

**Learn to Interpret Financial Statements for
Financial Management and Investment**

**Balance Sheet
Income Statement
Cash Flow Statement**



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LEARN TO INTERPRET FINANCIAL STATEMENTS FOR FINANCIAL MANAGEMENT AND INVESTMENT

Balance Sheet ♦ Income Statement ♦ Cash Flow Statement

Often, the only measure of performance that a company has is their financial statements. The story of a company's success or failure begins with the numbers presented and from there we must learn to look beyond the face of the financials. We must learn the basics of finance. Good financial records lead to good financial decisions, but only if we know how to read them.

This seminar will provide:

- Detailed analysis on income statement, balance sheet and cash flow
- Overview of methods used to analyze liquidity, leverage and profitability
- Overview of ratio analysis used for financial management and interpretation
- Financing options and alternatives

Learning objectives:

- The attendee will be able to analyze financial statements to identify performance, trends and forecasting.
- The attendee will be able to use ratios to monitor business performance and identify profitability.
- The attendee will understand the different types of financing available for companies.

Seminar Agenda:

I. Income Statement

- A. Income Statement Review
- B. Depreciation and Amortization -,
- C. Operating Leverage, Break-Even Analysis and Contribution Margin
- D. Profit Margins: Gross Margin, EBITDA, Operating Margin, EBIT, Net Margin
- E. Additional income statement analysis
- F. Benchmarking to industry standards
- G. Earnings per share and Price- Earnings ratio

II. Balance Sheet

- A. Balance Sheet Review
- B. Current Assets and Liabilities
- C. Retained Earnings and Shareholders equity
- D. Liquidity Analysis –Working capital, Current and Quick Ratios
- E. Days outstanding for Operating efficiency
- F. Leverage Ratios- Debt/Equity, Interest Coverage and Return on Equity (ROE)

III. Cash Flow Analysis

- A. Cash Flow Statement
 - 1. Three types of cash flow
 - 2. Direct vs Indirect
 - 3. Managing daily cash flow
- B. How to Analyze the Cash Flow Statement

IV. Financial Statement Analysis

- A. Benefits of ratio analysis
- B. Vertical and Horizontal Analysis: Income Statement and Balance sheet
- C. Asset Management Ratios: Receivables and Inventory turnover,

V. Financing Options and Alternatives

- A. Debt
 - 1. What Bankers Look For
 - 2. Uses and advantages of: Line of credit, Term loan, Leasing, SBA
 - 3. Other options: Asset based and PO financing
 - 4. Loan Documentation- understanding covenants and other considerations
 - 5. Banker's Expectations And Requirements
 - 6. Key Bank Financial Covenants
- B. Equity
 - 1. What Investors Look For
 - 2. Different types of investors: Angel, Venture Capital, Capital Markets

VI. External Financial Reporting

- A. Types Of Accountant's Reports: Audited Reviewed Compiled
- B. GAAP Accounting
- C. Overview of Footnotes