



# Understanding and Analyzing Financial Statements *for Attorneys*

**EARN CLE!**

*An Intensive One-Day In-House Seminar*  
Custom Designed to Meet the Needs of the Legal Profession

*In one intensive, informative, entertaining day you'll learn to:*

- Master the Core Principles of Finance and Accounting Critical for Effective Litigation
- Understand the Balance Sheet, Income Statement and Cash Flows
- Properly Calculate Financial Ratios, Know What To Observe and Why
- Use Financial Statements to Gauge the Fiscal Health of Any Company
- Plan Litigation Based on a Firm's Financial Strengths and Weaknesses
- Depose Expert Financial Witnesses With Confidence
- Spot the Most Common Frauds and Financial Misrepresentations
- Understand the Legitimate 'Tricks-n-Traps' of the Accounting Profession



**An Understandable Case Study of Financial Strengths and Weaknesses  
Designed for Attorneys Who Represent All Types & Sizes of Businesses**

***Master that part of the MBA core financial program  
that really matters...in just one day!***

Your customized in-house seminar includes a comprehensive "real-life" case study of a public company of your choosing. Consider selecting a client company or a firm you would like as a client.

**Bring this Custom Training Program In-House for a Convenient, Cost-Effective Way to  
Provide Your Commercial Litigators with the  
Critical Financial Basics They Must Have to be Effective Lawyers**

*We Guarantee Results*

**NCCE**

**National Center for Continuing Education**  
World-Class Training Since 1984

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*A Practical, Comprehensive Approach . . .*

# Understanding and Analyzing Financial Statements *for Attorneys*

**Take** the mystery and fear out of accounting and financial statements with this one-day, straightforward seminar. This super-concentrated, skill-based work shop is designed for the attorney with little or no exposure to finance and accounting who would like total confidence when questioning financial executives, C.P.A.'s, and expert witnesses. All accounting and financial concepts are clearly defined in everyday language and illustrated with easy-to-follow examples and exercises.

Our organized, proven system of training, coupled with the best instructors in the industry, allows you to leave this intensive, one-day seminar with effective business skills and concepts you can put to immediate use. In this seminar especially designed for attorneys, you will learn important business skills such as basic accounting principles, financial analysis and financial ratios, industry and law firm financial norms, how to calculate break even and how to predict bankruptcy.

Using a practical, common sense approach that animates the numbers on the financials, you'll learn accounting and financial basics; and you'll also learn something else – the secrets of the accounting profession that your C.P.A. would rather you didn't know. In an exciting, informative day, we'll investigate the tricks and traps used by the accounting profession. We'll review these items in an entertaining, understandable "nuts-'n'-bolts" framework that makes sense to everyone,

regardless of the size of the company you represent. We'll discuss what the balance sheet doesn't tell you about a business as well as what it does tell you, and clearly explain why the balance sheet does not tell you the true value of a business.

## **Key Seminar Objectives**

- Understand the balance sheet, income statement and statement of cash flows.
- Use financial statements and **ratio analysis** to determine a firm's strengths and weaknesses.
- Anticipate emerging trends and **plan legal action** based on financial statement analysis.
- Defend yourself and your client by recognizing the legitimate Tricks and Traps of the Accounting Profession.
- Identify the most common manipulations and frauds

You'll see why receivables and inventory are such critical accounts, and how these accounts can be manipulated to adjust the balance sheet, net income, and tax liability. You'll leave this seminar with a thorough knowledge of one of the biggest frauds in business – misstated inventory; a clear indication of how this affects net income and taxes; and the telltale signs to look for in this situation.

We'll review padded expenses in the income statement and the proper way to ask an accountant for this information during the discovery process. We'll discuss the C.P.A. profession's liability for their client's financial statements, how to gauge the

extent of the accountant's legal responsibility, privileged client accounting information, and off-balance sheet financing techniques designed to keep liabilities from appearing on the balance sheet.

Attorneys who need proven strategies and techniques they can use immediately to become more successful on the job should plan to attend *Understanding and Analyzing Financial Statements for Attorneys*.

