

# Finance for Non-Financial Professionals

October 30-31, 2008 | Trump International Sonesta Beach Resort – North Miami Beach, FL



Are you lacking a firm grasp of finance and accounting? Do you need a closer understanding and appreciation of the numbers and the significant reports – i.e. income statements and balance sheets, cash flow, return on investment analyses and retailers' financials – as well as a better relationship with the people who report the numbers in your organization? ICSC offers a comprehensive one-and-a-half-day seminar that will demystify finance for the nonfinancial shopping center professional. Unlike most seminars on this topic, the ICSC course will be taught by shopping center experts on finance and accounting, who can explain in "practical terms" what you need to know about applying financial terms and principles as they relate to the shopping center industry.

## Who Should Attend

- Asset managers, retail and REIT analysts seeking more knowledge of all methods of accounting, finance, financing techniques and the numbers that drive the business.
- Leasing agents and brokers involved in putting together, presenting, negotiating and analyzing or approving lease deals.
- Graduates of the Leasing II Institute.
- Shopping center management and marketing personnel responsible for significant components of the business plan process and those whose responsibility is to approve budgets or generate income through tactical implementation.
- Graduates of the Management II and Marketing II Institutes.
- Development officers, lawyers, operations and security managers, and other professionals with expense or income budget responsibilities wishing to be updated on all areas of finance and accounting.
- All other professionals who need a jump-start or refresher in finance and accounting techniques and applications for shopping centers.
- Experienced retailers with substantial responsibility for overseeing the real estate function of the company or those active in negotiating leases with landlord representatives.

## How You Will Benefit

- Understand key financial data and measurements that give you a clear picture of your shopping center's financial position and learn to highlight warning signs to address.
- Learn how to read, interpret, analyze and, most importantly, react to financial statements and accounting reports.
- Discover how cash flow is managed using financial reports.
- Decode the terminology and learn the application, including assets, liabilities, equity, expense, 10K, 10Q, NOI, FFO, valuation and cash flow.
- Analyze potential retailers' income statements and financials to evaluate their ability to succeed in your center and existing tenant statements to determine if rent restructuring is warranted.
- Perform financial analysis of a lease deal and see how various models using internal rates of return make deals either appealing or unpalatable.
- Learn how to sell your ideas for capital building and tenant improvements using solid numbers to back you up.

## The Classes

### Talk the Talk

- Basic accounting equations.
- Common accounting and finance terms and what they mean – including NOI, FFO, 10K, 10Q, amortization, CAPEX, depreciation, EBITDA, straight line rents.
- Appraisal concepts such as market rents, occupancy rates, recoveries, rate of retention, cap rates, discount rates, return on investment.

### Walk the Walk

- The accounting cycle: What it is and how to work with it.
- The difference between cash and accrual accounting and the proper application of the more popular modified accrual system.
- Accounting for assets, liabilities, revenue and expenses.
- Debits and credits explained.
- The other GAAP: Generally Accepted Accounting Principles and their application to shopping center practices.

## Why Can't Johnny Read the Financial Statement?

- How to read and interpret three types of financial statements: balance sheet, operating statement and cash flow statement.
- How to examine the P & L (profit and loss) statement and understand rental revenues, recoveries, owner's expense and profitability.
- Identifying types of assets and liabilities.
- Employing the ten basic steps in preparing a financial statement.
- Utilizing commonly used ratios to evaluate profitability, liquidity and leverage.
- Applying the lessons to tenant's financial statements.

## It Takes a Lease

- Tracking the payments made by a tenant through the income statement over the life of the lease.
- Calculating the recovery of expense... gross lease vs. triple net...and various types of food court CAM.
- How a tenant improvement allowance is treated in the financial statement and what happens when the tenant vacates.
- The effects of free rent on funds from operations and the center value.

## Show Me the Numbers

- Leasing reports that accurately measure occupancy, productivity and revenue.
- Using sales reports for percentage rent projections and occupancy cost analyses.
- Ten other key indicators the tenant sales reports reveal.
- Managing accounts receivable and collection techniques.
- How to structure proposals and recommendations in terms of hard dollars... and get faster approval.
- Benchmarking, or understanding performance against others.

