FINANCIAL ANALYSIS CS™

Sample Reports

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Introduction

The *Financial Analysis CS*™ module within the *Creative Solutions Accounting*® *(CSA)* software includes many pre-defined financial reports that you can use and customize in the *Financial Analysis CS* Report Designer to meet your clients' financial reporting needs. You can generate sample reports included here from the File / Quick Analysis dialog in *Financial Analysis CS*. They include two-year and five-year comparisons, industry and group comparisons, and detailed ratio analysis reports for all standard ratios or for selected ratio types. The detailed ratio analysis reports include charts depicting several key ratios that are available to incorporate into your client reports or to customize to fit your client's specific needs.

Note: You can use the programs Report Designer to copy and modify any of the standard reports or to create new ones from scratch.

Quick Analysis Financial Reports

The collection of reports included in this document is based on the sample client data that has been transferred from CSA for the FACS01 Sample Client, with FACS02 and FACS03 set up as industry peers, as outlined in the *Financial Analysis CS Getting Started* guide. The provided reports include two-year comparison reports, five-year trend analysis reports, industry and group comparison reports, definitions, of categories, and ratio formulas.

Liberty Medical Group
2008
Financial Analysis Reports

Prepared by:

Parnes, Velano, Martinez
7322 Newman Blvd
Dexter, MI 48130
800-968-0600

We at Parnes, Velano, Martinez have compiled the enclosed report for Liberty Medical Group based on financial data compiled through December 31, 2008.

Each report has been customized for your business to give you the information you need to compare your annual business performance to comparable businesses within the Offices of Physicians (except Mental Health Specialists) industry (NAICS: 621111). This information can help you to determine if your business strategy is competitive within your industry and to pinpoint your company's strengths and weaknesses. It will also enable you to benchmark your firms performance over time, allowing you to chart the progress of your business, to analyze your business performance more effectively, and to make more informed decisions about your company's direction.

Please review each report carefully as it is important that you fully understand the data presented here. Please be aware that the analysis presented is based on historical figures. It is not a prediction of the future but rather a tool for monitoring the progress of your business over time. This information should factor into your decision making, but it should certainly not be the only factor in your business decisions. Be sure to consult all appropriate resources and professionals before making any decisions that may affect the financial health of your company.

If you have any questions, please contact our office at 800-968-0600 at your earliest convenience. It is a privilege to provide you with services and tools to help you manage your business successfully.

Your commitment to Parnes, Velano, Martinez is greatly appreciated!

Liberty Medical Group
Balance Sheet - Two-Year Comparison

	2008	2007	$ Variance	% Variance
Assets				
Cash & Equivalents	$336,818	$319,978	$16,840	5.3%
Trade Accounts Receivable	$134,569	$127,841	$6,728	5.3%
Inventory	$12,985	$13,657	-$672	-4.9%
Other Current Assets	$98,323	$94,325	$3,998	4.2%
Total Current Assets	$582,695	$555,801	$26,894	4.8%
Long-Term Investments	$81,197	$77,137	$4,060	5.3%
Net Fixed Assets	$412,458	$383,750	$28,708	7.5%
Intangible Assets	$61,874	$58,780	$3,094	5.3%
Other Non-Current Assets	$78,390	$74,471	$3,919	5.3%
Total Assets	$1,216,614	$1,149,939	$66,675	5.8%
Liabilities				
Accounts Payable	$42,787	$32,658	$10,129	31.0%
Notes Payable	$88,247	$83,835	$4,412	5.3%
Accrued Liabilities	$532,506	$530,190	$2,316	0.4%
Income Taxes Payable	$10,014	$9,115	$899	9.9%
Current Portion of Long-Term Debt	$111,238	$115,676	-$4,438	-3.8%
Total Current Liabilities	$784,792	$771,474	$13,318	1.7%
Long-Term Debt	$281,809	$263,352	$18,457	7.0%
Other Long-Term Liabilities	$55,000	$36,000	$19,000	52.8%
Total Long-Term Liabilities	$336,809	$299,352	$37,457	12.5%
Total Liabilities	$1,121,601	$1,070,826	$50,775	4.7%
Retained Earnings	$95,013	$79,113	$15,900	20.1%
Total Equity	$95,013	$79,113	$15,900	20.1%
Total Liabilities and Equity	$1,216,614	$1,149,939	$66,675	5.8%

Liberty Medical Group
Statement of Income - Two-Year Comparison

	2008	2007	$ Variance	%
Sales	$8,079,445	$7,756,268	$323,177	4.2%
Cost of Sales	$0	$0	$0	0.0%
Gross Profit	$8,079,445	$7,756,268	$323,177	4.2%
Operating Expenses	$7,945,326	$7,620,193	$325,133	4.3%
Operating Profit	$134,119	$136,075	-$1,956	-1.4%
Other Income	$0	$0	$0	0.0%
Other Expenses	$16,360	$15,542	$818	5.3%
Earnings Before Interest and Taxes	$117,759	$120,533	-$2,774	-2.3%
Interest Expense	$72,301	$68,439	$3,862	5.6%
Earnings Before Taxes	$45,458	$52,094	-$6,636	-12.7%
Provision for Income Taxes	$21,877	$21,070	$807	3.8%
Net Income	$23,581	$31,024	-$7,443	-24.0%

Additional Information

Owners' Compensation	$2,853,654	$2,796,581	$57,073	2.0%
Depreciation Expense	$122,001	$115,901	$6,100	5.3%
Selling Expenses	$0	$0	$0	0.0%

Liberty Medical Group
Ratio Analysis - Two-Year Comparison

	2008	2007	% Variance
Liquidity Ratios			
Current Ratio	0.7	0.7	0.0%
Quick Ratio	0.6	0.6	0.0%
Defensive Interval Days	22.3	22.1	0.9%
Accounts Receivable to Working Capital	-0.7	-0.6	16.7%
Inventory to Working Capital	-0.1	-0.1	0.0%
Long-Term Liabilities to Working Capital	-1.7	-1.4	21.4%
Sales to Working Capital	-40.0	-36.0	11.1%
Activity Ratios			
Accounts Receivable Turnover	60.0	60.7	-1.2%
Days Sales in Receivables	6.1	6.0	1.7%
Inventory Turnover	0.0	0.0	0.0%
Days Cost of Sales in Inventory	0.0	0.0	0.0%
Accounts Payable Turnover	0.0	0.0	0.0%
Days Cost of Sales in Payables	0.0	0.0	0.0%
Operating Cycle Days	6.1	6.0	1.7%
Sales to Assets	6.6	6.7	-1.5%
Sales to Net Fixed Assets	19.6	20.2	-3.0%
Percent Depreciation Expense to Fixed Assets	25.2	25.8	-2.3%
Percent Accumulated Depreciation to Fixed Assets	14.8	14.7	0.7%
Net Fixed Assets to Equity	4.3	4.9	-12.2%
Profitability Ratios			
Percent Gross Profit	100.0	100.0	0.0%
Percent Profit Margin on Sales	0.6	0.7	-14.3%
Percent Rate of Return on Assets	3.7	4.5	-17.8%
Percent Rate of Return on Equity	47.8	65.8	-27.4%
Price Earnings Ratio	0.0	0.0	0.0%
Earnings Per Share	0.0	0.0	0.0%
Coverage Ratios			
Debt to Total Assets	0.9	0.9	0.0%
Percent Owners' Equity	7.8	6.9	13.0%
Equity Multiplier	12.8	14.5	-11.7%
Debt to Equity	11.8	13.5	-12.6%
Cash Flow to Current Maturities Long-Term Debt	1.3	1.3	0.0%
Times Interest Earned	1.6	1.8	-11.1%
Book Value Per Share	0.0	0.0	0.0%
Expense to Sales Ratios			
Percent Depreciation to Sales	1.5	1.5	0.0%
Percent Owners' Compensation to Sales	35.3	36.1	-2.2%

Liberty Medical Group
Detailed Ratio Analysis - Two-Year Comparison

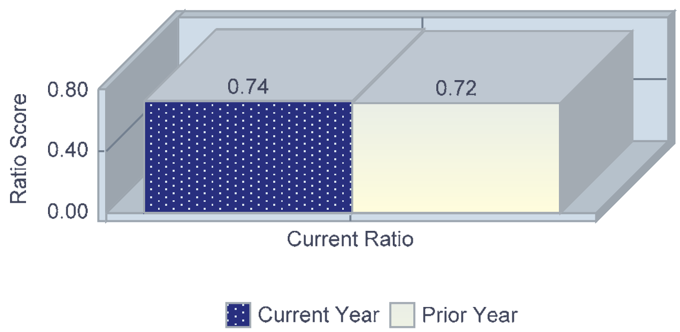
Liquidity ratios measure a company's ability to meet its maturing short-term obligations. In other words, can a company quickly convert its assets to cash without a loss in value if necessary to meet its short-term obligations? Favorable liquidity ratios are critical to a company and its creditors within a business or industry that does not provide a steady and predictable cash flow. They are also a key predictor of a company's ability to make timely payments to creditors and to continue to meet obligations to lenders when faced with an unforeseen event.

Current Ratio

Current Assets / Current Liabilities

This ratio reflects the number of times short-term assets cover short-term liabilities and is a fairly accurate indication of a company's ability to service its current obligations. A higher number is preferred because it indicates a strong ability to service short-term obligations. The composition of current assets is a key factor in the evaluation of this ratio. Depending on the type of business or industry, current assets may include slow-moving inventories that could potentially affect analysis of a company's liquidity how long could it potentially take to convert raw materials and inventory into finished products? (For this reason, the quick ratio may be preferable to the current ratio because it eliminates inventory and prepaid expenses from this ratio for a more accurate gauge of a company's liquidity and ability to meet short-term obligations.)

The current ratio for Liberty Medical Group is 0.74, which compared to the baseline of 0.72 indicates the company's ability to service short-term obligations is satisfactory. However the value of the quick ratio will provide a clearer indication of the company's success in this area.



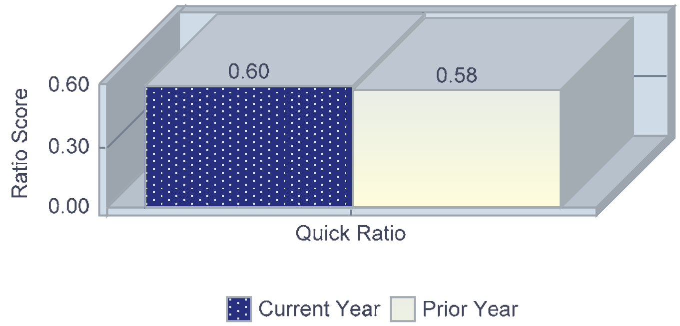
Quick Ratio

(Cash + Marketable Securities + Trade Accounts Receivable) / Current Liabilities

This ratio, also known as the acid test ratio, measures immediate liquidity - the number of times cash, accounts receivable, and marketable securities cover short-term obligations. A higher number is preferred because it suggests a company has a strong ability to service short-term obligations. This ratio is a more reliable variation of the Current ratio because inventory, prepaid expenses, and other less liquid current assets are removed from the calculation.

Liberty Medical Group
Detailed Ratio Analysis - Two-Year Comparison

The quick ratio for Liberty Medical Group is 0.60, which compared to the baseline of 0.58 indicates the company's ability to service short-term obligations is favorable.

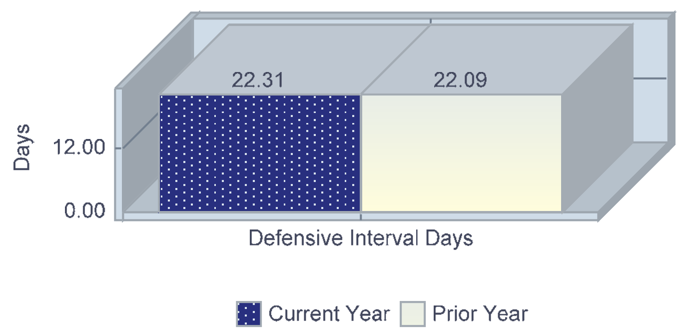


Defensive Interval Days

(Cash + Marketable Securities + Trade Accounts Receivable) / ((Operating Expenses - Other Expenses - Interest Expense - Provision for Income Taxes - Depreciation Expense) / Days)

This ratio gauges the threat of insolvency for investors by calculating the number of days a company can operate without any cash returns while meeting its basic operational costs. In general, this number should be between 30 to 90 days.

Defensive interval days for Liberty Medical Group is 22.31 days that indicates that the company's degree of protection against insolvency may not be ideal.



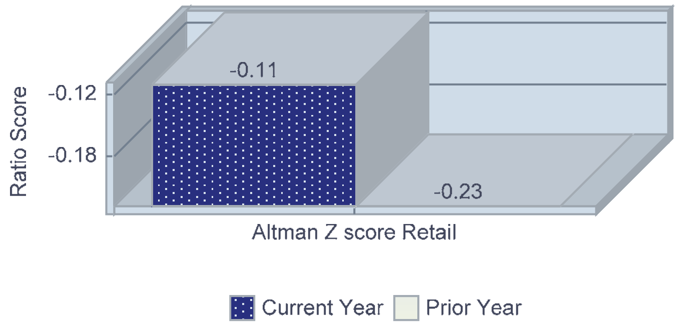
Altman Z score Retail

*(((Current Assets - Current Liabilities) / Total Assets) * 6.6) + ((Total Equity / Total Assets) * 3.3) + ((Earnings before Interest and Taxes / Total Assets) * 6.7) + ((Total Equity / Total Liabilities) * 1.0)*

This ratio represents a numerical ranking that predicts the potential for bankruptcy of a retail company. In general, the lower the score, the higher the odds of bankruptcy. Companies with Z-Scores above 3 are considered to be healthy and therefore, unlikely to enter bankruptcy.

Liberty Medical Group
Detailed Ratio Analysis - Two-Year Comparison

The Altman Z score for Liberty Medical Group is -0.11 that indicates the company may have a relatively low degree of protection against bankruptcy.

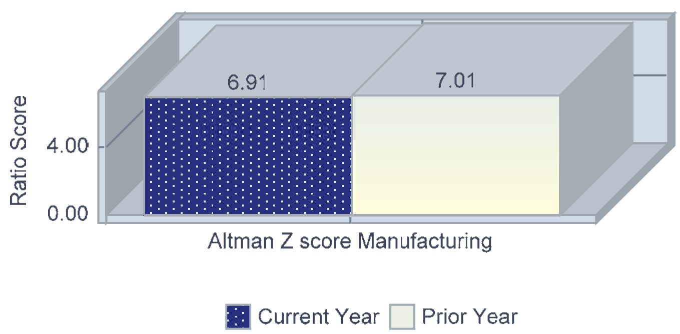


Altman Z score Manufacturing

*(((Current Assets - Current Liabilities) / Total Assets) * 0.717) + ((Total Equity / Total Assets) * 0.847) + ((Earnings before Interest and Taxes / Total Assets) * 3.107) + ((Total Equity / Total Liabilities) * 0.42) + ((Sales / Total Assets) * 0.998)*

This ratio represents a numerical ranking that predicts the potential for bankruptcy of a manufacturing company. In general, the lower the score, the higher the odds of bankruptcy. Companies with Z-Scores above 3 are considered to be healthy and therefore unlikely to enter bankruptcy.

The Altman Z score for Liberty Medical Group is 6.91 that indicates the company has a relatively high degree of protection against bankruptcy.

