



AI-Generated Financials Didn't Add Up? See How Corient Rebuilt a Multi-Entity Client's Books Without a Single Discrepancy

Highlights

- 1 Excel-based records for a three-entity group did not reconcile with bank and credit card statements.
- 2 AI-generated financial statements were inaccurate, leaving the client with no reliable numbers to rely on.
- 3 Corient rebuilt the books from the ground up, reconciling every bank, credit card, loan, and intercompany account.
- 4 The client received accurate, fully reconciled financial statements plus a Cash Flow Statement explaining fund utilization.

Introduction

Reliable financial statements are the foundation of good business decisions — but that foundation breaks down fast when bookkeeping is scattered across spreadsheets and "cleaned up" by AI tools that don't understand the underlying accounting. A U.S. based, three-entity client group spanning a holding company and two operating subsidiaries came to Corient after its Excel-based books and AI-generated financial statements stopped adding up.

What began as a request for accurate financial statements quickly turned into a full rebuild of the group's bookkeeping, reconciliations, and reporting structure.



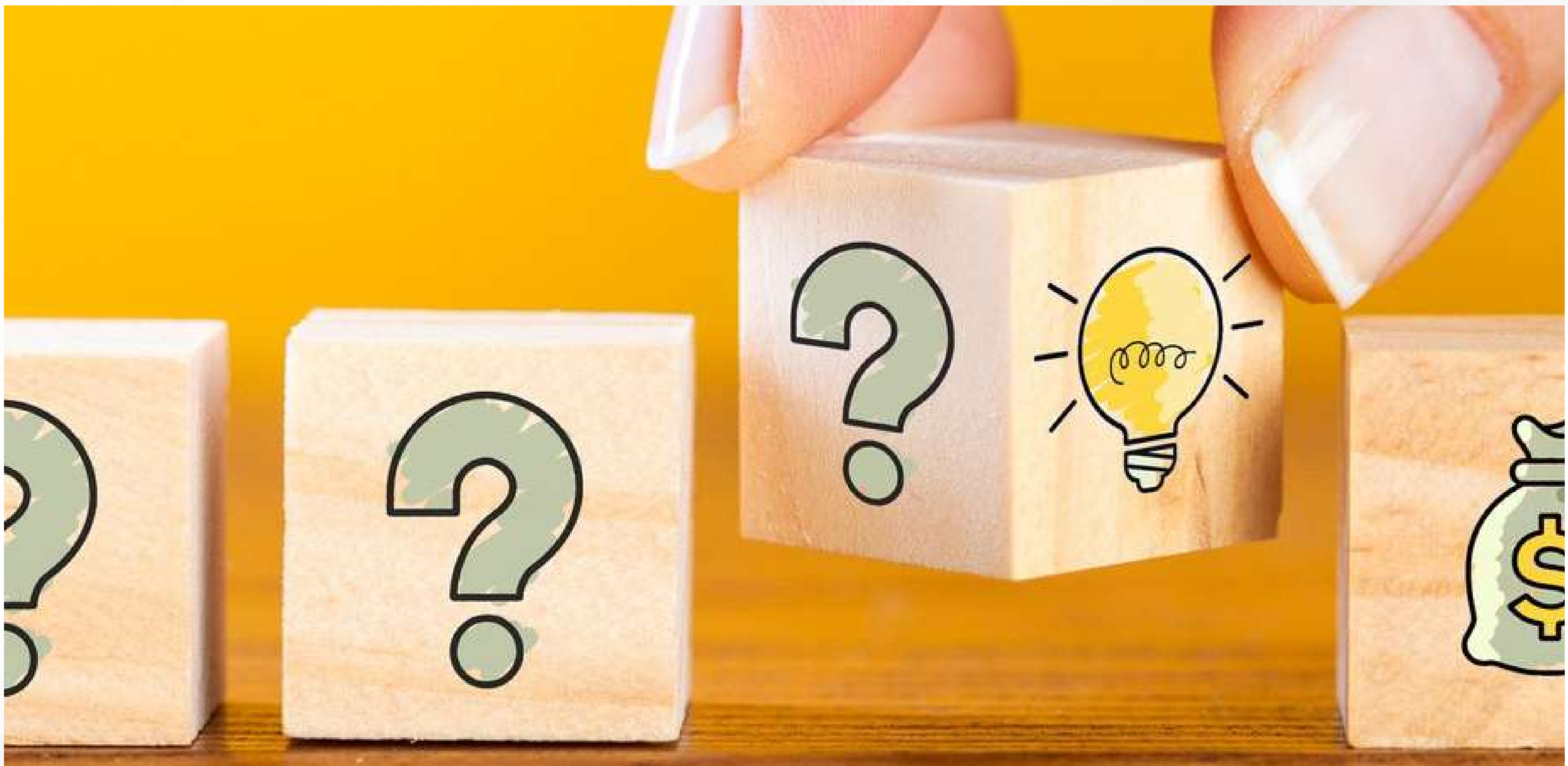
The Initial Problem: What Went Wrong?

