



FINANCE • ACCOUNTING • HR

GOING PUBLIC?

Charles River CFO

CFO, Accounting, Tax & HR Services

We are smart, nimble, and flexible.

GOING PUBLIC – THE BUFFET ! IPO which flavor? Pros & Cons

- Traditional IPO
Investment banking consortium, Form S-1, roadshow, public
- Form 10
Private firm sells securities under Regulation D
- Reverse merger
Identify public shell, diligence, file Super 8K



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GOING PUBLIC – THE TIMELINE

The JOBS Act

- Testing the waters
- Confidential SEC review
- Scaled financial disclosure
- Internal controls audit
- Executive comp disclosure
- Extended phase-in for new GAAP

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GOING PUBLIC – THE TIMELINE

Calendar

- 0 - 2 months – File S-1 (300+ pages)
- 3 - 4 months SEC review
- 4 - 5 months file updated S-1
- 5 - 6 months receive SEC approval

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GOING PUBLIC – THE TIMELINE

Items to consider

- What does it mean to “close the books”?
- Plan for the audit
- Understanding the filing date
- Accounting memos
- 409a valuations
- Prepare financials

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GOING PUBLIC – THE TIMELINE

Getting it done

- How to staff
- Critical project management skills
- Life after going public
- Audit committee
- Policies
- And not to really scare you off... let's talk cost

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GOING PUBLIC – STICKER SHOCK

\$1.5M - \$4.0M plus annual

- Audit: \$200K - \$500K+
- SEC Counsel: \$200K - \$500K
- D&O insurance: \$500K - \$2.0M
- Staffing (department): \$500K - \$850K
- Printing and filing: \$100K
- Plus annual costs



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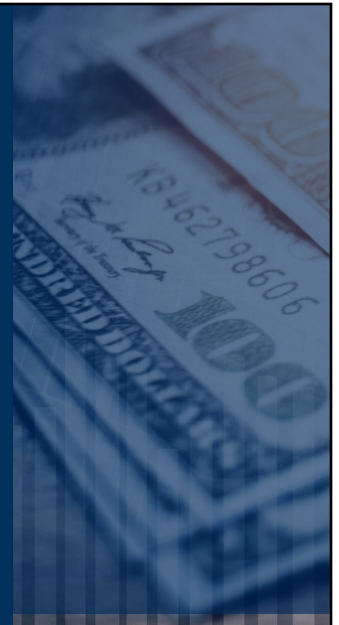
BUT IT IS ALL ABOUT THE UPSIDE



FOCUS ON AUDITS

- Are financials reconciled
- Controls documented and tested
- Contracts accounted for properly
 - Cutoff testing ?
 - Accruals
- Ready for tax season
- Private or explore public

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FOCUS ON AUDITS

- Is the capitalization table up to date
- New 409a needed
- Stock-based compensation
- Equity instruments recorded
- Sufficient internal staff resources

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WHAT TYPE OF AUDIT

- Different auditing standards
 - AICPA vs. PCAOB
- The importance of independence



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The Charles River CFO Advantage

- 20+ years experience
- Industry depth
- Variable resource model
- Flexible contract
- Team approach



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www.crcfo.com

Jack Sullivan

781.431.0420 #1

jsullivan@crcfo.com