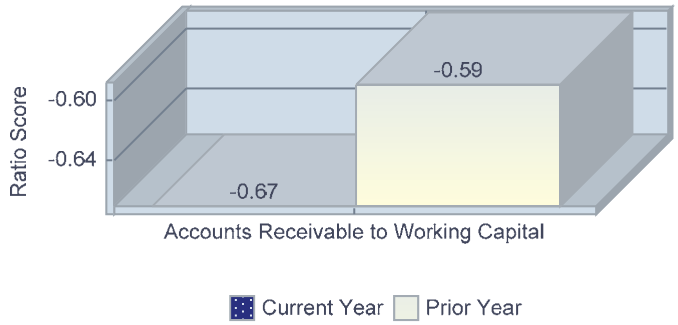


Accounts Receivable to Working Capital

Trade Accounts Receivable / (Current Assets - Current Liabilities)

This ratio measures the dependency of working capital on the collection of receivables. A lower number for this ratio is preferred, indicating that a company has a satisfactory level of working capital and accounts receivable makes up an appropriate portion of current assets.

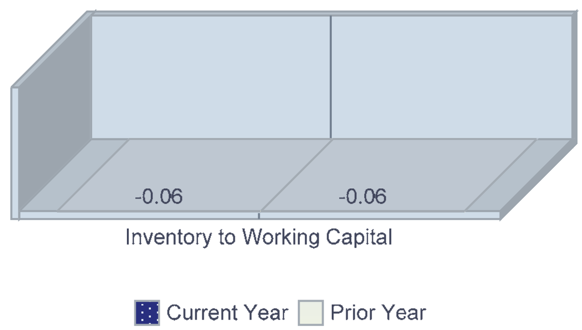
The accounts receivable to working capital ratio for Liberty Medical Group is -0.67, which compared to the baseline of -0.59 indicates that the company's performance is sufficient in this area.



Inventory to Working Capital
Inventory / (Current Assets - Current Liabilities)

This ratio measures the dependency of working capital on inventory. A lower number for this ratio is preferred indicating that a company has a satisfactory level of working capital and inventory makes up a reasonable portion of current assets.

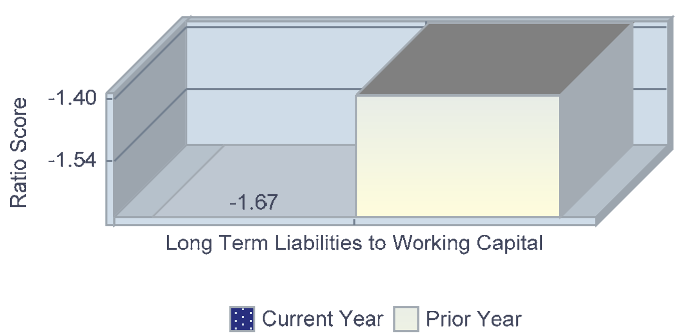
The inventory to working capital ratio for Liberty Medical Group is -0.06, which compared to the baseline of -0.06 indicates this ratio is in line with company goals.



Long Term Liabilities to Working Capital
Long Term Liabilities / (Current Assets - Current Liabilities)

This ratio measures the degree to which a company's long-term debt has been used to replenish working capital versus fixed asset acquisition.

The long-term liabilities to working capital ratio for Liberty Medical Group is -1.67, which compared to the baseline of -1.39 indicates the value of this ratio is meeting the company's expectations.

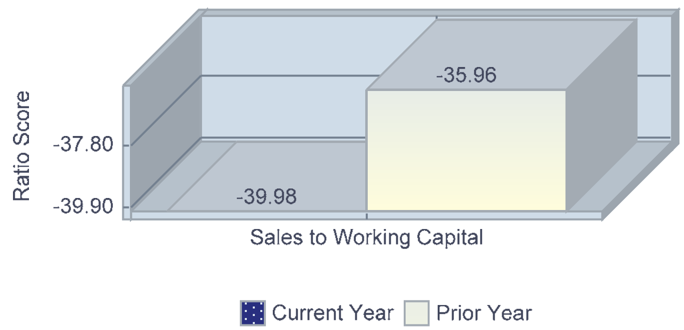


Liberty Medical Group
Detailed Ratio Analysis - Two-Year Comparison

Sales to Working Capital
Sales / (Current Assets - Current Liabilities)

This ratio measures a company's ability to finance current operations. Working capital (current assets - current liabilities) is another measure of liquidity and the ability to cover short-term obligations. This ratio relates the ability of a company to generate sales using its working capital to determine how efficiently working capital is being used. In general, a lower number is preferred because it indicates a company has a satisfactory level of working capital. However, an exceptionally low number may indicate inadequate sales levels are being generated.

The sales to working capital ratio for Liberty Medical Group is -39.98, which compared to the baseline of -35.96 reveals that the company's level of working capital is strong. The company may want to make an effort to generate additional sales using the available working capital.



The following list includes several suggestions Liberty Medical Group should consider to improve the liquidity ratios:

- ❖ Reduce days in accounts receivable to improve current assets by evaluating accounts receivable on a more frequent basis and take a more assertive stance in the collection of accounts receivable and delinquent accounts.
- ❖ Prepare thorough cash forecasts and evaluate the company's ability to meet goals on a regular basis.
- ❖ Consider paying off short-term obligations if the cash position of the company is favorable.
- ❖ Consider converting short-term debt to long-term debt.
- ❖ Reduce levels of non-moving inventory.

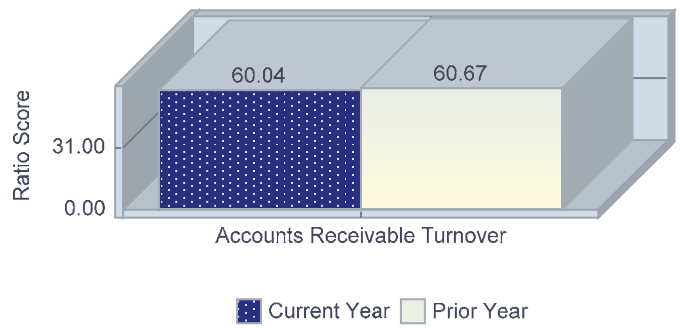
Liberty Medical Group
Detailed Ratio Analysis - Two-Year Comparison

Activity ratios provide a useful gauge of a company's operations by determining, for example, the average number of days it takes to collect on customer accounts and the average number of days to pay vendors. A key point to keep in mind when evaluating these ratios is that seasonal fluctuations are not necessarily reflected in the numbers that are derived from these calculations based on an account balance on one single day.

Accounts Receivable Turnover
Sales / Trade Accounts Receivable

This ratio measures the number of times receivables turn over in a year and reveals how successful a company is in collecting its outstanding receivables. A higher number is preferred because it indicates a shorter time between sales and cash collection.

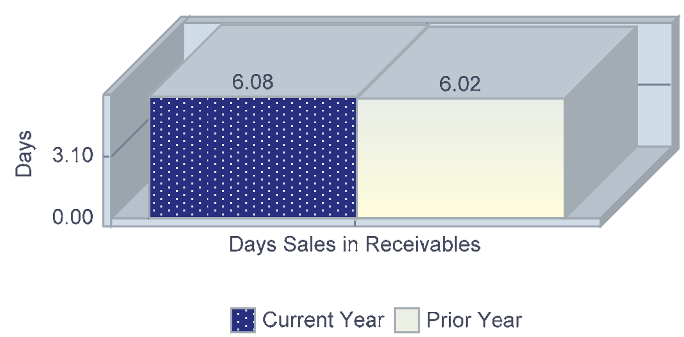
The accounts receivable turnover for Liberty Medical Group is 60.04, which compared to the baseline of 60.67 suggests this ratio may not be on target with company objectives.



Days Sales in Receivables
Trade Accounts Receivable / (Sales / Days)

This ratio measures the average number of days a company's receivables are outstanding. A lower number of days is desired. An increase in the number of days receivables are outstanding indicates an increased possibility of late payment by customers. Companies should attempt to reduce the number of days sales in receivables in order to increase cash flow. The general rule used is that the time allowed for payment by the selling terms should not be exceeded by more than 10 or 15 days.

The days sales in receivables for Liberty Medical Group is 6.08 days that indicates the company is effective in collecting outstanding receivables.

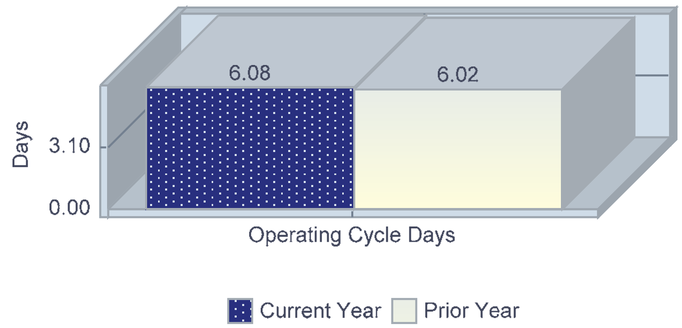


Operating Cycle Days
(Inventory / (Cost of Sales / Days)) + (Trade Accounts Receivable / (Sales / Days))

Liberty Medical Group
Detailed Ratio Analysis - Two-Year Comparison

This ratio calculates the total conversion period for a company, or in other words, the average number of days it takes to convert inventory into cash from sales. It is calculated by adding together the days cost of sales in inventory to the days sales in receivables. Evaluating this ratio can be helpful in gauging the effectiveness of marketing, determining credit terms to extend to customers, and collecting outstanding accounts.

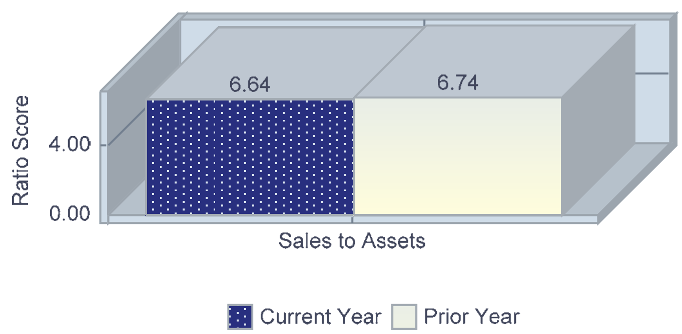
The operating cycle days for Liberty Medical Group is 6.08 days, which compared to the baseline of 6.02 days indicates the company may not be successfully minimizing the amount of time it takes to convert products and services into cash.



Sales to Assets
Sales / Total Assets

This ratio measures a company's ability to produce sales in relation to total assets to determine the effectiveness of the company's asset base in producing sales. A higher number is preferred, indicating that a company is using its assets to successfully generate sales. This ratio does not take into account the depreciation methods employed by each company and should not be the only measure of effectiveness of a company in this area.

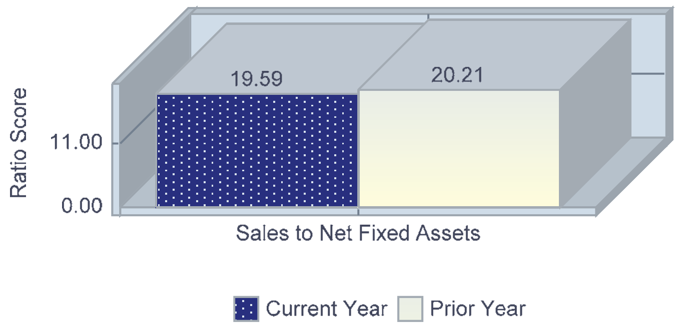
Sales to assets for Liberty Medical Group is 6.64, which compared to the baseline of 6.74 indicates the company's performance in this area is lacking and management should consider taking measures to improve this ratio.



Sales to Net Fixed Assets
Sales / (Property and Equipment - Accumulated Depreciation)

This ratio measures a company's ability to effectively utilize its fixed assets to generate sales. This ratio is similar to the sales to assets ratio, but it excludes current assets, long-term investments, intangible assets, and other non-current assets. A higher number is desired, indicating that a company productively uses its fixed assets to produce sales. This ratio does not take into account the depreciation methods employed by each company and should not be the only measure of effectiveness of a company in this area. In addition, fixed assets that are almost fully depreciated, and labor-intensive operations may interfere with the interpretation of this ratio.

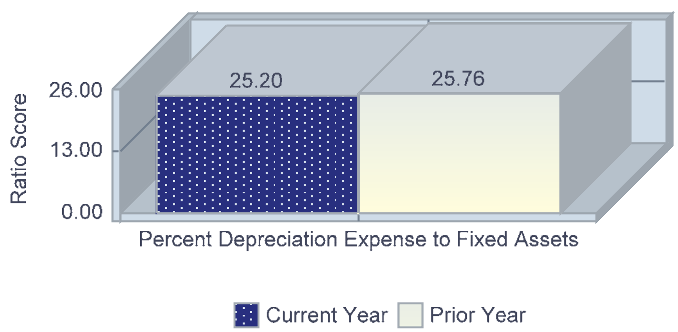
Sales to net fixed assets for Liberty Medical Group is 19.59, which compared to the baseline of 20.21 indicates the company is not making use of its fixed assets to effectively generate sales.



Percent Depreciation Expense to Fixed Assets
*Depreciation Expense / Property and Equipment * 100*

This ratio measures the reasonableness and consistency of a company's depreciation expense over time.

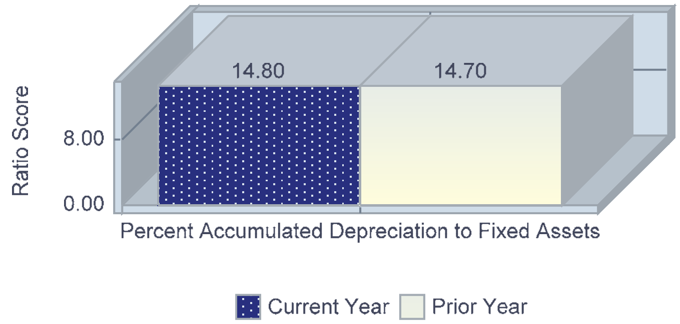
The percent depreciation expense to fixed assets for Liberty Medical Group is 25.20%, which compared to the baseline of 25.76% indicates the value of this ratio is meeting the company's expectations.



Percent Accumulated Depreciation to Fixed Assets
*Accumulated Depreciation / Property and Equipment * 100*

This ratio measures the cumulative percentage of productive asset costs a company has allocated to operations.

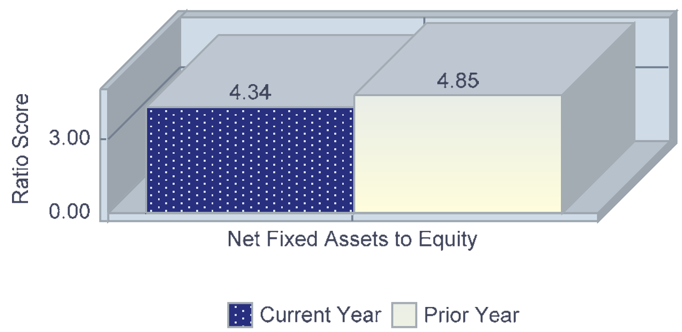
The percent accumulated depreciation to fixed assets for Liberty Medical Group is 14.80%, which compared to the baseline of 14.70% indicates this ratio may not be on target with company objectives.



Net Fixed Assets to Equity
(Property and Equipment - Accumulated Depreciation) / Total Equity

This ratio measures the extent to which investors' capital was used to finance productive assets. A lower ratio indicates a proportionally smaller investment in fixed assets in relation to net worth, which is desired by creditors in case of liquidation. Note that this ratio could appear deceptively low if a significant number of a company's fixed assets are leased.

