

Economic Development Credit Analysis

PRESESSION ASSIGNMENT

- **Read** the *Economic Development Credit Analysis Textbook*.

DAY 1

8:30 a.m.

REGISTRATION

9:00

WELCOME AND INTRODUCTIONS

ECONOMIC DEVELOPMENT FINANCE CONCEPTS

- The Importance of Small and Medium-Sized Businesses
- The Long-term Financing Gap
- Financing Healthy, Expanding Businesses

CASE STUDY

CASE STUDY

12:30 p.m.

LUNCH

1:30

INTRODUCTION TO BUSINESS CREDIT ANALYSIS

- Credit Is Easy But Backwards
- The Credit Question: Is $CF > D/S$?
- The Credit Analysis Process
- Digesting Growth?

- 2:30** **THE BALANCE SHEET**
- Source and Use of Cash Statement
 - Assets: Use of Cash Threatening Survival
 - Liabilities: Future Sources of Cash Ensuring Survival

- 4:00** **IN-CLASS TEAM ASSIGNMENT**
- Spread through Line 61

CASE STUDY

CASE STUDY

- 5:30** **ADJOURNMENT**

DAY 2

- 8:30 a.m.** **REVIEW OF IN-CLASS ASSIGNMENT**

- 9:00** **THE PROFIT AND LOSS STATEMENT**
- How Well Does the Company Buy and Sell Inventory to Make a Profit?
 - Managing Profits and Impacted Expenses
 - Discretionary and Impacted Expenses
 - Quality Indicators

- 9:30** **QUALITY INDICATORS**
- Does the Company Collect?
 - Does the Company Pay?
 - Does the Company Control Inventory?
 - Are the Owners Committed?
 - Does the Company Have a Profitable Operating History?
 - Is the Company Growing?
 - Does the Company Maintain Margins?
 - Does the Company Control Overhead?
 - Is the Company Profitable?
 - Is there any Hidden Cash Flow?

- 10:30** **CASE STUDY**
- CASE STUDY**
- 12:30 p.m.** **LUNCH**
- 1:30** **ECONOMIC DEVELOPMENT FINANCING PROGRAMS**
- U.S. Small Business Administration Programs
- 2:30** **STRUCTURING THE LOAN**
- Is $CF > D/S$?
 - Adjusted Cash Flow
- CASE STUDY**
- 4:00** **IN-CLASS TEAM ASSIGNMENT**
- CASE STUDY**
- Spread and Analyze Financial Statements
 - Structure Deal
- 5:30** **ADJOURNMENT**

DAY 3

- 8:30 a.m.** **REVIEW OF IN-CLASS ASSIGNMENT**
- 9:30** **DEVELOPER REAL ESTATE FINANCING**
- Public Sector and Real Estate Development
 - Real Estate Concepts
 - Three Benefits of Owning Real Estate
 - The Development Process
 - Pro Forma Income and Expense Statement
 - Lender Ratio

CASE STUDY

12:00 p.m.

LUNCH

1:00

ECONOMIC DEVELOPMENT FINANCING PROGRAMS

- U.S. Department of Housing and Urban Development

CASE STUDY

4:00

ADJOURNMENT