

## Financial Statement Analysis for the Non-Accountant

*Improve Your Ability to Interpret Key Financial Tools*

Regardless of your position in the organization, a clear understanding of financial analysis tools will improve your performance in all areas of business. Financial statements are the pulse of a business, and one of the clearest indicators of its health. To non-accountants, however, they can be a confusing melee of numbers and accounting terms.

This program will provide you with a basic understanding of financial statements and an appreciation for the use of key financial analysis tools. You will use actual financial statements to learn and apply the analytical techniques being examined.

Participants are not expected to have any formal accounting training or experience. Those who are very new to the field may find *Fundamentals of Finance and Accounting for Non-Financial Managers* a useful precursor to this program.

### Takeaways

- Expand your knowledge about the environment in which accounting operates and the nature of Generally Accepted Accounting Principles
- Gain a basic understanding of financial statements – balance sheets, income statements and statements of changes in financial position
- Appreciate the uses of key financial analysis tools
- Understand the relationships between investment, operational and financing decisions
- Identify the danger signals when assessing the viability of an enterprise
- Understand the difference between cash flows and accounting profits
- Recognize the limitations of financial statements
- Improve your ability to communicate with accounting and financial professionals
- Be able to interpret key financial figures and their impact on your business
- Better comprehend financial information in newspapers, magazines and websites

### Audience

Any executive or manager with responsibilities for the financial health of an organization. Participants are not expected to have any formal accounting experience.

## Program Content

### Content and Format of Financial Statements

- Accounting standards
- Current issues

### Making Sense of Individual Financial Statements

- The balance sheet
- Income statement/retained earnings
- The cash flow statement
- Notes to statements

### Analyzing Financial Statements

- Understanding and analyzing ratios
  - Liquidity ratios
  - Leverage ratios
  - Profitability and activity ratios
- Common size analysis
- Making comparisons
  - Your company's performance over time
  - vs. other firms in the industry
  - vs. other industries

## Special Features

There will be considerable discussion on "earnings management" and "aggressive financial reporting," and how companies such as Nortel, Livent, Enron and WorldCom used these techniques to manipulate their financial statements. You will also learn how to uncover some of these irregularities in financial statements.

## Program Leader

**Scott Sinclair** (FCPA, FCA) is a lecturer at the Sauder School of Business. He has been actively involved in professional accounting education for 30 years. He was the principal author for the CA School of Business in Western Canada between 2000 and 2010, and has won multiple awards for teaching excellence. He has also worked for Coopers & Lybrand Chartered Accounts, serving small business and mining clients.

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