Net fixed assets to equity for Liberty Medical Group is 4.34, which compared to the baseline of 4.85 indicates the company's performance is adequate in this area.



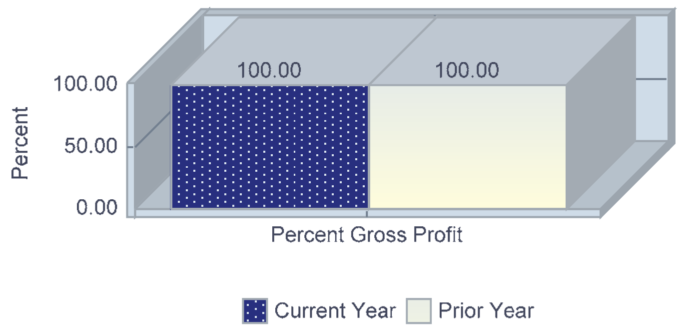
Liberty Medical Group
Detailed Ratio Analysis - Two-Year Comparison

Profitability ratios measure a company’s ability to use its capital or assets to generate profits. Improving profitability is a constant challenge for all companies and their management. Evaluating profitability ratios is a key component in determining the success of a company. It is important to note that all profitability ratio calculations are based on earnings before taxes.

Percent Gross Profit
*((Sales - Cost of Sales) / Sales) * 100*

This ratio measures the gross profit earned on sales and reports how much of each sales dollar is available to cover operating expenses and contribute to profits.

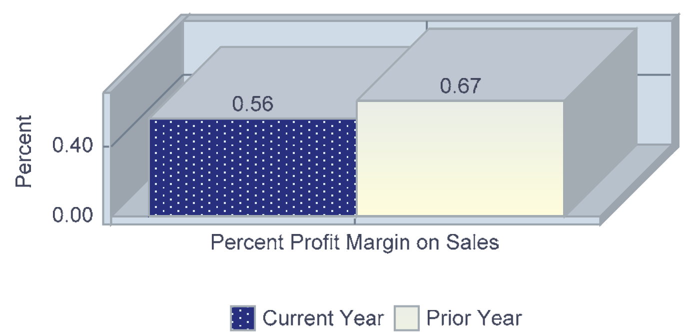
The percent gross profit for Liberty Medical Group is 100.00%, which compared to the baseline of 100.00% is a good indication of financial health for the company.



Percent Profit Margin on Sales
*Earnings before Taxes / Sales * 100*

This ratio measures how much profit a company makes on each sales dollar received and how well a company could potentially deal with higher costs or lower sales in the future.

The percent profit margin on sales for Liberty Medical Group is 0.56%, which compared to the baseline of 0.67% indicates sales may not be contributing enough to the company's bottom line.

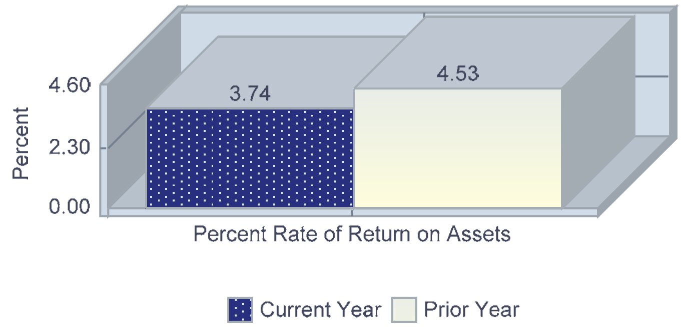


Percent Rate of Return on Assets
*Earnings before Taxes / Total Assets * 100*

This ratio measures how effectively a company's assets are being used to generate profits. It is one of the most important ratios when evaluating the success of a business. A higher number reflects a well managed company with a healthy return on assets. Heavily depreciated assets, a large number of intangible assets, or any unusual income or expenses can easily distort this calculation.

Liberty Medical Group
Detailed Ratio Analysis - Two-Year Comparison

The percent rate of return on assets for Liberty Medical Group is 3.74%, which compared to the baseline of 4.53% indicates there is a need for improvement in this area to ensure the company can remain competitive and continue to operate successfully.

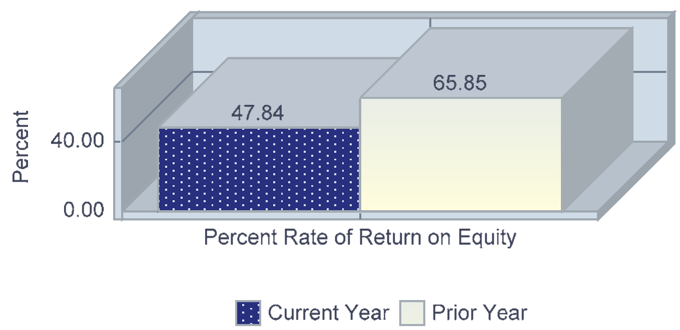


Percent Rate of Return on Equity

*Earnings before Taxes / Total Equity * 100*

This ratio expresses the rate of return on equity capital employed and measures the ability of a company's management to realize an adequate return on the capital invested by the owners in a company. A higher number is preferred for this commonly analyzed ratio.

The percent rate of return on equity for Liberty Medical Group is 47.84%, which compared to the baseline of 65.85% indicates management may not be effectively managing the profits earned based on the owners investment in the company.



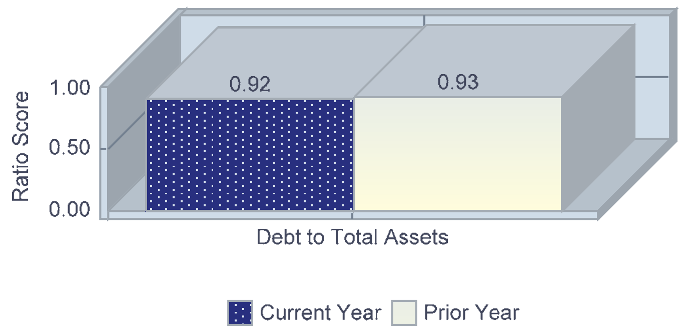
Liberty Medical Group
Detailed Ratio Analysis - Two-Year Comparison

Coverage ratios assess a company's ability to meet its long-term obligations, remain solvent, and avoid bankruptcy. It measures how well a company's cash flow covers its short-term financial obligations. Lenders evaluate coverage ratios to determine the degree to which a company could become vulnerable when faced with economic downturns. A company with a high level of debt poses a higher risk to long-term creditors and investors.

Debt to Total Assets
Total Liabilities / Total Assets

This ratio measures what proportion of debt a company is carrying relative to its assets. A ratio value greater than one indicates a company has more debt than assets. Naturally, companies and creditors prefer a lower number.

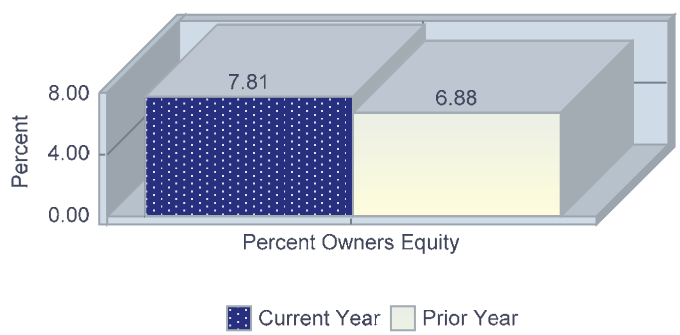
The debt to total assets ratio for Liberty Medical Group is 0.92, which compared to the baseline of 0.93 indicates the company should be able to withstand losses without harming creditor interests or could obtain additional financing if desired.



Percent Owners Equity
*Total Equity / Total Assets * 100*

This ratio measures what proportion of total assets was provided by the owners equity. The higher the number the more total capital has been contributed by owners and the less by creditors.

The percent owners' equity ratio for Liberty Medical Group is 7.81%, which compared to the baseline of 6.88% indicates the company owns an adequate portion of its asset base.

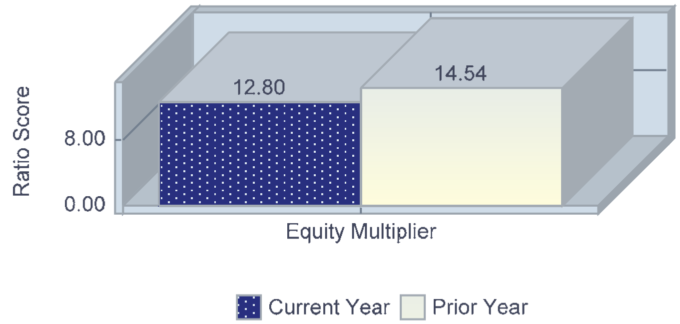


Equity Multiplier
Total Assets / Total Equity

This ratio measures the extent to which a company uses debt to finance its assets. The higher the number is, the more a company is relying on debt to finance its assets.

Liberty Medical Group
Detailed Ratio Analysis - Two-Year Comparison

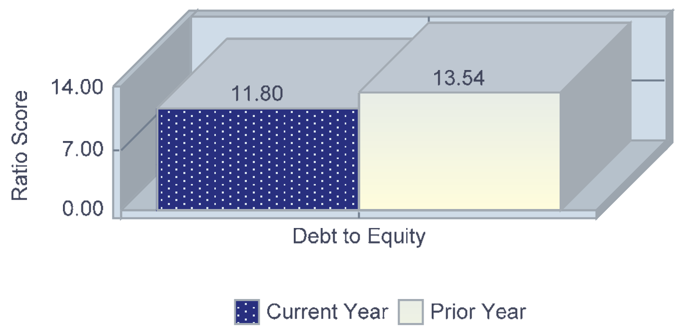
The equity multiplier for Liberty Medical Group is 12.80, which compared to the baseline of 14.54 indicates a reasonable portion of the company's assets are owned versus financed.



Debt to Equity
Total Liabilities / Total Equity

This ratio measures the financial leverage of a company by indicating what proportion of debt and equity a company is using to finance its assets. A lower number suggests there is both a lower risk involved for creditors and strong, long-term, financial security for a company.

The debt to equity ratio for Liberty Medical Group is 11.80, which compared to the baseline of 13.54 indicates a solid performance in this area for the company.

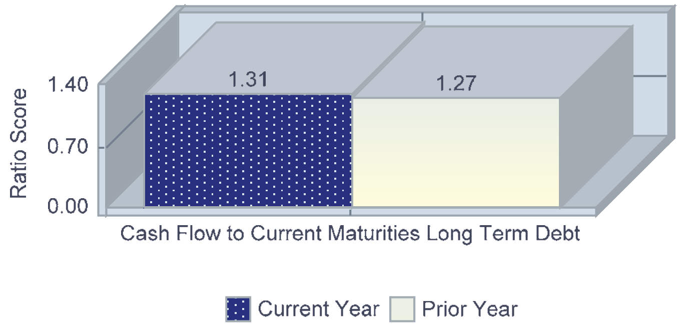


Cash Flow to Current Maturities Long Term Debt
(Net Income + Depreciation Expense) / Current Portion of Long Term Debt

This ratio measures how well cash flow from operations covers current maturities. Since cash flow is necessary for debt retirement, this ratio reveals a company's capability to repay existing debt and to take on additional debt. A higher number for this ratio is desired.

Liberty Medical Group
Detailed Ratio Analysis - Two-Year Comparison

The cash flow to current maturities long-term debt ratio for Liberty Medical Group is 1.31, which compared to the baseline of 1.27 indicates the company is in a strong position to meet its current obligations on long-term debt based on its current cash flow.

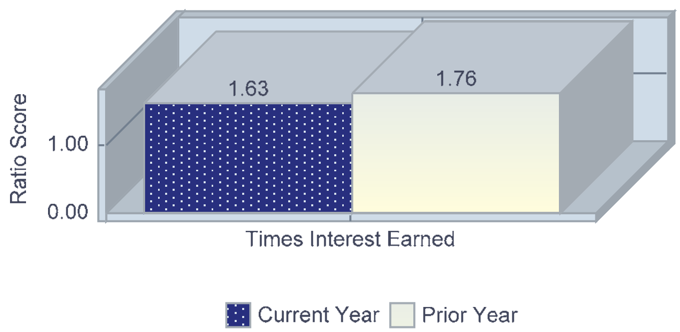


Times Interest Earned

Earnings before Interest and Taxes / Interest Expense

This ratio measures a company's ability to meet interest payments. A higher number is preferred, suggesting a company can easily meet interest obligations and can potentially take on additional debt. Note that this particular ratio uses earnings before interest and taxes because this is the income amount available to cover interest.

The times interest earned ratio for Liberty Medical Group is 1.63, which compared to the baseline of 1.76 indicates the company's interest coverage may not be sufficient.



The following list includes several suggestions Liberty Medical Group should consider to improve the coverage ratios:

❖ Examine the company’s debt to uncover areas needing improvement and create a long range action plan to address these areas and pay down debt.
❖ Increase equity by increasing earnings.
❖ Minimize the overall amount of debt to decrease interest expenses.
❖ Reduce interest payments by evaluating financing alternatives and possibly refinancing existing debt.

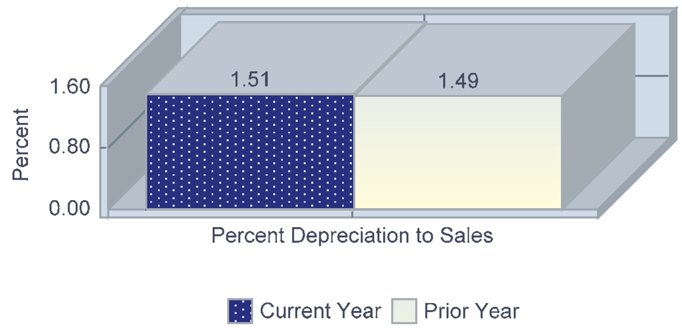
Liberty Medical Group
Detailed Ratio Analysis - Two-Year Comparison

Expense to sales ratios express specific expense items as a percentage of net sales. Comparisons of expenses are more meaningful because net sales is used as a constant. Extreme variations in these ratios are most pronounced between capital- and labor-intensive industries.

Percent Depreciation to Sales
*Depreciation Expense / Sales * 100*

This ratio measures depreciation expense as a percentage of sales and is based on a company's fixed assets and how quickly they are being depreciated or amortized, relative to sales. Any depletion expenses should be included in this ratio as well. Note that depreciation methods should also be considered when evaluating this ratio.

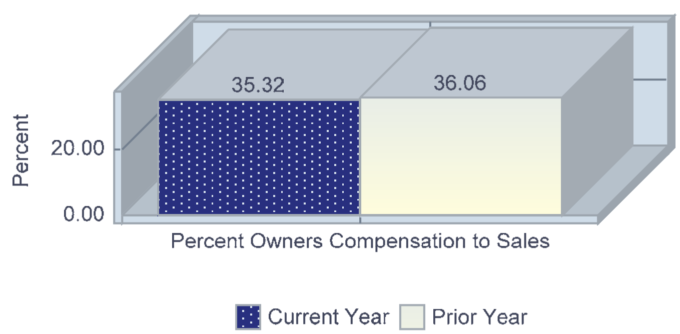
The percent depreciation to sales for Liberty Medical Group is 1.51%, which compared to the baseline of 1.49% indicates the company should consider taking measures to improve this ratio.



Percent Owners Compensation to Sales
*Owners Compensation / Sales * 100*

This ratio measures owners' compensation (which includes salaries, bonuses, commissions, drawings of partners, etc.) as a percentage of sales. The desired percentage may vary between companies depending on their individual goals.