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# Comprehensive Seminar Agenda

## Understanding Accounting Basics - The Language of Business

- Definitions and What the Financials Don't Reveal
  - Assets vs. Economic Resources
  - Liabilities vs. Economic Obligations
- U.S. Generally Accepted Accounting Principles (GAAP)
- Debits & Credits: How to Properly Use These 'Buzz-Words' to Eliminate Intimidation
- Accrual Accounting: What it is and Why We Use it

## Understanding the Balance Sheet

- How Items are Arranged on the Balance Sheet and *Why*
- Using the Four Quadrants of the Balance Sheet
- How to Instantly Determine Liquidity and Too Much Debt – Strong Balance Sheets Explained
- How a Firm Gets Equity: Two Ways
- The Business Operating Cycle: How a Business Gets its Cash
- Tricks 'n' Traps of the Balance Sheet
  - Receivables: proper accounting vs. manipulation
  - Inventory: making sense of LIFO, FIFO and manipulating net income
  - Fixed assets, depreciation, and value
  - Goodwill: how accountants determine its value
  - Liabilities: Current vs. Long-Term
  - Equity: Shareholder vs. Other

## Understanding / Using the Income Statement

- How to Use Profit Checkpoints
- Cost of Goods Sold – Why It's Critical – How It's Manipulated and *Why*
- Why Gross and Net Margin are Critical Measures; Instantly Determine Profitability
- How to Determine Product Line Profitability – and Law Firm Specialty Practice Area Profitably
- How to Calculate Break-Even for a Law Firm Practice – or Any Business
- Identifying Common Manipulations/Fraud
  - How to locate padded expenses and present your evidence
  - How overstated (understated) inventory impacts net income
  - Spotting the five most common SEC Enforcement Hot Spots
- Overview: C-Corporation vs. S-Corporation vs. LLC

## Ratio Analysis Calculations and What the Numbers Really Mean

- Horizontal and Vertical Analysis – Asking Key Questions, Troubleshooting Problems
- **Liquidity Ratios:** Current Ratio; Quick Ratio; Cash Ratio
- **Activity Ratios:** Days Sales Outstanding (DSO); Days Sales in Inventory (DSI); Calculating the Business Operating Cycle; Asset turnover; Return on Assets (ROA). Spotting bad receivables and obsolete inventory.
- **Leverage Ratios:** Debt to Equity; Interest Coverage
- **Profitability Ratios:** Return on Equity (ROE); Return on Invested Capital (ROIC); Gross Margin; Net Margin (ROS); Book Value; Undervalued Stocks; Price to Earnings (P/E) Multiple
- The problem with using **EBITDA: Earnings Before Interest Taxes Depreciation and Amortization** – Trick Dumb Auditors
- How to Find and Use Industry Averages – **Including Law Firms**
- Predicting Bankruptcy – Z Scores
- Trend Analysis: Five-year and Quarterly; Earnings Velocity
- Graphics - Presenting Financial Information to a Jury

## Understanding / Using the Statement of Cash Flows

- How We Get Our Cash; How We Use Our Cash
- Cash related to: operations; investing; financing
- Using Vertical Analysis for Clarity

## Understanding the Statement of Changes in Shareholder Equity

- Shares Outstanding and Additional Paid-in Capital
- Retained Earnings and Dividends
- Other items
- How to Account for Stock Splits

## How to Use Value Line Reports

## Understanding Audit Reports

- Types of Audit Reports and the CPA's Legal Liability
- Advantages/disadvantages of reviewed or compiled financial statements
- Using Interim Reports

## Tricks 'N Traps - Conclusion

- Generally Accepted Accounting Principles (GAAP) vs. Cleverly Rigged Accounting Principles (CRAP)
- Using the Footnotes/Required Disclosures to the Financial Statements

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# 30 Key Benefits of Attending This Powerful One-Day Seminar

