

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

**Balance Sheet
Income Statement
Cash Flow Statement**



Presented by Lori Williams

**LW and Associates
www.lwandassoc.com
310-473-9064**

LEARN TO INTERPRET FINANCIAL STATEMENTS FOR FINANCIAL MANAGEMENT AND INVESTMENT

Balance Sheet ♦ Income Statement ♦ Cash Flow Statement

Financial Ratios help evaluate a company's liquidity, leverage and profitability. By watching these key indicators over time, trends develop which can be used for investment and management.

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