The percent owners' compensation to sales for Liberty Medical Group is 35.32%, which compared to the baseline of 36.06% indicates the company is performing as desired in this area.



Liberty Medical Group
Balance Sheet - Industry Comparison
621111 - Offices of Physicians (except Mental Health Specialists)

	2008	% Assets	Industry	Variance
Assets				
Cash & Equivalents	$336,818	27.7%	27.7%	0.0%
Trade Accounts Receivable	$134,569	11.1%	13.0%	-1.9%
Inventory	$12,985	1.1%	1.5%	-0.4%
Other Current Assets	$98,323	8.1%	3.5%	4.6%
Total Current Assets	$582,695	47.9%	45.7%	2.2%
Long-Term Investments	$81,197	6.7%	N/A	6.7%
Net Fixed Assets	$412,458	33.9%	40.8%	-6.9%
Intangible Assets	$61,874	5.1%	2.9%	2.2%
Other Non-Current Assets	$78,390	6.4%	10.6%	-4.2%
Total Assets	$1,216,614	100.0%	100.0%	0.0%
Liabilities				
Accounts Payable	$42,787	3.5%	3.4%	0.1%
Notes Payable	$88,247	7.3%	14.4%	-7.1%
Accrued Liabilities	$532,506	43.8%	N/A	43.8%
Income Taxes Payable	$10,014	0.8%	0.2%	0.6%
Current Portion of Long-Term Debt	$111,238	9.1%	8.6%	0.5%
Other Current Liabilities	$0	0.0%	31.9%	-31.9%
Total Current Liabilities	$784,792	64.5%	58.3%	6.2%
Long-Term Debt	$281,809	23.2%	29.6%	-6.4%
Deferred Income Taxes	$0	0.0%	0.3%	-0.3%
Other Long-Term Liabilities	$55,000	4.5%	4.1%	0.4%
Total Long-Term Liabilities	$336,809	27.7%	34.0%	-6.3%
Total Liabilities	$1,121,601	92.2%	92.3%	-0.1%
Retained Earnings	$95,013	7.8%	N/A	7.8%
Total Equity	$95,013	7.8%	7.6%	0.2%
Total Liabilities and Equity	$1,216,614	100.0%	99.9%	0.1%

Liberty Medical Group
Statement of Income - Industry Comparison
621111 - Offices of Physicians (except Mental Health Specialists)

	2008	% Sales	Industry	Variance
Sales	$8,079,445	100.0%	100.0%	0.0%
Cost of Sales	$0	0.0%	N/A	0.0%
Gross Profit	$8,079,445	100.0%	100.0%	0.0%
Operating Expenses	$7,945,326	98.3%	91.2%	7.1%
Operating Profit	$134,119	1.7%	8.8%	-7.1%
Other Expenses	$16,360	0.2%	0.8%	-0.6%
Earnings Before Taxes	$45,458	0.6%	7.9%	-7.3%

Liberty Medical Group
Ratio Analysis - Industry Comparison

	Liberty Medical Group	Industry	% Variance
Liquidity Ratios			
Current Ratio	0.7	0.9	-22.2%
Quick Ratio	0.6	0.8	-25.0%
Sales to Working Capital	-40.0	-253.1	-84.2%
Activity Ratios			
Accounts Receivable Turnover	60.0	999.9	-94.0%
Days Sales in Receivables	6.1	0.0	0.0%
Inventory Turnover	0.0	0.0	0.0%
Days Cost of Sales in Inventory	0.0	0.0	0.0%
Accounts Payable Turnover	0.0	0.0	0.0%
Days Cost of Sales in Payables	0.0	0.0	0.0%
Sales to Assets	6.6	8.5	-22.4%
Sales to Net Fixed Assets	19.6	25.1	-21.9%
Net Fixed Assets to Equity	4.3	3.9	10.3%
Profitability Ratios			
Percent Rate of Return on Assets	3.7	11.1	-66.7%
Percent Rate of Return on Equity	47.8	48.2	-0.8%
Coverage Ratios			
Debt to Equity	11.8	10.4	13.5%
Cash Flow to Current Maturities Long-Term Debt	1.3	1.4	-7.1%
Times Interest Earned	1.6	4.6	-65.2%
Expense to Sales Ratios			
Percent Depreciation to Sales	1.5	1.7	-11.8%
Percent Owners' Compensation to Sales	35.3	30.4	16.1%

Liberty Medical Group
Detailed Ratio Analysis - Industry Comparison

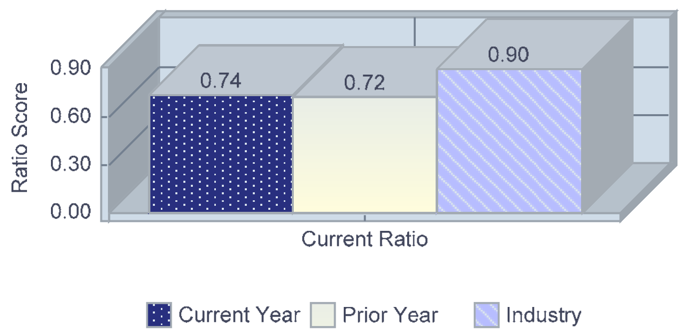
Liquidity ratios measure a company's ability to meet its maturing short-term obligations. In other words, can a company quickly convert its assets to cash without a loss in value if necessary to meet its short-term obligations? Favorable liquidity ratios are critical to a company and its creditors within a business or industry that does not provide a steady and predictable cash flow. They are also a key predictor of a company's ability to make timely payments to creditors and to continue to meet obligations to lenders when faced with an unforeseen event.

Current Ratio

Current Assets / Current Liabilities

This ratio reflects the number of times short-term assets cover short-term liabilities and is a fairly accurate indication of a company's ability to service its current obligations. A higher number is preferred because it indicates a strong ability to service short-term obligations. The composition of current assets is a key factor in the evaluation of this ratio. Depending on the type of business or industry, current assets may include slow-moving inventories that could potentially affect analysis of a company's liquidity how long could it potentially take to convert raw materials and inventory into finished products? (For this reason, the quick ratio may be preferable to the current ratio because it eliminates inventory and prepaid expenses from this ratio for a more accurate gauge of a company's liquidity and ability to meet short-term obligations.)

The current ratio for Liberty Medical Group is 0.74, which compared to the baseline of 0.90 indicates the company's ability to service short-term obligations is not satisfactory.



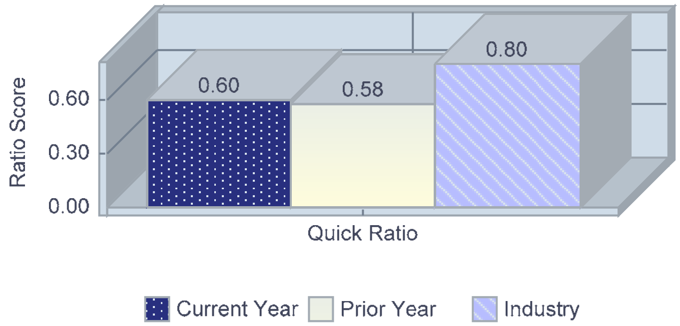
Quick Ratio

(Cash + Marketable Securities + Trade Accounts Receivable) / Current Liabilities

This ratio, also known as the acid test ratio, measures immediate liquidity - the number of times cash, accounts receivable, and marketable securities cover short-term obligations. A higher number is preferred because it suggests a company has a strong ability to service short-term obligations. This ratio is a more reliable variation of the Current ratio because inventory, prepaid expenses, and other less liquid current assets are removed from the calculation.

Liberty Medical Group
Detailed Ratio Analysis - Industry Comparison

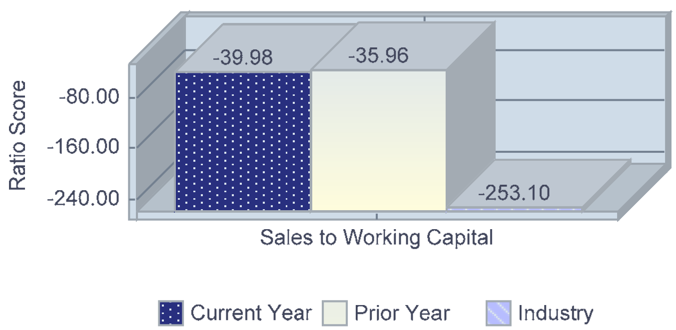
The quick ratio for Liberty Medical Group is 0.60, which compared to the baseline of 0.80 indicates the company's ability to service short-term obligations is unfavorable.



Sales to Working Capital
Sales / (Current Assets - Current Liabilities)

This ratio measures a company's ability to finance current operations. Working capital (current assets - current liabilities) is another measure of liquidity and the ability to cover short-term obligations. This ratio relates the ability of a company to generate sales using its working capital to determine how efficiently working capital is being used. In general, a lower number is preferred because it indicates a company has a satisfactory level of working capital. However, an exceptionally low number may indicate inadequate sales levels are being generated.

The sales to working capital ratio for Liberty Medical Group is -39.98, which compared to the baseline of -253.10 reveals that the company may want to make an effort to improve its working capital position.



The following list includes several suggestions Liberty Medical Group should consider to improve the liquidity ratios:

❖ Reduce days in accounts receivable to improve current assets by evaluating accounts receivable on a more frequent basis and take a more assertive stance in the collection of accounts receivable and delinquent accounts.
❖ Prepare thorough cash forecasts and evaluate the company's ability to meet goals on a regular basis.
❖ Consider paying off short-term obligations if the cash position of the company is favorable.
❖ Consider converting short-term debt to long-term debt.
❖ Reduce levels of non-moving inventory.

Liberty Medical Group
Detailed Ratio Analysis - Industry Comparison

Activity ratios provide a useful gauge of a company's operations by determining, for example, the average number of days it takes to collect on customer accounts and the average number of days to pay vendors. A key point to keep in mind when evaluating these ratios is that seasonal fluctuations are not necessarily reflected in the numbers that are derived from these calculations based on an account balance on one single day.

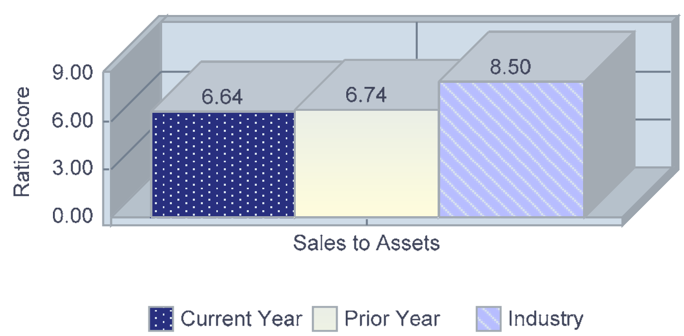
The following list includes several suggestions Liberty Medical Group should consider to improve the accounts receivable turnover and days sales in receivables ratios:

❖ Prepare aging schedules to determine how long receivables have been outstanding. The company should review these on a regular basis to look for patterns in delinquent accounts. Communicate with customers and apply increasing pressure to pay as the number of days outstanding increases.
❖ Develop a strategy to deal with problem customers and delinquent accounts.
❖ Invoice customers in a timely manner.
❖ Enforce credit policies to require credit references of new customers; to evaluate the credit currently extended to each customer, and to update credit terms for your valuable and problem customer accordingly.
❖ Implement customer incentives to encourage prompt payment such as discounts and additional products.

Sales to Assets
Sales / Total Assets

This ratio measures a company's ability to produce sales in relation to total assets to determine the effectiveness of the company's asset base in producing sales. A higher number is preferred, indicating that a company is using its assets to successfully generate sales. This ratio does not take into account the depreciation methods employed by each company and should not be the only measure of effectiveness of a company in this area.

Sales to assets for Liberty Medical Group is 6.64, which compared to the baseline of 8.50 indicates the company's performance in this area is lacking and management should consider taking measures to improve this ratio.

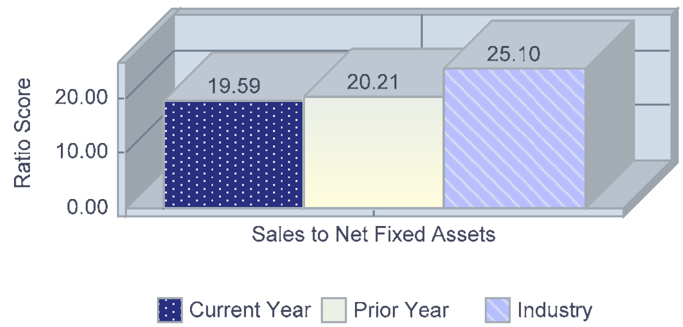


Sales to Net Fixed Assets
Sales / (Property and Equipment - Accumulated Depreciation)

Liberty Medical Group
Detailed Ratio Analysis - Industry Comparison

This ratio measures a company's ability to effectively utilize its fixed assets to generate sales. This ratio is similar to the sales to assets ratio, but it excludes current assets, long-term investments, intangible assets, and other non-current assets. A higher number is desired, indicating that a company productively uses its fixed assets to produce sales. This ratio does not take into account the depreciation methods employed by each company and should not be the only measure of effectiveness of a company in this area. In addition, fixed assets that are almost fully depreciated, and labor-intensive operations may interfere with the interpretation of this ratio.

Sales to net fixed assets for Liberty Medical Group is 19.59, which compared to the baseline of 25.10 indicates the company is not making use of its fixed assets to effectively generate sales.



The following list includes several suggestions Liberty Medical Group should consider to improve the sales to assets and sales to fixed assets ratios:

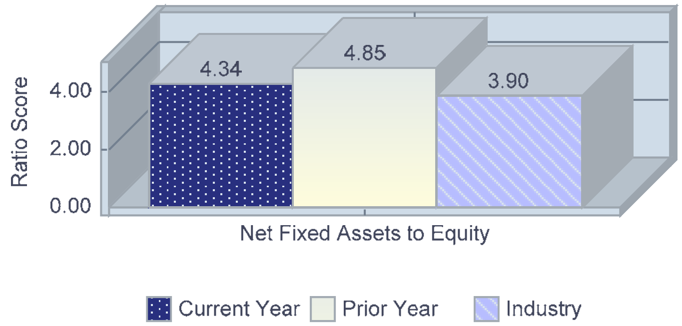
❖ Consider leasing rather than purchasing assets, or consider purchasing used equipment.
❖ Carefully evaluate all asset purchases to determine how the asset will directly and indirectly affect sales. Be sure to consider maintenance costs, warranties, salvage values, and the impact of changing technology in relation to the purchase of new equipment.
❖ Consider liquidating under-utilized assets or developing alternative uses to generate revenue from under-utilized assets.
❖ Maintain detailed records for all assets the company currently owns or leases.
❖ Ensure all equipment is properly maintained and evaluate its overall condition and effectiveness within operations at least once a year.
❖ Eliminate any unnecessary, extravagant assets. Assets should have a direct or indirect impact on sales.
❖ Set monthly or quarterly sales goals and provide incentives to salespeople.
❖ Create customer promotions, offer discounts and expand product lines to encourage sales.

Net Fixed Assets to Equity
(Property and Equipment - Accumulated Depreciation) / Total Equity

This ratio measures the extent to which investors' capital was used to finance productive assets. A lower ratio indicates a proportionally smaller investment in fixed assets in relation to net worth, which is desired by creditors in case of liquidation. Note that this ratio could appear deceptively low if a significant number of a company's fixed assets are leased.

