

## Cash Flow Glossary

- **Asset** something or someone of any value; any portion of one's property or effects so considered
- **Analysis** is a process of dismantling or separating into constituent elements in order to study the nature, function, or meaning.
- **Balance sheet** is a summary of a person's or organization's assets, liabilities and equity as of a specific date.
- **Cash Flow Statement** is a financial statement that shows how changes in balance sheet accounts and income affect cash and cash equivalents and breaks the analysis down to operating, investing, and financing activities over a set period of time
- **Cash Equivalents** A deferred expense or prepayment, prepaid expense or an asset representing cash paid out to a counterpart for goods or services to be received in a later accounting period.
- **Cash Inflow** is cash that is received by the investor. For example, dividends paid on a stock owned by the investor are a cash inflow.
- **Cash Outflow** is any cash that is spent or invested by the investor.
- **Debt** is Money that the borrowing entity owes or is required to pay to a lender.
- **Dividends** are payments made by a corporation at a pro rata payment of money to its shareholders, usually made periodically (e.g., quarterly or annually).
- **Equity** is ownership, especially in terms of net monetary value of a business whereas the residual claim or interest to investors in assets after all liabilities are paid. If liability exceeds assets, negative equity exists and can be purchased through stock.
- **Financial statement** is a formal record of all relevant financial information of a business, person, or other entity, presented in a structured and standardized manner to allow easy understanding
- **Income statement** is a calculation which shows the profit or loss of an accounting unit during a specific period of time, providing a summary of how the profit or loss is calculated from gross revenue and expenses
- **Liability** is a financial obligation, debt or responsibility owed to someone that has to be paid in the future, such as tax, debt, interest, and mortgage payments.

- **Liquidity** is the ability to meet obligations when they come due without incurring unacceptable losses
- **Shareholder** legally owns at least one share of stock in a company, and has rights with regards to the company
- **Solvency** -The state of having enough funds or liquid assets to pay all of one's debts; the state of being solvent.