

# Understanding and Analyzing Financial Statements *For Non-Financial Professionals*

**EARN CLE!**

*A Practical, Real-World, Intensive, One-Day, In-House Seminar*

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

*Learn more in one day than you would in a 10-week MBA finance course including:*

- Core Principles of Corporate Finance and Accounting
- Interpreting/Using the Balance Sheet, Income Statement and Statement of Cash Flows
- **Financial Analysis and Financial Ratios Clearly Explained**
- Gauging the Fiscal Health of Any Company
- Benchmarking Your Company's Performance Against Competitors and Your Industry
- Size Up Competitors Instantly by Learning How To Use Value Line
- Common Financial Misrepresentations – Spotting The Most Common Frauds
- Legitimate Tricks 'n Traps of the Accounting Profession
- Using the Annual Report - What the Footnotes and Audit Report Tells You

**An Understandable Case Study of Financial Strengths and Weaknesses**

***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 your firm and/or a competitor for comparison.

**Bring this Custom Training Program In-House for a Convenient, Cost-Effective Way to Provide Your  
People with the Critical Financial Basics They Must Have  
To be Effective in Today's Economy**

*We Guarantee Results*

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*A Practical, Comprehensive Approach . . .*

# Understanding and Analyzing Financial Statements *For Non-Financial Professionals*

**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 non-financial professional with little or no exposure to finance and accounting** who would like total confidence when reviewing financial statements. 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 non-financial professionals**, you will learn important business skills such as basic accounting principles, **financial analysis and ratios**, industry financial norms and even 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 more. You'll learn accounting - the language of business - and how to use your financial statements for financial analysis.

We'll review these items in an entertaining, understandable "nuts-'n'-bolts" framework that makes sense to everyone. 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.

You'll learn how to use the balance sheet to instantly evaluate a firm's liquidity, leverage and risk and clearly understand what this means. You'll learn how to use the P&L to evaluate different levels of profitability - gross profit, operating profit and net income - and clearly understand what this means. You'll learn how to use the statement of cash flows to clearly understand how a firm gets its cash and how it uses its cash.

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 show you how to use Value Line to understand any major company. We'll also examine the annual report, what the audit opinion really means, and what to look for in the footnotes to the financial statement.

Non-financial professionals 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 Non-financial Professionals*.

## **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 act based on financial statement analysis.
- Benchmark your firm's performance against competitors.

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# One-Day 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
- 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/Using 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
- How to Calculate Break-Even
- Identifying Common Manipulations/Fraud
  - How overstated (understated) inventory impacts net income
  - Spotting the five most common SEC Enforcement Hot Spots

## 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 I Trick Dumb Auditors**
- How to Find and Use Industry Averages
- Predicting Bankruptcy – Z Scores
- Trend Analysis: Five-year and Quarterly; Earnings Velocity
- Graphics - Presenting Financial Information to Your Audience

## 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 Annual Reports

- Management's Discussion and Analysis
- Types of Audit Reports and the CPA's Legal Liability
- 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) vs 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 eliminate intimidation.**
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.
9. Understand break-even analysis and use this tool to budget product line profitability.
10. Complete explanation of **financial statement analysis.** Review and 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. Understand **return on equity** – the most commonly used financial statistic.
13. Benchmark your firm's financial ratios against your industry averages.
14. 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."
15. Learn **"off-balance sheet" financing techniques** designed to **keep liabilities from appearing on the balance sheet** – and how this will change in 2013.
16. Understand **Net Working Capital** - how to calculate it and what it means to the firm's survival.
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.** 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.**
21. Learn how to **spot obsolete inventory**– overstated inventory - by analyzing two key items in the financial statements.
22. Examine **LIFO, FIFO,** and other **inventory valuation methods.** Learn how to **legally make your firm look like it's worth thousands more or less,** and when to use these techniques.
23. Learn what **goodwill** is and is not.
24. **Predict bankruptcy** 95% of the time.
25. **Spot cash flow problems instantly** with a simple technique.
26. Use the **"Rule of 72"** to instantly evaluate financial performance.
27. Obtain a **desk-top reference guide for financial ratios.**
28. Obtain a simple Excel template that **automatically calculates the financial ratios.**
29. Learn how to use *Value Line.*
30. Attorneys in your firm can receive CLE credit for this seminar in most states.

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# Custom In-House 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 – your firm, a competitor, etc. Your audience will leave the seminar with a detailed financial knowledge of the company. No other seminar company customizes to this extent.
- **Variable Time for Presentation** – Presentation can be tailored for a 2, 4, or 6-hour presentation. The 8-hour presentation is best but we will accommodate your schedule.
- **Convenience** - Schedule your seminar when it's most convenient for you and your staff -- at your office or the location of your choice.
- **Substantial Savings** - Train a larger number of non-financial professionals 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** - For your lawyers in the audience this seminar is approved for Continuing Legal Education in many states.

Cost Per Seminar Attendee					
Participants	10	15	20	25	30
Total Seminar Cost	Call for Pricing				
Cost Per Person	<b>\$SAVE!</b>	<b>\$SAVE!</b>	<b>\$SAVE!</b>	<b>\$SAVE!</b>	<b>\$SAVE!</b>

**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 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 including instructor travel expense.

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?

This seminar is a must for any business professional who needs to gain an understanding of finance and accounting in one day including:

- Presidents, CEOs and Business Owners
- Investor Relations Personnel Who Communicate Financial Results to the Public
- Attorneys, Corporate Counsel and Business Litigators
- Department and Division Heads
- Administration and HRD Personnel
- Manufacturing, Engineering and Operations Personnel
- Sales and Marketing Personnel
- New Hires in the Finance and Accounting Department

## Participants' Comments

“This was the best seminar I’ve been to, including some at Harvard Law School, Cornell, AMA, etc.”

*Richard Berman, Vice President  
Kaman Corporation*

“This seminar presented as much in two days as I had received in a ten-week graduate course.”

*Susan Bradley, Senior Engineer  
Polaroid*

“This presentation was certainly animated, fast-paced and informative. This is the first time I’ve left a seminar with the feeling that the fee was too little.”

*Robert Morton, Manager  
Surgical Center*

“This was the first seminar I’ve attended that was 100% worth my time.”

*Andy Weiss, Procurement Specialist  
Hewlett Packard*

“The best CLE class I’ve attended in 12 years. Instructor was clear, enthusiastic and offered very practical advice.”

*Chris M. Vail  
Attorney & Business Consultant*

## CLE Credit for Lawyers

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

**This seminar is ideal for anyone  
who would like to clearly  
understand the basic principles of  
financial analysis and accounting  
once and for all...  
*in just one day!***

## NCCE Guarantees Results!

### Contact Us

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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 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. Environmental Protection Agency
- Hewlett – Packard
- General Mills
- J. M. Family Enterprises
- Motorola
- Deloitte
- U. S. Small Business Administration
- Fortune Magazine

## 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 accounting 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 Non-Financial Professionals*

## Company/Firm:

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

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

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

## Contact Person:

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

CONTACT TELEPHONE NUMBER \_\_\_\_\_ CONTACT 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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