## The Business Plan Is Everyone's Job

- Constructing an aggressive, yet realistic and measurable, business plan to increase shopping center productivity.
- Basic elements of a budget for an operating shopping center.
- How cash flow is forecast.
- Reasonability tests to improve your accuracy when projecting revenues.

## Finance for Non-Financial Professionals (continued)

- Analyzing variance reports and writing proper variance explanations.
- Components of a redevelopment pro forma.

### Have I Got a Deal for You

- Evaluating the financial impact of a proposed lease on rents, recoveries and the funds from operations.
- Measuring a proposed lease against expectations of redevelopment pro forma.

### But What's the Return?

- Calculating return on investment...the true lease yield.
- Considering the cost of funds for investment.
- How to evaluate the relative degree of risk for a project.
- Understanding the investor's hurdle rates.

### What Is Included

An easy-to-use workbook with course outlines, budget and operating report forms, glossary of financial terms and many examples to help you reinforce concepts and implement on-the-job applications of subject matter taught in this seminar.

**Note:** Please bring a calculator to class. Any make or model will do.

## General Information

### How To Register

Refer to Registration Form B, which is found in the center of the catalog. There are three ways to register:

**On-line:** [www.icsc.org](http://www.icsc.org)

(Credit card registrations only)

**Fax:** +1 732 694 1800

(Credit card registrations only)

**Mail:** ICSC

P.O. Box 26958

New York, NY 10087-6958

### Tuition Fees

**Member:** \$345 (U.S.)

**Non-Member:** \$445 (U.S.)

**Student Member:** \$ 50 (U.S.)

### ON-SITE FEE

(after October 29, 2008)

**Member:** \$370 (U.S.)

**Non-Member:** \$470 (U.S.)

### Discounted fee if attending the Finance, Law and Leasing Seminars:

**Member:** \$ 900 (U.S.) total

**Non-Member:** \$1,200 (U.S.) total

### ICSC Member Fee

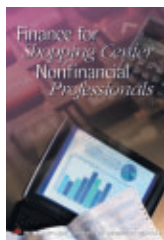
To qualify for the member rate, you must be an ICSC member. Non-member employees of member companies do not qualify.

### Non-Member Fee

Non-members who join ICSC by the time they register may take advantage of the applicable member rate. See the Membership Application Form on page 56.

**Note:** The tuition fee is for the full one-and-one-half-day program. No single-day or half-day admittance to this program is offered.

## BONUS TEXTBOOK



### Finance for Shopping Center Non-Financial Professionals

This book is useful to professionals in the shopping center industry who need to refer to or brush up on the fundamentals of finance and accounting that are applicable to most other disciplines. Your registration fee for this course also

includes this specially designed book to enhance your learning of the material taught in this course. If you are not attending and wish to order this publication, please turn to page 54.

### Confirmation

Upon receipt of your Registration Form B and payment, ICSC will send you a confirmation notice.

### Cancellations

Cancellations will be subject to a \$25 cancellation fee. No refunds will be given for cancellations received after September 27, 2008.

**All requests for refunds must be received in writing by the ICSC Registration Department.**

### Class Hours

**First day:** Registration 7:30 – 9:00 am.

Class is in session from 9:00 am – 5:00 pm.

**Second day:** Class is in session from 8:00 am – 12:00 noon.

### Meals

Continental breakfast will be served both mornings at 7:15 am. A networking lunch will be held on the first day from 1:00 – 2:00 pm, with mid-morning and mid-afternoon breaks.

### Housing Information

A block of rooms has been reserved at the Trump International Sonesta Beach Resort for participants in the Finance for Non-Financial Professionals Program. You may secure reservations by using the Hotel Reservation Form found in the center of the catalog. Return the Hotel Reservation Form directly to DePrez Travel. Rooms will be assigned in the order reservations are received. The rate for the hotel is \$189 single/double.

**Note:** ICSC is not responsible for reserving or canceling hotel accommodations. All changes or cancellations must be made in writing or faxed to DePrez Travel at +1 585 442 8934.

### Airline Information

Refer to the Airline Information Form in the center of the catalog for discounted airline fares to Miami, FL.

### Continuing Education Credits

**SCSM/SCMD/SCLS:** 1.5 credits per course



Any disabled individual desiring auxiliary aid at this course should notify ICSC at least five weeks in advance.