- Sales and expense records kept in Excel did not reconcile with bank and credit card statements.
- Financial statements generated by an AI-based tool were inaccurate and unreliable.
- Loan accounts and intercompany transactions across the three entities were not properly reconciled.
- The client had lost confidence in the accuracy of its financial reporting.

Corient's First Solution: The Fix

Recommended QuickBooks Online (QBO) for the two primary operating companies and Corient's in-house accounting software for the smaller entity.

- Rebuilt the bookkeeping records by comparing the Excel files against bank and credit card statements.
- Reconciled all bank, credit card, loan, and intercompany accounts.
- Identified and corrected duplicate and missing transactions.
- Redesigned the chart of accounts to align with business operations.
- Advised on the appropriate accounting method: cash or accrual basis.



The New Problem: A Surprise Roadblock

- Client records used accrual accounting, while bank statements reflected cash transactions, complicating reconciliation.
- Sales and purchase transactions lacked invoice references.
- Duplicate entries had been recorded across the Excel files.
- Fixed asset purchases were misclassified as operating expenses.
- Expenses were posted to the wrong general ledger accounts.

Corient's Second Solution: Fixing the New Problem

The client had expected the Profit & Loss Statement to match its Excel worksheet exactly — an outcome made impossible by the underlying accounting inaccuracies and the mismatch between cash and accrual reporting. To resolve this, Corient:

Educated the client on the difference between cash flow and profitability.

1. Prepared a detailed Cash Flow Statement demonstrating how capital contributions had been utilized.
2. Explained how income, expenses, assets, liabilities, and owner contributions each affect the financial statements.
3. Walked the client through the full reconciliation process, showing how the closing bank balance aligned with the accounting records.

This gave the client a clear, accurate understanding of its financial position and business performance.

OUTCOME



The Final Outcome: A Success Story

- Delivered accurate and fully reconciled financial statements across all three entities.
- Provided a detailed Cash Flow Statement explaining how capital contributions were utilized.
- Resolved discrepancies in bank, loan, and intercompany accounts.
- Replaced unreliable AI-generated reports with dependable financial information.
- Improved the client's confidence in its accounting records and financial reporting.

Beyond the fix, Long-term benefits delivered:

- Proper classification of fixed assets helped maximize eligible tax benefits.
- Reliable financial statements enabled better business and management decisions.
- Accurate reconciliation of loan and intercompany accounts improved financial transparency.
- The partners gained a clear understanding of fund utilization through the Cash Flow Statement.
- The business now has a strong accounting foundation with statements that present a true and fair view of its operations.

What the Client Said



"Their team brought clarity to our finances by delivering accurate and reliable financial statements along with a clear cash flow analysis. They reconciled our bank accounts, loan balances, and intercompany transactions, giving us complete confidence in our financial reports. Their professionalism, expertise, and attention to detail were exceptional. Highly recommend their accounting and bookkeeping services."

— Management, U.S. Based Client



Key Takeaways: Why This Matters for Businesses

- Spreadsheet-based books and AI-generated statements can look complete while hiding reconciliation gaps that only surface later.
- Multi-entity groups need intercompany and loan account reconciliation, not just individual-entity bookkeeping.
- Cash-basis records and accrual-basis expectations rarely match — clients need this explained, not just corrected.
- Correct classification of fixed assets versus operating expenses directly affects tax outcomes.
- Partnering with an experienced accounting and bookkeeping provider turns unreliable, disconnected records into a dependable financial foundation.

Messy books and unreliable AI reports don't have to stay that way — with the right process, Corient turns fragmented records into fully reconciled, decision-ready financials.