

ACG203 Financial Statement Project – Fall 2017

OBJECTIVE: Students will use financial reports of real companies, find specific items in financial statements, and use analytical tools currently available to accountants, investors, and other users of financial information. These analytical tools and data will be used by students to analyze company current financial position and company potential for the future.

Due Date: December 11,2018

Instructions:

- A. You will either be assigned a company from the List of Companies provided.
- B. This is a group project (maximum 2 students).
- C. This project should be a maximum of 8 written pages (double spaced, 12 font - 2000-2500 words-Note that that repeating the questions alone takes up about 2 pages of the 8 pages)). Feel free to add appendices of numbers, charts, or tables in support of your answers.
- D. Upload your project into the link provided on Bb. Your project will be evaluated for plagiarism through the Bb software called SafeAssign: Accordingly you should view your originality report because your instructor will be checking this.
- E. Hand in the following:
 1. a hard copy of the project

- F. You will be graded on the quality of your answers as well as the quality of your writing.
- G. Become familiar with the data analysis tools required for this project.
 1. Calcbench
 - i. access Calcbench at the following link and set up an account accordingly www.calcbench.com/Bryant (NOTE: DO NOT sign into www.calcbench.com...be sure to use the /Bryant notation)
 - ii. view the video – “Calcbench – How to use the toolkit” at the following link <https://www.youtube.com/watch?v=QrynwgfzwWk&feature=youtu.be>
 2. Securities and Exchange Commission (SEC) filings
 - i. Go to www.SEC.gov and click on the “filings” tab at the top of the page. Enter your company’s name or ticker symbol to view your company’s filings with the SEC.
 - ii. Open “Form 10-K” to access your company’s annual report. Within the annual report, you will need to search for the following information to answer various questions in this project:
 1. Financial Statements
 2. Management Discussion & Analysis (MD&A)
 3. Report of Independent Registered Public Accounting Firm
 4. Management’s Annual Report on Internal Control Over Financial Reporting

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Questions to be answered:

(Repeat these questions and insert your answers below them. Place appendices at the end of your answers).

- 1- List the following answers:
 - a. Name of your company and company sector?
 - b. Is this company following US GAAP or IFRS reporting standards? How can you tell?
- 2- Using the company's Balance Sheet and Statement of Cash Flow, explain how your company is financing its activities (i.e. equity financing through stock, debt financing through borrowing, financing through operations)...and why this is important.
 - a. Be sure to show specific numbers and/or ratios using both of these financial statements.
- 3- Using Calcbench's Analytics, what did you learn about your company's financial performance. Indicate positive/negative trends and ratios that would matter to you. Briefly explain your rationale.
- 4- By comparing your company to its Calcbench Peer Group, what did you learn about your company that sets it apart from the competition?
 - a. Be specific about positive/negative trends and ratio performance of your company in comparison to its peer group.
- 5- Read the Management Discussion and Analysis (MD&A) within the Form 10-K SEC filing. Report whether your findings in questions 3 and 4 are consistent with impression you get from the MD&A written and signed by the CEO.
- 6- Read the Report of Independent Registered Public Accounting Firm within the Form 10-K SEC filing.
 - a. Who is the Independent Auditor for your company?
 - b. How can this report be used to evaluate your company?
 - c. Did the auditor's report comment about the wellbeing of the company?
- 7- Read Management's Annual Report on Internal Control over Financial Reporting within the SEC Form 10-K SEC filing. What was management's assessment of company internal controls? Why is this important?
- 8- Analyze the Statement of Cash Flows by focusing on the following for the past three years...
 - Cash flow from Operating Activities
 - Cash flow from Investing Activities
 - Cash flow from Financing Activities
 - Total Cash flow
 - a. What is the main source of cash inflows in each of the last three years for this company?
 - b. In your judgment is this trend good/bad for the company and why?
- 9- Among the Balance Sheet, Income Statement, Statement of Cash Flow; identify and explain which accounts, ratios, or other specific information from these statements that would help you predict the following for your company:
 - a. Financial stability
 - b. Future growth in earnings
 - c. Future potential for company growth
- 10- Is there any evidence anywhere in company reporting documents that suggests your company is environmentally friendly (recycles, has a sustainability plan, etc.) Explain where you looked and what you found.