Liberty Medical Group
Detailed Ratio Analysis - Industry Comparison

Net fixed assets to equity for Liberty Medical Group is 4.34, which compared to the baseline of 3.90 indicates the company's performance may be insufficient in this area.



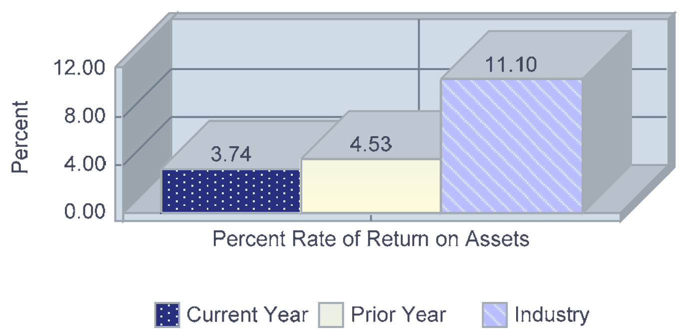
Liberty Medical Group
Detailed Ratio Analysis - Industry Comparison

Profitability ratios measure a company's ability to use its capital or assets to generate profits. Improving profitability is a constant challenge for all companies and their management. Evaluating profitability ratios is a key component in determining the success of a company. It is important to note that all profitability ratio calculations are based on earnings before taxes.

Percent Rate of Return on Assets
*Earnings before Taxes / Total Assets * 100*

This ratio measures how effectively a company's assets are being used to generate profits. It is one of the most important ratios when evaluating the success of a business. A higher number reflects a well managed company with a healthy return on assets. Heavily depreciated assets, a large number of intangible assets, or any unusual income or expenses can easily distort this calculation.

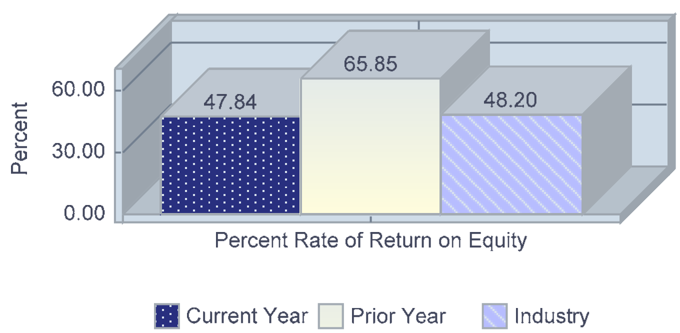
The percent rate of return on assets for Liberty Medical Group is 3.74%, which compared to the baseline of 11.10% indicates there is a need for improvement in this area to ensure the company can remain competitive and continue to operate successfully.



Percent Rate of Return on Equity
*Earnings before Taxes / Total Equity * 100*

This ratio expresses the rate of return on equity capital employed and measures the ability of a company's management to realize an adequate return on the capital invested by the owners in a company. A higher number is preferred for this commonly analyzed ratio.

The percent rate of return on equity for Liberty Medical Group is 47.84%, which compared to the baseline of 48.20% indicates management may not be effectively managing the profits earned based on the owners investment in the company.



The following list includes several suggestions Liberty Medical Group should consider to improve the profitability ratios:

❖ Require management to utilize budgets to track expenses on a regular basis, and identify those that are out of line. Assign specific individuals or departments to be responsible for different cost centers.

❖ Reduce operating costs. In general, one dollar saved in expense is worth at least three or four extra sales dollars generated.

❖ Negotiate with vendors to lower costs and have companies submit bids for large capital expenditures.

❖ Consider leasing instead of purchasing assets or consider purchasing used equipment.

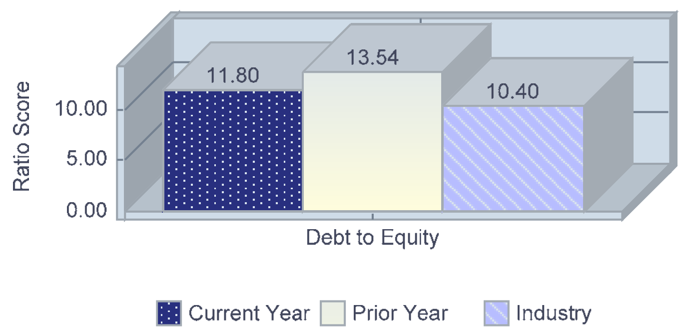
❖ Consider liquidating under-utilized assets or creating alternative uses to generate revenue from under -utilized assets.

Coverage ratios assess a company's ability to meet its long-term obligations, remain solvent, and avoid bankruptcy. It measures how well a company's cash flow covers its short-term financial obligations. Lenders evaluate coverage ratios to determine the degree to which a company could become vulnerable when faced with economic downturns. A company with a high level of debt poses a higher risk to long-term creditors and investors.

Debt to Equity
Total Liabilities / Total Equity

This ratio measures the financial leverage of a company by indicating what proportion of debt and equity a company is using to finance its assets. A lower number suggests there is both a lower risk involved for creditors and strong, long-term, financial security for a company.

The debt to equity ratio for Liberty Medical Group is 11.80, which compared to the baseline of 10.40 indicates there may be some issues with the way the company is financed.



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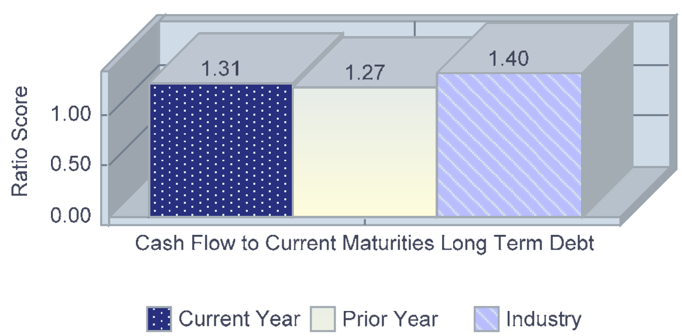


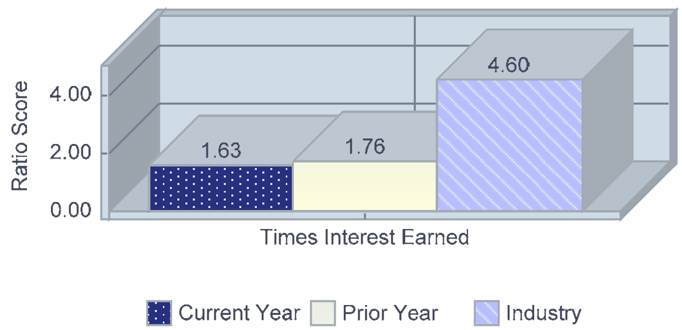
Liberty Medical Group
Detailed Ratio Analysis - Industry Comparison

Times Interest Earned

Earnings before Interest and Taxes / Interest Expense

This ratio measures a company's ability to meet interest payments. A higher number is preferred, suggesting a company can easily meet interest obligations and can potentially take on additional debt. Note that this particular ratio uses earnings before interest and taxes because this is the income amount available to cover interest.

The times interest earned ratio for Liberty Medical Group is 1.63, which compared to the baseline of 4.60 indicates the company's interest coverage may not be sufficient.



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❖ Examine the company's debt to uncover areas needing improvement and create a long range action plan to address these areas and pay down debt.
❖ Increase equity by increasing earnings.
❖ Minimize the overall amount of debt to decrease interest expenses.
❖ Reduce interest payments by evaluating financing alternatives and possibly refinancing existing debt.

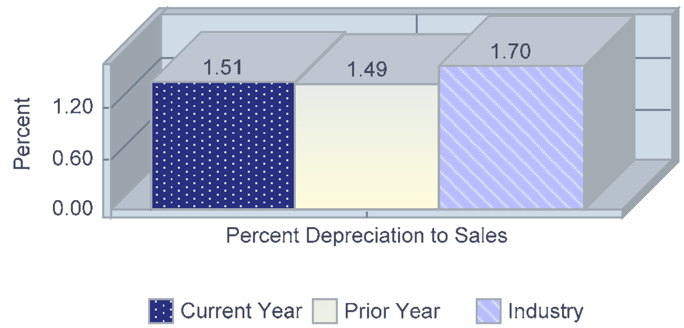
Liberty Medical Group
Detailed Ratio Analysis - Industry Comparison

Expense to sales ratios express specific expense items as a percentage of net sales. Comparisons of expenses are more meaningful because net sales is used as a constant. Extreme variations in these ratios are most pronounced between capital- and labor-intensive industries.

Percent Depreciation to Sales
*Depreciation Expense / Sales * 100*

This ratio measures depreciation expense as a percentage of sales and is based on a company's fixed assets and how quickly they are being depreciated or amortized, relative to sales. Any depletion expenses should be included in this ratio as well. Note that depreciation methods should also be considered when evaluating this ratio.

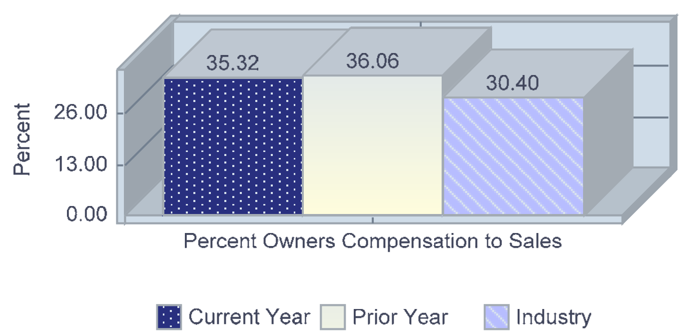
The percent depreciation to sales for Liberty Medical Group is 1.51%, which compared to the baseline of 1.70% indicates the company is performing well in this area.



Percent Owners Compensation to Sales
*Owners Compensation / Sales * 100*

This ratio measures owners' compensation (which includes salaries, bonuses, commissions, drawings of partners, etc.) as a percentage of sales. The desired percentage may vary between companies depending on their individual goals.

The percent owners' compensation to sales for Liberty Medical Group is 35.32%, which compared to the baseline of 30.40% indicates the company may not be performing as desired in this area.



Liberty Medical Group
Balance Sheet - Group Comparison
621111 - Offices of Physicians (except Mental Health Specialists)

	2008	% Assets	Peer Group	Variance
Assets				
Cash & Equivalents	$336,818	27.7%	27.4%	0.3%
Trade Accounts Receivable	$134,569	11.1%	11.4%	-0.3%
Inventory	$12,985	1.1%	1.1%	0.0%
Other Current Assets	$98,323	8.1%	8.0%	0.1%
Total Current Assets	$582,695	47.9%	47.9%	0.0%
Long-Term Investments	$81,197	6.7%	6.9%	-0.2%
Net Fixed Assets	$412,458	33.9%	33.9%	0.0%
Intangible Assets	$61,874	5.1%	4.9%	0.2%
Other Non-Current Assets	$78,390	6.4%	6.4%	0.0%
Total Assets	$1,216,614	100.0%	100.0%	0.0%
Liabilities				
Accounts Payable	$42,787	3.5%	3.5%	0.0%
Notes Payable	$88,247	7.3%	7.1%	0.2%
Accrued Liabilities	$532,506	43.8%	43.8%	0.0%
Income Taxes Payable	$10,014	0.8%	0.8%	0.0%
Current Portion of Long-Term Debt	$111,238	9.1%	9.2%	-0.1%
Total Current Liabilities	$784,792	64.5%	64.5%	0.0%
Long-Term Debt	$281,809	23.2%	23.0%	0.2%
Other Long-Term Liabilities	$55,000	4.5%	4.5%	0.0%
Total Long-Term Liabilities	$336,809	27.7%	27.5%	0.2%
Total Liabilities	$1,121,601	92.2%	92.0%	0.2%
Retained Earnings	$95,013	7.8%	8.0%	-0.2%
Total Equity	$95,013	7.8%	8.0%	-0.2%
Total Liabilities and Equity	$1,216,614	100.0%	100.0%	0.0%

Liberty Medical Group
Statement of Income - Group Comparison
621111 - Offices of Physicians (except Mental Health Specialists)

	2008	% Sales	Peer Group	Variance
Sales	$8,079,445	100.0%	100.0%	0.0%
Cost of Sales	$0	0.0%	0.0%	0.0%
Gross Profit	$8,079,445	100.0%	100.0%	0.0%
Operating Expenses	$7,945,326	98.3%	98.4%	-0.1%
Operating Profit	$134,119	1.7%	1.6%	0.1%
Other Income	$0	0.0%	0.0%	0.0%
Other Expenses	$16,360	0.2%	0.2%	0.0%
Earnings Before Interest and Taxes	$117,759	1.5%	1.4%	0.1%
Interest Expense	$72,301	0.9%	0.9%	0.0%
Earnings Before Taxes	$45,458	0.6%	0.5%	0.1%
Provision for Income Taxes	$21,877	0.3%	0.3%	0.0%
Net Income	$23,581	0.3%	0.2%	0.1%

Additional Information

Owners Compensation	$2,853,654	35.3%	35.3%	0.0%
Depreciation Expense	$122,001	1.5%	1.5%	0.0%
Selling Expenses	$0	0.0%	0.0%	0.0%

Liberty Medical Group
Ratio Analysis - Group Comparison

	Liberty Medical Group	Peer Group	% Variance
Liquidity Ratios			
Current Ratio	0.7	0.7	0.0%
Quick Ratio	0.6	0.6	0.0%
Defensive Interval Days	22.3	22.8	-2.2%
Accounts Receivable to Working Capital	-0.7	-0.7	0.0%
Inventory to Working Capital	-0.1	-0.1	0.0%
Long-Term Liabilities to Working Capital	-1.7	-1.7	0.0%
Sales to Working Capital	-40.0	-39.2	2.0%
Activity Ratios			
Accounts Receivable Turnover	60.0	57.2	4.9%
Days Sales in Receivables	6.1	6.4	-4.7%
Inventory Turnover	0.0	0.0	0.0%
Days Cost of Sales in Inventory	0.0	0.0	0.0%
Accounts Payable Turnover	0.0	0.0	0.0%
Days Cost of Sales in Payables	0.0	0.0	0.0%
Operating Cycle Days	6.1	6.4	-4.7%
Sales to Assets	6.6	6.5	1.5%
Sales to Net Fixed Assets	19.6	19.1	2.6%
Percent Depreciation Expense to Fixed Assets	25.2	24.6	2.4%
Percent Accumulated Depreciation to Fixed Assets	14.8	14.8	0.0%
Net Fixed Assets to Equity	4.3	4.3	0.0%
Profitability Ratios			
Percent Gross Profit	100.0	100.0	0.0%
Percent Profit Margin on Sales	0.6	0.5	20.0%
Percent Rate of Return on Assets	3.7	3.3	12.1%
Percent Rate of Return on Equity	47.8	40.9	16.9%
Price Earnings Ratio	0.0	0.0	0.0%
Earnings Per Share	0.0	0.0	0.0%
Coverage Ratios			
Debt to Total Assets	0.9	0.9	0.0%
Percent Owners' Equity	7.8	8.0	-2.5%
Equity Multiplier	12.8	12.6	1.6%
Debt to Equity	11.8	11.6	1.7%
Cash Flow to Current Maturities Long-Term Debt	1.3	1.2	8.3%
Times Interest Earned	1.6	1.6	0.0%
Book Value Per Share	0.0	0.0	0.0%
Expense to Sales Ratios			
Percent Depreciation to Sales	1.5	1.5	0.0%
Percent Owners' Compensation to Sales	35.3	35.3	0.0%

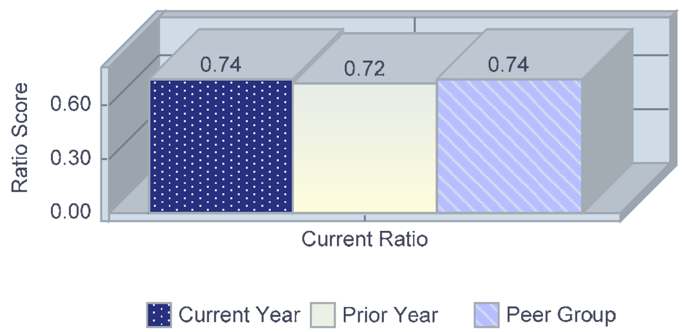
Liberty Medical Group
Detailed Ratio Analysis - Group Comparison

Liquidity ratios measure a company's ability to meet its maturing short-term obligations. In other words, can a company quickly convert its assets to cash without a loss in value if necessary to meet its short-term obligations? Favorable liquidity ratios are critical to a company and its creditors within a business or industry that does not provide a steady and predictable cash flow. They are also a key predictor of a company's ability to make timely payments to creditors and to continue to meet obligations to lenders when faced with an unforeseen event.