1. Eliminate intimidation: Learn how to **understand and analyze financial statements once and for all.**
2. Learn why accounting is an art – not a science, and learn how to make the accountant work for you. Discuss Generally Accepted Accounting Principles (GAAP), and the facts your C.P.A. doesn't want you to know about GAAP. Discuss Cleverly Rigged Accounting Principles (CRAP).
3. Learn the important basics such as the difference between assets, liabilities and equities; where they're located on the balance sheet; in what order they are reported and why.
4. Instantly identify a strong balance sheet by using the four quadrants of the balance sheet to identify adequate liquidity or too much leverage and risk.
5. Understand the difference between a debit and a credit; and how to **use this information to depose an expert witness.**
6. Learn what the balance sheet doesn't tell you about a business and why it doesn't value a business.
7. Choose the public company you want to use for a **"real-life" case study.** Analyze and understand its financial health.
8. Learn how to use profit checkpoints on the income statement to gauge performance. Understand **gross margin, what it means, and why it's critical.** Use gross margin analysis to determine product line profitability and to evaluate law firm specialty area profitability.
9. Understand break-even analysis and use this tool to budget law firm profitability.
10. Complete explanation of **financial statement analysis.** Total explanation of **ratio analysis – liquidity, management effectiveness, leverage and profitability ratios.**
11. Analyze accounts receivable to determine whether collections are aggressive enough or if there are bad receivables that should be written off.
12. Discuss **return on equity** – the most commonly used financial statistic.
13. Benchmark your law firm's financial ratios against law firm industry averages.
14. Understand **Net Working Capital** – how to calculate it and what it means to the firm's survival.
15. Learn about the **Price/Earnings Ratio** – how to calculate it, what it means and how to use it to analyze a stock. Learn the difference between "book value" and "market value."
16. Learn **"off-balance sheet" financing techniques** designed to **keep liabilities from appearing on the balance sheet** – and how this will change in 2013.
17. Learn about the **business operating cycle – how a business gets its cash** and why it's critical. Learn business survival tactics.
18. Determine a firm's **capital structure** and what it means – at a glance.
19. Learn how to determine the validity of the financial statements **you're using in court.** Learn the difference between **audited, reviewed, and compiled** financial statements, and the C.P.A.'s **legal liability** in each instance.
20. Learn why the **footnotes to financial statements** are essential and what must be **disclosed.** Footnotes are always required by State Statute – learn the one exception and how to use it.
21. Learn how to **spot obsolete inventory** – overstated inventory - by analyzing two key items in the financial statements.
22. Review the major difference between a Sub-S Corporation, a regular C-Chapter corporation, an LLC and their basic tax advantages.
23. Examine **LIFO, FIFO, and other inventory valuation methods.** Learn how to **legally make your client's firm look like it's worth thousands more or less,** and when to use these techniques.
24. Learn what **goodwill** is and is not, and how to draft a contract when purchasing a business for maximum tax savings in this area.
25. Discover where to look for padded expenses on the income statement and what to ask the accountant.
26. **Predict bankruptcy** 95% of the time.
27. **Spot cash flow problems instantly** with a simple technique.
28. Obtain **CLE credit.**
29. Use the **"Rule of 72"** to instantly evaluate financial performance.
30. Obtain a **desk-top reference guide for financial ratios.**

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# Custom In-House CLE Training

## Key Benefits of a Custom In-House NCCE Seminar:

- **Targeted Training** - Customize your in-house program to your company's specific needs. Let us know which items in our seminar agenda you want to stress.
- **Customized Case Study** – Select any public company that you want to analyze – a client, competitor, etc. Your lawyers will leave the seminar with a detailed financial knowledge of this company. No other seminar company customizes to this extent.
- **Convenience** - Schedule your seminar when it's most convenient for you and your staff -- at your office or the location of your choice. At your request we also train on Saturdays when your attorneys are not in court.
- **Substantial Savings** - Train a larger number of attorneys and staff for a significantly lower cost per person; avoid costly travel time and expenses. Cost effective for 10 or more employees. Plus your people have no travel costs when we train at your location – avoid travel costs.
- **Continuing Legal Education Credits** - Enable your attorneys to fulfill CLE requirements. We will work with your organization as necessary to make sure that your seminar is approved for CLE in your state.

