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## THE Group

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### Financial Statements

- More than a computer print-out
- Consistency
- Accrual vs Cash Basis
- Generally Accepted Accounting Principles (GAAP)
  
- Noticeably missing... the mention of the word Tax
  - GAAP and Tax accounting are two distinct different concepts
  - Both have specific rules
  - Many of the rules are non-intuitive
  - Today our focus is on financial statements
  
- How Important is a Solid Financial Statement Process?
  - Measure the results of operations
  - Credibility with lenders
  - Due Diligence
    - Credibility with buyers (of the business)
    - Can be a deal killer or the cause of a price reduction in the sale of a business

### Operational efficiencies, some examples

- Human resources (HR)
- Information Technology (IT)
- Accounting (be careful)
  
- Reasons
  - Cost Savings
  - Improve quality
  - Knowledge / Expertise
  - Staffing Issues
  - Reduce time to Market

### Capital Acquisitions Considerations

- Make vs Buy
- Lease vs Traditional Financing
- Timing (could affect tax benefits)
- Installment time and cost
- When is the purchase "complete" (and payment due)