Current Ratio
Current Assets / Current Liabilities

This ratio reflects the number of times short-term assets cover short-term liabilities and is a fairly accurate indication of a company's ability to service its current obligations. A higher number is preferred because it indicates a strong ability to service short-term obligations. The composition of current assets is a key factor in the evaluation of this ratio. Depending on the type of business or industry, current assets may include slow-moving inventories that could potentially affect analysis of a company's liquidity how long could it potentially take to convert raw materials and inventory into finished products? (For this reason, the quick ratio may be preferable to the current ratio because it eliminates inventory and prepaid expenses from this ratio for a more accurate gauge of a company's liquidity and ability to meet short-term obligations.)

The current ratio for Liberty Medical Group is 0.74, which compared to the baseline of 0.74 indicates the company's ability to service short-term obligations is satisfactory. However the value of the quick ratio will provide a clearer indication of the company's success in this area.

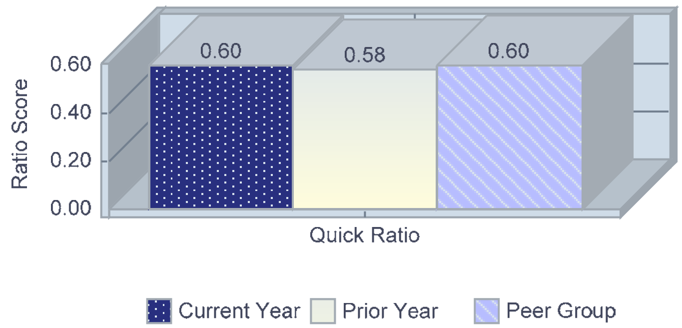


Quick Ratio
(Cash + Marketable Securities + Trade Accounts Receivable) / Current Liabilities

This ratio, also known as the acid test ratio, measures immediate liquidity - the number of times cash, accounts receivable, and marketable securities cover short-term obligations. A higher number is preferred because it suggests a company has a strong ability to service short-term obligations. This ratio is a more reliable variation of the Current ratio because inventory, prepaid expenses, and other less liquid current assets are removed from the calculation.

Liberty Medical Group
Detailed Ratio Analysis - Group Comparison

The quick ratio for Liberty Medical Group is 0.60, which compared to the baseline of 0.60 indicates the company's ability to service short-term obligations is favorable.

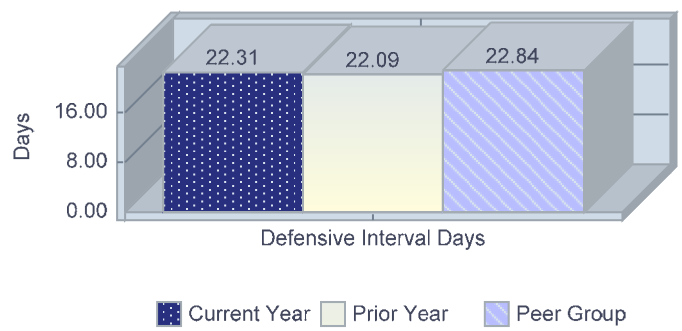


Defensive Interval Days

(Cash + Marketable Securities + Trade Accounts Receivable) / ((Operating Expenses - Other Expenses - Interest Expense - Provision for Income Taxes - Depreciation Expense) / Days)

This ratio gauges the threat of insolvency for investors by calculating the number of days a company can operate without any cash returns while meeting its basic operational costs. In general, this number should be between 30 to 90 days.

Defensive interval days for Liberty Medical Group is 22.31 days that indicates that the company's degree of protection against insolvency may not be ideal.



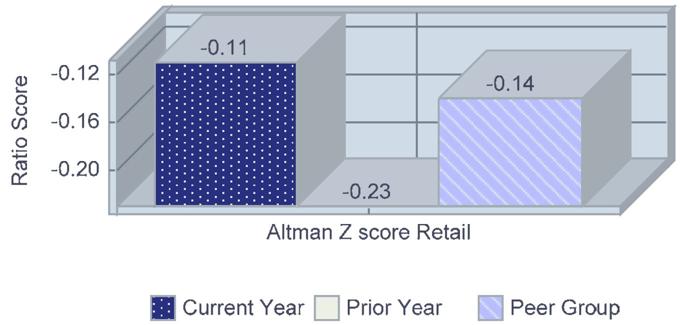
Altman Z score Retail

*(((Current Assets - Current Liabilities) / Total Assets) * 6.6) + ((Total Equity / Total Assets) * 3.3) + ((Earnings before Interest and Taxes / Total Assets) * 6.7) + ((Total Equity / Total Liabilities) * 1.0)*

This ratio represents a numerical ranking that predicts the potential for bankruptcy of a retail company. In general, the lower the score, the higher the odds of bankruptcy. Companies with Z-Scores above 3 are considered to be healthy and therefore, unlikely to enter bankruptcy.

Liberty Medical Group
Detailed Ratio Analysis - Group Comparison

The Altman Z score for Liberty Medical Group is -0.11 that indicates the company may have a relatively low degree of protection against bankruptcy.

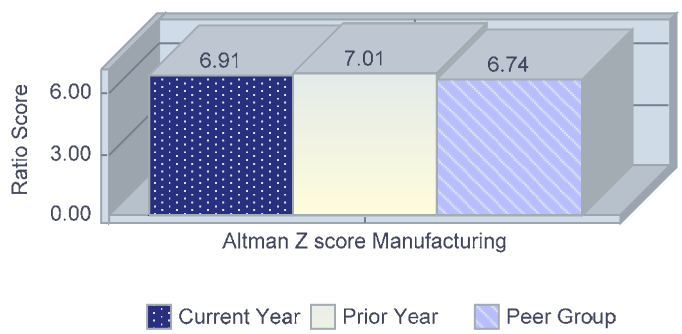


Altman Z score Manufacturing

*(((Current Assets - Current Liabilities) / Total Assets) * 0.717) + ((Total Equity / Total Assets) * 0.847) + ((Earnings before Interest and Taxes / Total Assets) * 3.107) + ((Total Equity / Total Liabilities) * 0.42) + ((Sales / Total Assets) * 0.998)*

This ratio represents a numerical ranking that predicts the potential for bankruptcy of a manufacturing company. In general, the lower the score, the higher the odds of bankruptcy. Companies with Z-Scores above 3 are considered to be healthy and therefore unlikely to enter bankruptcy.

The Altman Z score for Liberty Medical Group is 6.91 that indicates the company has a relatively high degree of protection against bankruptcy.

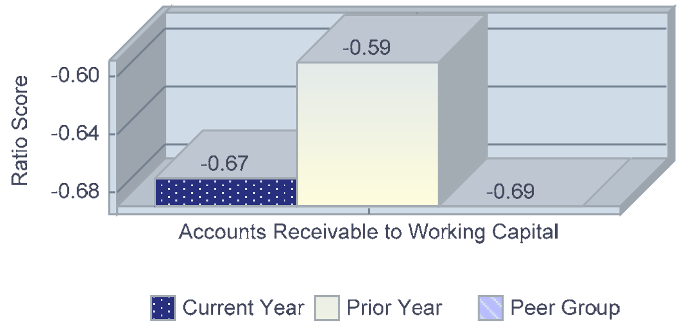


Accounts Receivable to Working Capital

Trade Accounts Receivable / (Current Assets - Current Liabilities)

This ratio measures the dependency of working capital on the collection of receivables. A lower number for this ratio is preferred, indicating that a company has a satisfactory level of working capital and accounts receivable makes up an appropriate portion of current assets.

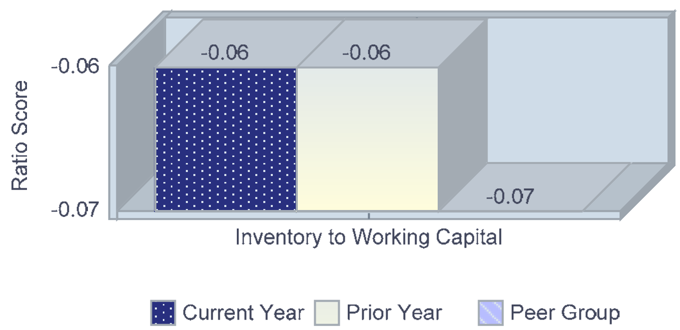
The accounts receivable to working capital ratio for Liberty Medical Group is -0.67, which compared to the baseline of -0.69 indicates the company's performance may be insufficient in this area.



Inventory to Working Capital
Inventory / (Current Assets - Current Liabilities)

This ratio measures the dependency of working capital on inventory. A lower number for this ratio is preferred indicating that a company has a satisfactory level of working capital and inventory makes up a reasonable portion of current assets.

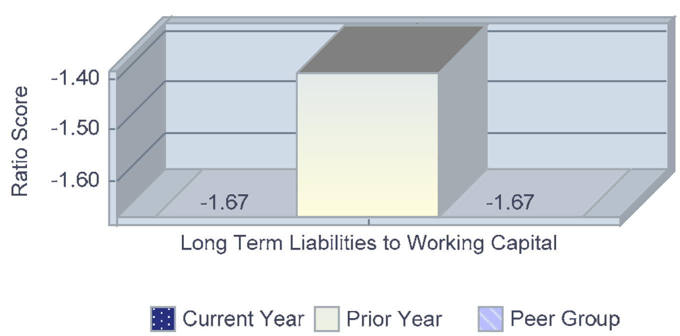
The inventory to working capital ratio for Liberty Medical Group is -0.06, which compared to the baseline of -0.07 indicates this ratio may not be in line with company goals.



Long Term Liabilities to Working Capital
Long Term Liabilities / (Current Assets - Current Liabilities)

This ratio measures the degree to which a company's long-term debt has been used to replenish working capital versus fixed asset acquisition.

The long-term liabilities to working capital ratio for Liberty Medical Group is -1.67, which compared to the baseline of -1.67 indicates the value of this ratio is meeting the company's expectations.

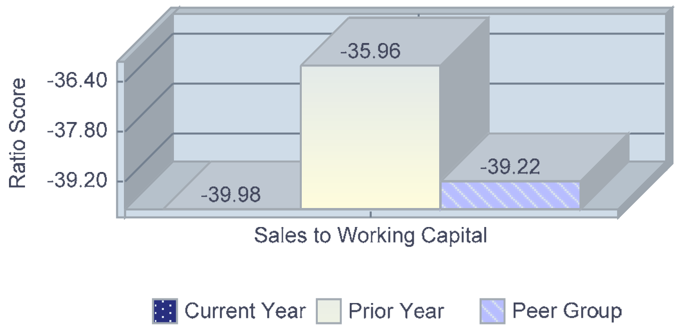


Liberty Medical Group
Detailed Ratio Analysis - Group Comparison

Sales to Working Capital
Sales / (Current Assets - Current Liabilities)

This ratio measures a company's ability to finance current operations. Working capital (current assets - current liabilities) is another measure of liquidity and the ability to cover short-term obligations. This ratio relates the ability of a company to generate sales using its working capital to determine how efficiently working capital is being used. In general, a lower number is preferred because it indicates a company has a satisfactory level of working capital. However, an exceptionally low number may indicate inadequate sales levels are being generated.

The sales to working capital ratio for Liberty Medical Group is -39.98, which compared to the baseline of -39.22 reveals that the company's level of working capital is strong. The company may want to make an effort to generate additional sales using the available working capital.



The following list includes several suggestions Liberty Medical Group should consider to improve the liquidity ratios:

❖ Reduce days in accounts receivable to improve current assets by evaluating accounts receivable on a more frequent basis and take a more assertive stance in the collection of accounts receivable and delinquent accounts.
❖ Prepare thorough cash forecasts and evaluate the company's ability to meet goals on a regular basis.
❖ Consider paying off short-term obligations if the cash position of the company is favorable.
❖ Consider converting short-term debt to long-term debt.
❖ Reduce levels of non-moving inventory.

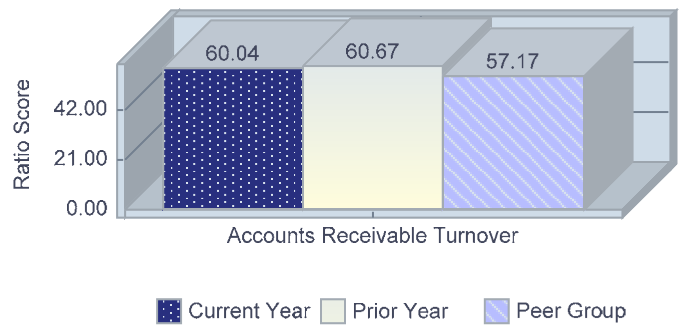
Liberty Medical Group
Detailed Ratio Analysis - Group Comparison

Activity ratios provide a useful gauge of a company's operations by determining, for example, the average number of days it takes to collect on customer accounts and the average number of days to pay vendors. A key point to keep in mind when evaluating these ratios is that seasonal fluctuations are not necessarily reflected in the numbers that are derived from these calculations based on an account balance on one single day.

Accounts Receivable Turnover
Sales / Trade Accounts Receivable

This ratio measures the number of times receivables turn over in a year and reveals how successful a company is in collecting its outstanding receivables. A higher number is preferred because it indicates a shorter time between sales and cash collection.

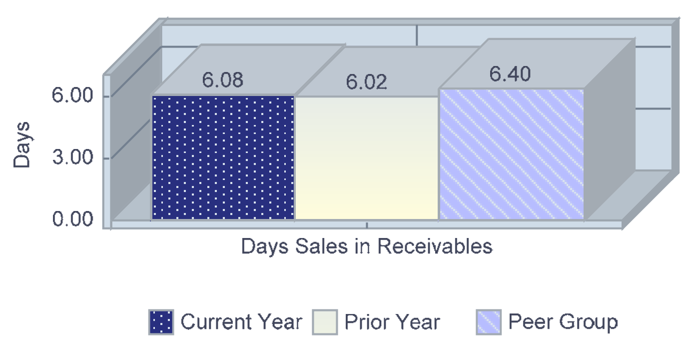
The accounts receivable turnover for Liberty Medical Group is 60.04, which compared to the baseline of 57.17 indicates this ratio is on target with company objectives.



Days Sales in Receivables
Trade Accounts Receivable / (Sales / Days)

This ratio measures the average number of days a company's receivables are outstanding. A lower number of days is desired. An increase in the number of days receivables are outstanding indicates an increased possibility of late payment by customers. Companies should attempt to reduce the number of days sales in receivables in order to increase cash flow. The general rule used is that the time allowed for payment by the selling terms should not be exceeded by more than 10 or 15 days.