Cost Per Seminar Attendee					
Participants	10	15	20	25	30
Total Seminar Cost	Call for Pricing	Call for Pricing	Call for Pricing	Call for Pricing	Call for Pricing
Cost Per Person	\$AVE	\$AVE	\$AVE	\$AVE	\$AVE

**Bring this course in-house and provide custom designed training to your entire organization at a great cost savings!**

The fee includes a distinguished seminar leader at your site, a pre-training analysis and course tailoring with the instructor, full preparation of course materials, a seminar manual with your organization's logo emailed camera-ready in electronic format to your director of documents and much more. Your organization simply supplies meeting space, audiovisual equipment and participant refreshments; NCCE provides everything else.

We have the quality programs and expert, experienced instructors to give your company an edge in today's competitive market. Improve communication, cohesiveness and efficiency through targeted professional development opportunities. NCCE's customized in-house training programs are a convenient, cost-effective way to provide your staff with critical information that will immediately add value to your organization.

If you are interested in an in-house seminar for your group, please take the time to look over and complete the questionnaire at the end of this brochure or [online](#). It will help you pinpoint your group's needs, and will assist NCCE in putting together a top-notch seminar for your organization.

For further details on NCCE seminars, telephone NCCE at 850-561-6081 or email [contact@nccetraining.com](mailto:contact@nccetraining.com)

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# Who Should Attend?

Any attorney who interacts with the business community who does not have a strong background in finance and accounting and would like to learn in one day how to understand and use financial statements should attend. Included in this group are attorneys who practice in the areas of:

- Administrative Law
- Government Law
- Banking and Finance
- Collections/Loan Workouts
- Criminal/White Collar Crime
- General Litigation
- International Law
- Marital & Family Law
- Real Estate/Real Property Law
- Franchise Law
- Bankruptcy
- Commercial Trade Practice
- Entertainment & Sports Law
- Contract Compliance
- Investment Banking
- General Counsel (Corporate)
- Labor & Employment Law
- Intellectual Property
- Personal Injury & Wrongful Death
- Taxation, Trusts, Wills and Estates
- Appellate Practice
- Corporate & Business Law
- Environmental Law
- Malpractice/Insurance/Risk Management
- Antitrust & Trade Regulation
- Securities and Bond Finance
- Commercial Litigation
- Workers Compensation
- Capital Markets/Venture Capital
- Mergers & Acquisitions/LBOs

## Contact Us

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Call today to schedule your custom in-house training program.

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- By Phone:** 850-561-6081  
**By Fax:** 850-222-4862  
**Online:** [www.nccetraining.com](http://www.nccetraining.com)  
**By Email:** [contact@nccetraining.com](mailto:contact@nccetraining.com)  
**By Mail:** NCCE  
967 Briarcliff Drive

This seminar is also ideal for law students and legal paraprofessionals who would like to learn as much in one day about this subject on a practical level as they would in a whole semester of college.

## CLE Credit

This seminar has been approved for CLE credit in many states. Contact NCCE for specific information on CLE credit in your state.

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**Understand Financial Analysis Once and For Always  
NCCE Guarantees Results!**

## SPECIAL BONUS!

When you attend *Understanding and Analyzing Financial Statements for Attorneys* you receive FREE:

- **Seminar Workbook:** Take all the information, examples and exercises from the seminar back to the office with this comprehensive seminar manual, written in easy to understand, everyday language. Let it serve you in the future as a valuable reference tool.
- **Detailed Examples/Exercises for 15 Critical Financial Ratios to Gauge the Financial Health of any Business and an Excel template to automate ratio calculations:**
  - Liquidity Ratios (for short-term credit)
  - Activity Ratios (to gauge management's effectiveness)
  - Leverage Ratios (to evaluate risk)
  - Shareholder Ratios (to evaluate profit)

Each ratio is discussed in terms of **logic** (why we calculate it), **mechanics** (how we calculate it), **result** (what to look for), and **danger** (what to avoid).

