debt}}{\text{Subordinated Debt + Total Net Worth}}$$

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*The cash flow, debt service coverage and return measures come from items on the "**CashFlow**" worksheet.*

Operating Cash Flow: **Row 22** on the "CashFlow" worksheet – "**Net Cash after Operations**"

Ratio of Operating Cash Flow Available for Debt Service to Interest and Fees:

$$\dfrac{\text{Net Cash after Operations}}{\text{Net Interest and Fee Expense}}$$

Ratio of Operating Cash Flow Available for Debt Service to Scheduled Principal:

$$\dfrac{\text{Net Cash after Operations}}{\text{ST Debt + LT Senior Debt + Subordinated Debt Principal Payments}}$$

Ratio of Operating Cash Flow Available for Debt Service to Total Debt Service:

$$\dfrac{\text{Net Cash after Operations}}{\text{(Net Interest and Fee Expense) + (ST Debt + LT Senior Debt + Subordinated Debt Principal Payments)}}$$

Project Internal Rate of Return (IRR):   For each year, calculate: [(Net Cash after Operations) – (Equity and Debt invested)]. Let's call this the "Net Outflow/Inflow" for each period. Take the "Net Outflow/Inflow" series of cash flows and use the Microsoft Excel "IRR" function to find the internal rate of return of the series.

Project Net Present Value (NPV):

1st Period Net Outflow/Inflow + NPV (Wtd Avg. Cost of Capital, Rest of the Net Outflow/Inflow Series)

Equity Internal Rate of Return (IRR): For each year, calculate: Dividends Paid – Equity Invested. If there is an expected "terminal value" when the investors exit, add that in during the relevant year. That series is the "Net Equity Outflow/Inflow." Use the Microsoft Excel "IRR" function to find the internal rate of return of the series.

Equity Net Present Value (NPV):

1st Period Net Equity Outflow/Inflow + NPV(Cost of Equity, Rest of the Net Equity Outflow/Inflow Series)

The profitability statistics come from items on the "Income" worksheet:

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) – USD:

Gross Revenues – Cost of Goods Sold (COGS) – Total Operating Expenses (OPEX)

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) – %:

$$\frac{\text{Gross Revenues – Cost of Goods Sold (COGS) – Total Operating Expenses (OPEX)}}{\text{Gross Revenues}}$$

Net Income – USD:

Gross Revenues – (COGS + OPEX +Depreciation + Interest and Fee Expense + Income Taxes)

Net Income – %:

$$\frac{\text{Gross Revenues – (COGS + OPEX +Depreciation + Interest and Fee Expense + Income Taxes)}}{\text{Gross Revenues}}$$