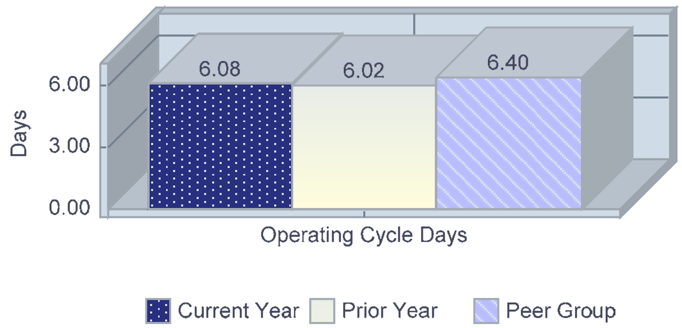
The days sales in receivables for Liberty Medical Group is 6.08 days that indicates the company is effective in collecting outstanding receivables.



Operating Cycle Days
(Inventory / (Cost of Sales / Days)) + (Trade Accounts Receivable / (Sales / Days))

This ratio calculates the total conversion period for a company, or in other words, the average number of days it takes to convert inventory into cash from sales. It is calculated by adding together the days cost of sales in inventory to the days sales in receivables. Evaluating this ratio can be helpful in gauging the effectiveness of marketing, determining credit terms to extend to customers, and collecting outstanding accounts.

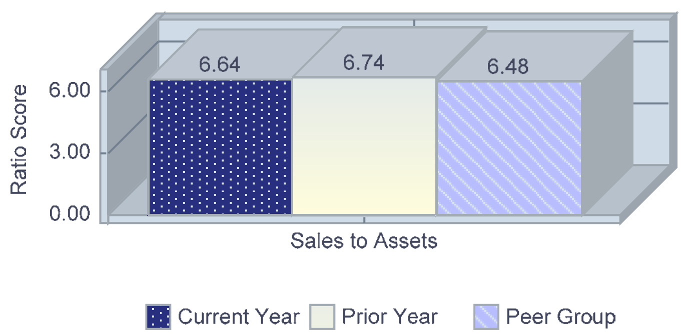
The operating cycle days for Liberty Medical Group is 6.08 days, which compared to the baseline of 6.40 days indicates the company is successfully minimizing the amount of time it takes to convert products and services into cash.



Sales to Assets
Sales / Total Assets

This ratio measures a company's ability to produce sales in relation to total assets to determine the effectiveness of the company's asset base in producing sales. A higher number is preferred, indicating that a company is using its assets to successfully generate sales. This ratio does not take into account the depreciation methods employed by each company and should not be the only measure of effectiveness of a company in this area.

Sales to assets for Liberty Medical Group is 6.64, which compared to the baseline of 6.48 indicates the company is performing well in this area.

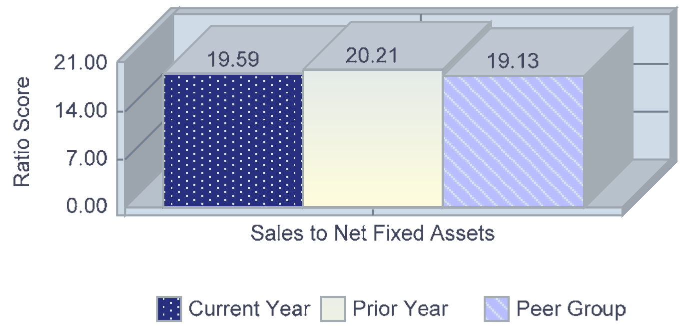


Sales to Net Fixed Assets
Sales / (Property and Equipment - Accumulated Depreciation)

Liberty Medical Group
Detailed Ratio Analysis - Group Comparison

This ratio measures a company's ability to effectively utilize its fixed assets to generate sales. This ratio is similar to the sales to assets ratio, but it excludes current assets, long-term investments, intangible assets, and other non-current assets. A higher number is desired, indicating that a company productively uses its fixed assets to produce sales. This ratio does not take into account the depreciation methods employed by each company and should not be the only measure of effectiveness of a company in this area. In addition, fixed assets that are almost fully depreciated, and labor-intensive operations may interfere with the interpretation of this ratio.

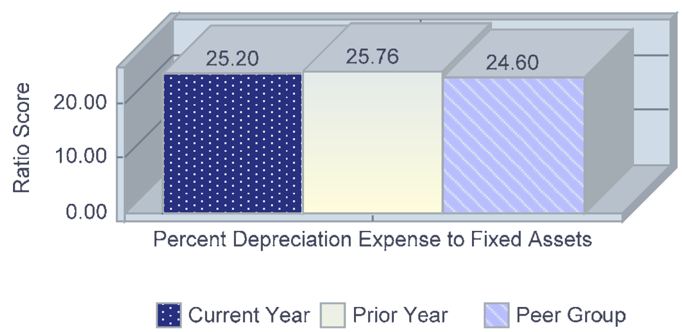
Sales to net fixed assets for Liberty Medical Group is 19.59, which compared to the baseline of 19.13 indicates the company is making effective use of its fixed assets to generate sales.



Percent Depreciation Expense to Fixed Assets
*Depreciation Expense / Property and Equipment * 100*

This ratio measures the reasonableness and consistency of a company's depreciation expense over time.

The percent depreciation expense to fixed assets for Liberty Medical Group is 25.20%, which compared to the baseline of 24.60% indicates the value of this ratio may not be meeting the company's expectations.

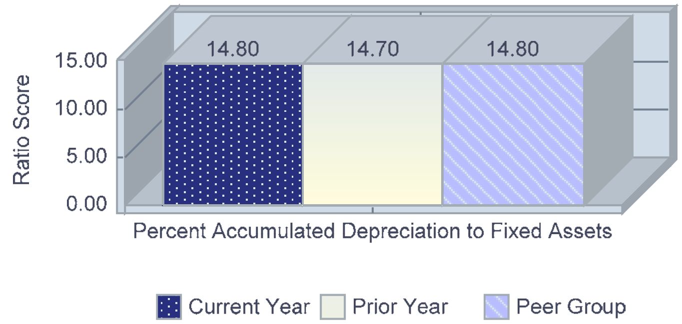


Percent Accumulated Depreciation to Fixed Assets
*Accumulated Depreciation / Property and Equipment * 100*

This ratio measures the cumulative percentage of productive asset costs a company has allocated to operations.

Liberty Medical Group
Detailed Ratio Analysis - Group Comparison

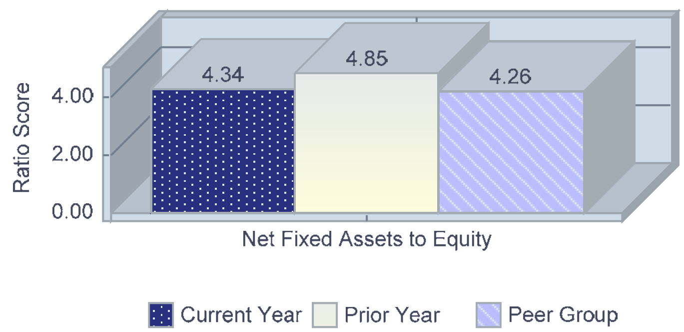
The percent accumulated depreciation to fixed assets for Liberty Medical Group is 14.80%, which compared to the baseline of 14.80% indicates this ratio is on target with company objectives.



Net Fixed Assets to Equity
(Property and Equipment - Accumulated Depreciation) / Total Equity

This ratio measures the extent to which investors' capital was used to finance productive assets. A lower ratio indicates a proportionally smaller investment in fixed assets in relation to net worth, which is desired by creditors in case of liquidation. Note that this ratio could appear deceptively low if a significant number of a company's fixed assets are leased.

Net fixed assets to equity for Liberty Medical Group is 4.34, which compared to the baseline of 4.26 indicates the company's performance may be insufficient in this area.



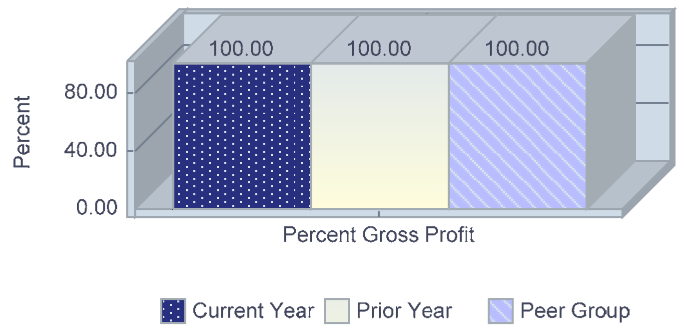
Liberty Medical Group
Detailed Ratio Analysis - Group Comparison

Profitability ratios measure a company's ability to use its capital or assets to generate profits. Improving profitability is a constant challenge for all companies and their management. Evaluating profitability ratios is a key component in determining the success of a company. It is important to note that all profitability ratio calculations are based on earnings before taxes.

Percent Gross Profit
*((Sales - Cost of Sales) / Sales) * 100*

This ratio measures the gross profit earned on sales and reports how much of each sales dollar is available to cover operating expenses and contribute to profits.

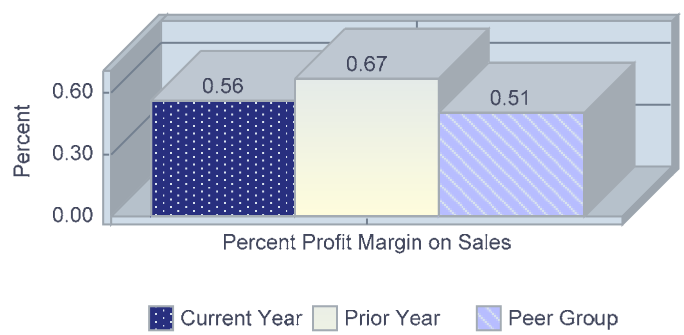
The percent gross profit for Liberty Medical Group is 100.00%, which compared to the baseline of 100.00% is a good indication of financial health for the company.



Percent Profit Margin on Sales
*Earnings before Taxes / Sales * 100*

This ratio measures how much profit a company makes on each sales dollar received and how well a company could potentially deal with higher costs or lower sales in the future.

The percent profit margin on sales for Liberty Medical Group is 0.56%, which compared to the baseline of 0.51% indicates sales are significantly contributing to the company's bottom line.

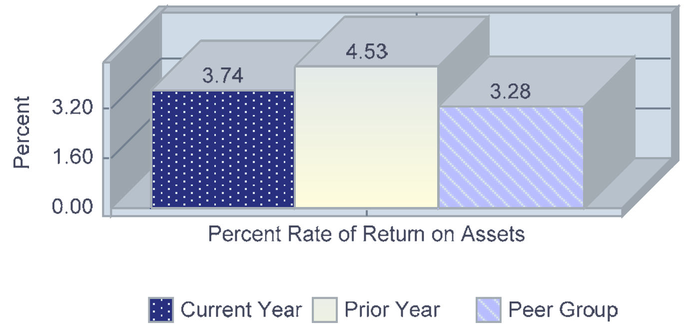


Percent Rate of Return on Assets
*Earnings before Taxes / Total Assets * 100*

This ratio measures how effectively a company's assets are being used to generate profits. It is one of the most important ratios when evaluating the success of a business. A higher number reflects a well managed company with a healthy return on assets. Heavily depreciated assets, a large number of intangible assets, or any unusual income or expenses can easily distort this calculation.

Liberty Medical Group
Detailed Ratio Analysis - Group Comparison

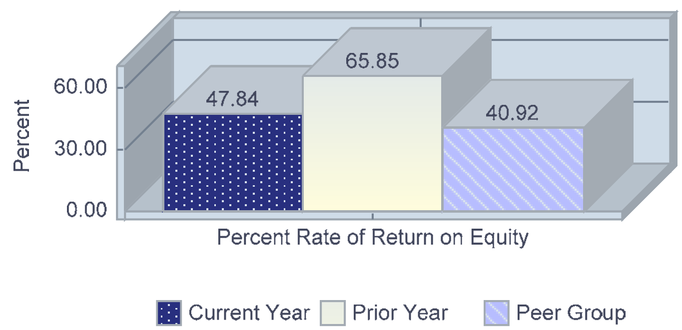
The percent rate of return on assets for Liberty Medical Group is 3.74%, which compared to the baseline of 3.28% indicates the company successfully utilizes its asset base to generate profits.



Percent Rate of Return on Equity
*Earnings before Taxes / Total Equity * 100*

This ratio expresses the rate of return on equity capital employed and measures the ability of a company's management to realize an adequate return on the capital invested by the owners in a company. A higher number is preferred for this commonly analyzed ratio.

The percent rate of return on equity for Liberty Medical Group is 47.84%, which compared to the baseline of 40.92% indicates the company's management is performing effectively in this area.



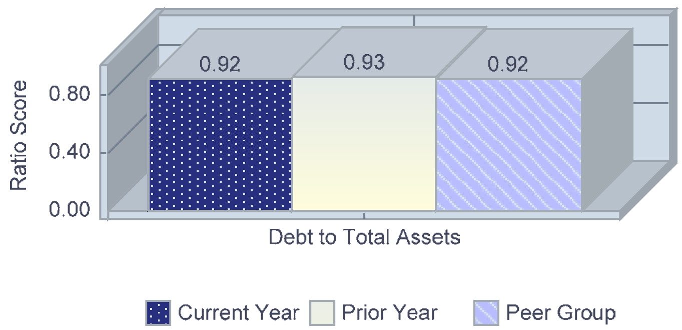
Liberty Medical Group
Detailed Ratio Analysis - Group Comparison

Coverage ratios assess a company's ability to meet its long-term obligations, remain solvent, and avoid bankruptcy. It measures how well a company's cash flow covers its short-term financial obligations. Lenders evaluate coverage ratios to determine the degree to which a company could become vulnerable when faced with economic downturns. A company with a high level of debt poses a higher risk to long-term creditors and investors.

Debt to Total Assets
Total Liabilities / Total Assets

This ratio measures what proportion of debt a company is carrying relative to its assets. A ratio value greater than one indicates a company has more debt than assets. Naturally, companies and creditors prefer a lower number.

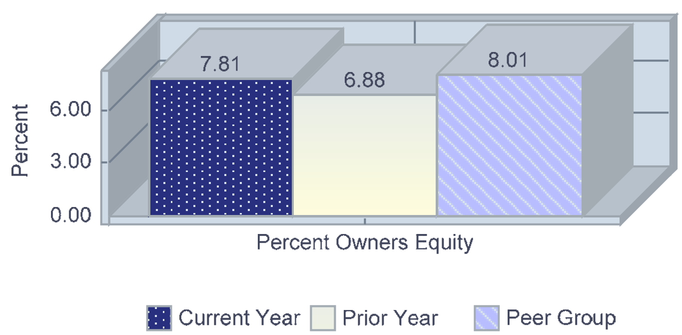
The debt to total assets ratio for Liberty Medical Group is 0.92, which compared to the baseline of 0.92 indicates the company should be able to withstand losses without harming creditor interests or could obtain additional financing if desired.



Percent Owners Equity
*Total Equity / Total Assets * 100*

This ratio measures what proportion of total assets was provided by the owners equity. The higher the number the more total capital has been contributed by owners and the less by creditors.

The percent owners' equity ratio for Liberty Medical Group is 7.81%, which compared to the baseline of 8.01% indicates the company may not own an adequate or large enough portion of its asset base.