- **Desk-Top Reference Guide for Financial Ratios**
- **Industry Average Financial Ratios for Law Firms**

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# NCCE Past In-House Seminar Clients

## Understanding and Analyzing Financial Statements for Attorneys

Partial listing of clients who have had that this seminar be presented in-house

- Jones, Day, Reavis & Pogue
- Weil, Gotshal & Manges
- Greenberg Traurig
- Alston & Bird
- Ice, Miller
- McDermott, Will & Emery
- Drinker Biddle & Reath
- Arnall Golden & Gregory
- Irell & Manella
- Bass, Berry & Sims

## Understanding and Analyzing Financial Statements for Non-Financial Professionals

Partial listing of clients who have had this and other NCCE seminars be presented in-house

- Harley – Davidson
- Oracle
- Florida Power & Light
- Burger King
- Stanley Tools
- National Institute of Science and Technology (NIST)
- U.S. Dept. of Environmental Regulation
- Hewlett – Packard
- General Mills
- J. M. Family Enterprises
- Motorola
- Deloitte
- U. S. Small Business Administration

## About the National Center for Continuing Education

Since 1984, the National Center for Continuing Education (NCCE) has produced and marketed continuing professional education and executive training in major cities throughout the United States. We provide critical business information to Fortune 1000 managers, attorneys, CPAs, healthcare administrators, engineers and business owners nationwide. For over 25 years we have offered informative, exciting continuing education led by the nation's most qualified instructors.

## Your Seminar Will Be Led By One of NCCE's Expert Faculty

### **Bruce Clements, CPA, Ph.D., JD, MBA**

Bruce is an attorney as well as a college professor. His practical work experience includes several years with a Big-4 accounting firm, operational accounting and financial analysis with a major oil company, and work as a practicing attorney and CPA. His varied education, practical work experience, and proven platform skills help him to deliver an interesting presentation.

### **Richard T. Balog, CPA, CFE, CIA**

Richard has managed consulting engagements and led executive development programs in 25 countries and trained more than 70,000 business executives. Prior to his current position, Rick established KPMG Peat Marwick's executive education department, where he designed and taught audit training programs. He has also served as manager of program development for The Institute of Internal Auditors. Rick holds degrees in accounting and management from Loyola University and an M.S. in behavioral sciences from the University of Florida. He has won awards from The Institute of Internal Auditors and The American Institute of Certified Public Accountants for leading outstanding seminars.

### **Joe Weil, CPA, MBA**

Joe is an exciting and dynamic professional speaker who has led over 400 financial seminars for attorneys and CPAs. He has a special talent for explaining abstract accounting concepts to non-financial professionals in a concrete, crystal-clear, entertaining manner that anyone can understand. Joe has owned his own CPA firm, conducted numerous forensic audits and has served as an expert witness. His philosophy is that entertainment and education should be mixed for maximum benefit and this attitude has consistently resulted in very satisfied seminar participants.

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# NCCE In-House Seminar Questionnaire

*Understanding and Analyzing Financial Statements for Attorneys*

## Company/Firm:

COMPANY/FIRM NAME \_\_\_\_\_ TELEPHONE NUMBER \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_ FAX NUMBER \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

## Contact Person:

SAL NAME \_\_\_\_\_ TITLE \_\_\_\_\_

CONTACT TELEPHONE NUMBER \_\_\_\_\_ EMAIL ADDRESS \_\_\_\_\_

## Basic In-House Information:

DATES DESIRED \_\_\_\_\_ LOCATION \_\_\_\_\_

IS CLE NEEDED? \_\_\_\_\_ IF SO, HOW MANY HOURS DESIRED \_\_\_\_\_

HOW MANY WILL ATTEND? \_\_\_\_\_ ATTENDED NCCE TRAINING BEFORE? \_\_\_\_\_

ATTENDEE TITLES \_\_\_\_\_

ATTENDEE EDUCATION BACKGROUND AND EXPERIENCE \_\_\_\_\_

WHY IS TRAINING NEEDED? \_\_\_\_\_

PUBLIC COMPANY TO ANALYZE \_\_\_\_\_

## Additional Information:

\_\_\_\_\_  
\_\_\_\_\_

*We Guarantee Results*

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