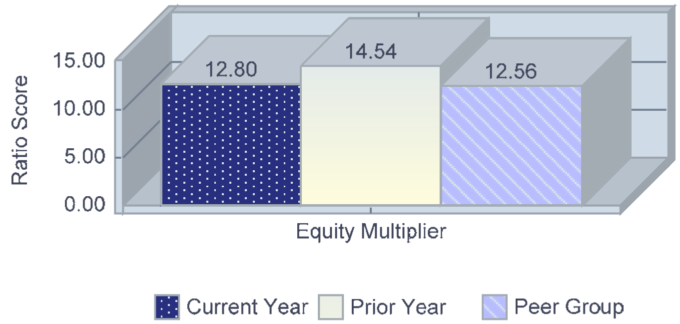


Equity Multiplier
Total Assets / Total Equity

This ratio measures the extent to which a company uses debt to finance its assets. The higher the number is, the more a company is relying on debt to finance its assets.

Liberty Medical Group
Detailed Ratio Analysis - Group Comparison

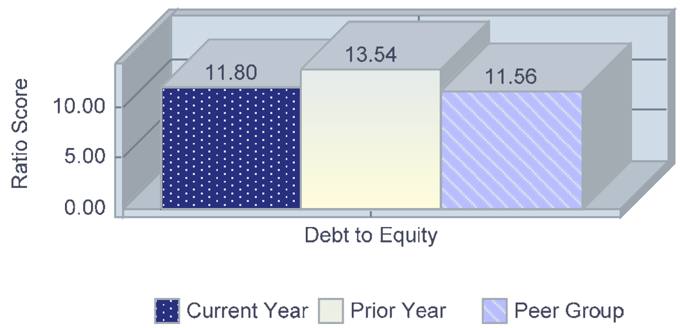
The equity multiplier for Liberty Medical Group is 12.80, which compared to the baseline of 12.56 indicates the company's assets are highly leveraged and the company could be considered a risk by creditors.



Debt to Equity
Total Liabilities / Total Equity

This ratio measures the financial leverage of a company by indicating what proportion of debt and equity a company is using to finance its assets. A lower number suggests there is both a lower risk involved for creditors and strong, long-term, financial security for a company.

The debt to equity ratio for Liberty Medical Group is 11.80, which compared to the baseline of 11.56 indicates there may be some issues with the way the company is financed.

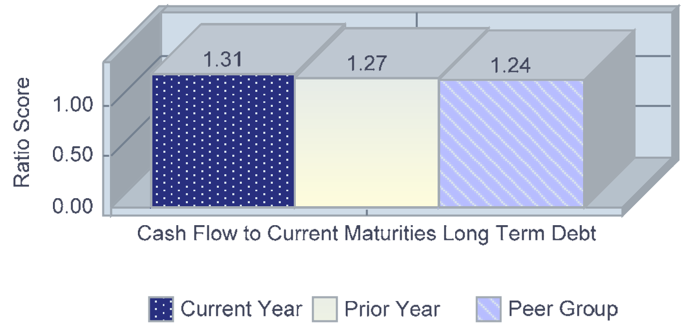


Cash Flow to Current Maturities Long Term Debt
(Net Income + Depreciation Expense) / Current Portion of Long Term Debt

This ratio measures how well cash flow from operations covers current maturities. Since cash flow is necessary for debt retirement, this ratio reveals a company's capability to repay existing debt and to take on additional debt. A higher number for this ratio is desired.

Liberty Medical Group
Detailed Ratio Analysis - Group Comparison

The cash flow to current maturities long-term debt ratio for Liberty Medical Group is 1.31, which compared to the baseline of 1.24 indicates the company is in a strong position to meet its current obligations on long-term debt based on its current cash flow.

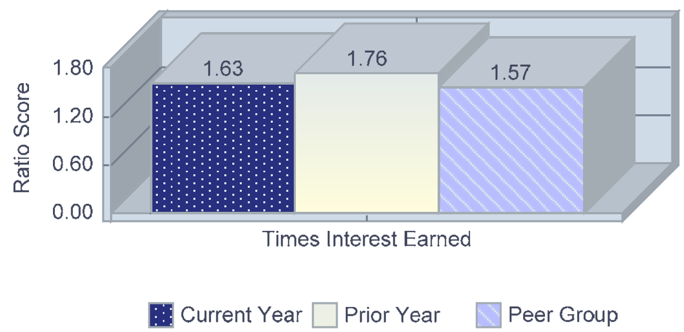


Times Interest Earned

Earnings before Interest and Taxes / Interest Expense

This ratio measures a company's ability to meet interest payments. A higher number is preferred, suggesting a company can easily meet interest obligations and can potentially take on additional debt. Note that this particular ratio uses earnings before interest and taxes because this is the income amount available to cover interest.

The times interest earned ratio for Liberty Medical Group is 1.63, which compared to the baseline of 1.57 indicates the company's interest coverage is sufficient.



The following list includes several suggestions Liberty Medical Group should consider to improve the coverage ratios:

❖ Examine the company’s debt to uncover areas needing improvement and create a long range action plan to address these areas and pay down debt.
❖ Increase equity by increasing earnings.
❖ Minimize the overall amount of debt to decrease interest expenses.
❖ Reduce interest payments by evaluating financing alternatives and possibly refinancing existing debt.

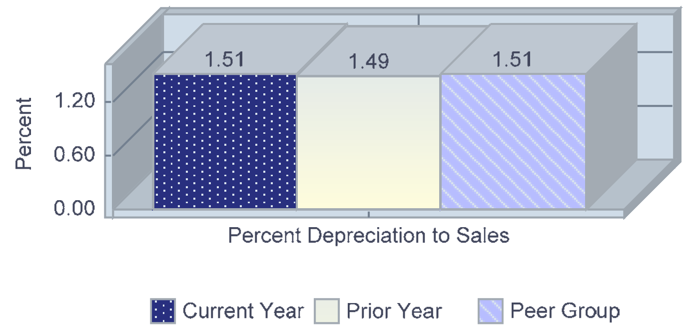
Liberty Medical Group
Detailed Ratio Analysis - Group Comparison

Expense to sales ratios express specific expense items as a percentage of net sales. Comparisons of expenses are more meaningful because net sales is used as a constant. Extreme variations in these ratios are most pronounced between capital- and labor-intensive industries.

Percent Depreciation to Sales
*Depreciation Expense / Sales * 100*

This ratio measures depreciation expense as a percentage of sales and is based on a company's fixed assets and how quickly they are being depreciated or amortized, relative to sales. Any depletion expenses should be included in this ratio as well. Note that depreciation methods should also be considered when evaluating this ratio.

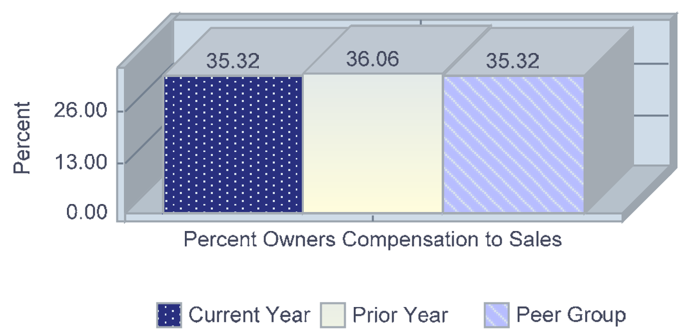
The percent depreciation to sales for Liberty Medical Group is 1.51%, which compared to the baseline of 1.51% indicates the company is performing well in this area.



Percent Owners Compensation to Sales
*Owners Compensation / Sales * 100*

This ratio measures owners' compensation (which includes salaries, bonuses, commissions, drawings of partners, etc.) as a percentage of sales. The desired percentage may vary between companies depending on their individual goals.

The percent owners' compensation to sales for Liberty Medical Group is 35.32%, which compared to the baseline of 35.32% indicates the company is performing as desired in this area.



Liberty Medical Group
Balance Sheet - Five-Year Trend Analysis

	2008	2007	2006	2005	2004
Assets					
Cash & Equivalents	$336,818	$319,978	$313,578	$310,378	$303,978
Trade Accounts Receivable	$134,569	$127,841	$125,284	$124,005	$121,449
Inventory	$12,985	$13,657	$13,384	$13,247	$12,974
Other Current Assets	$98,323	$94,325	$92,439	$91,495	$89,609
Total Current Assets	$582,695	$555,801	$544,685	$539,125	$528,010
Long-Term Investments	$81,197	$77,137	$75,594	$74,823	$73,280
Net Fixed Assets	$412,458	$383,750	$366,088	$373,140	$379,580
Intangible Assets	$61,874	$58,780	$57,605	$57,017	$55,841
Other Non-Current Assets	$78,390	$74,471	$72,981	$72,236	$70,747
Total Assets	$1,216,614	$1,149,939	$1,116,953	$1,116,341	$1,107,458
Liabilities					
Accounts Payable	$42,787	$32,658	$36,777	$37,730	$39,383
Notes Payable	$88,247	$83,835	$88,142	$85,498	$81,223
Accrued Liabilities	$532,506	$530,190	$484,929	$470,382	$446,861
Income Taxes Payable	$10,014	$9,115	$8,905	$8,638	$8,206
Current Portion of Long-Term Debt	$111,238	$115,676	$117,995	$120,687	$124,596
Total Current Liabilities	$784,792	$771,474	$736,748	$722,935	$700,269
Long-Term Debt	$281,809	$263,352	$266,740	$270,240	$275,560
Other Long-Term Liabilities	$55,000	$36,000	$37,000	$38,000	$39,000
Total Long-Term Liabilities	$336,809	$299,352	$303,740	$308,240	$314,560
Total Liabilities	$1,121,601	$1,070,826	$1,040,488	$1,031,175	$1,014,829
Retained Earnings	$95,013	$79,113	$76,465	$85,166	$92,629
Total Equity	$95,013	$79,113	$76,465	$85,166	$92,629
Total Liabilities and Equity	$1,216,614	$1,149,939	$1,116,953	$1,116,341	$1,107,458

Liberty Medical Group
Statement of Income - Five-Year Trend Analysis

	2008	2007	2006	2005	2004
Sales	$8,079,445	$7,756,268	$7,601,142	$7,523,579	$7,445,102
Cost of Sales	$0	$0	$0	$0	$0
Gross Profit	$8,079,445	$7,756,268	$7,601,142	$7,523,579	$7,445,102
Operating Expenses	$7,945,326	$7,620,193	$7,453,119	$7,369,162	$7,295,736
Operating Profit	$134,119	$136,075	$148,023	$154,417	$149,366
Other Income	$0	$0	$0	$0	$0
Other Expenses	$16,360	$15,542	$15,231	$15,076	$14,749
Earnings Before Interest and Taxes	$117,759	$120,533	$132,792	$139,341	$134,617
Interest Expense	$72,301	$68,439	$67,071	$66,386	$64,949
Earnings Before Taxes	$45,458	$52,094	$65,721	$72,955	$69,668
Provision for Income Taxes	$21,877	$21,070	$20,649	$20,438	$19,995
Net Income	$23,581	$31,024	$45,072	$52,517	$49,673

Additional Information					
Owners Compensation	$2,853,654	$2,796,581	$2,810,564	$2,768,615	$2,712,683
Depreciation Expense	$122,001	$115,901	$113,583	$112,424	$115,437
Selling Expenses	$0	$0	$0	$0	$0

Liberty Medical Group
Ratio Analysis - Five-Year Trend Analysis

	2008	2007	2006	2005	2004
Liquidity Ratios					
Current Ratio	0.7	0.7	0.7	0.7	0.8
Quick Ratio	0.6	0.6	0.6	0.6	0.6
Defensive Interval Days	22.3	22.1	22.1	22.2	21.9
Accounts Receivable to Working Capital	-0.7	-0.6	-0.7	-0.7	-0.7
Inventory to Working Capital	-0.1	-0.1	-0.1	-0.1	-0.1
Long-Term Liabilities to Working Capital	-1.7	-1.4	-1.6	-1.7	-1.8
Sales to Working Capital	-40.0	-36.0	-39.6	-40.9	-43.2
Activity Ratios					
Accounts Receivable Turnover	60.0	60.7	60.7	60.7	61.3
Days Sales in Receivables	6.1	6.0	6.0	6.0	6.0
Inventory Turnover	0.0	0.0	0.0	0.0	0.0
Days Cost of Sales in Inventory	0.0	0.0	0.0	0.0	0.0
Accounts Payable Turnover	0.0	0.0	0.0	0.0	0.0
Days Cost of Sales in Payables	0.0	0.0	0.0	0.0	0.0
Operating Cycle Days	6.1	6.0	6.0	6.0	6.0
Sales to Assets	6.6	6.7	6.8	6.7	6.7
Sales to Net Fixed Assets	19.6	20.2	20.8	20.2	19.6
Percent Depreciation Expense to Fixed Assets	25.2	25.8	26.5	26.3	27.1
Percent Accumulated Depreciation to Fixed Assets	14.8	14.7	14.7	12.9	11.0
Net Fixed Assets to Equity	4.3	4.9	4.8	4.4	4.1
Profitability Ratios					
Percent Gross Profit	100.0	100.0	100.0	100.0	100.0
Percent Profit Margin on Sales	0.6	0.7	0.9	1.0	0.9
Percent Rate of Return on Assets	3.7	4.5	5.9	6.5	6.3
Percent Rate of Return on Equity	47.8	65.8	85.9	85.7	75.2
Price Earnings Ratio	0.0	0.0	0.0	0.0	0.0
Earnings Per Share	0.0	0.0	0.0	0.0	0.0
Coverage Ratios					
Debt to Total Assets	0.9	0.9	0.9	0.9	0.9
Percent Owners' Equity	7.8	6.9	6.8	7.6	8.4
Equity Multiplier	12.8	14.5	14.6	13.1	12.0
Debt to Equity	11.8	13.5	13.6	12.1	11.0
Cash Flow to Current Maturities Long Term Debt	1.3	1.3	1.3	1.4	1.3
Times Interest Earned	1.6	1.8	2.0	2.1	2.1
Book Value Per Share	0.0	0.0	0.0	0.0	0.0
Expense to Sales Ratios					
Percent Depreciation to Sales	1.5	1.5	1.5	1.5	1.6
Percent Owners' Compensation to Sales	35.3	36.1	37.0	36.8	36.4

Ratios

Liquidity Ratios

Current Ratio	Current Assets / Current Liabilities
Quick Ratio	(Cash + Marketable Securities + Trade Accounts Receivable) / Current Liabilities
Defensive Interval Days	(Cash + Marketable Securities + Trade Accounts Receivable) / ((Operating Expenses - Other Expenses - Interest Expense - Provision for Income Taxes - Depreciation Expense) / Days)
Altman Z score - Retail	(((Current Assets - Current Liabilities) / Total Assets) * 6.6) + ((Total Equity / Total Assets) * 3.3) + ((Earnings before Interest and Taxes / Total Assets) * 6.7) + ((Total Equity / Total Liabilities) * 1.0)
Altman Z score - Manufacturing	(((Current Assets - Current Liabilities) / Total Assets) * 0.717) + ((Total Equity / Total Assets) * 0.847) + ((Earnings before Interest and Taxes / Total Assets) * 3.107) + ((Total Equity / Total Liabilities) * 0.42) + ((Sales / Total Assets) * 0.998)
Accounts Receivable to Working Capital	Trade Accounts Receivable / (Current Assets - Current Liabilities)
Inventory to Working Capital	Inventory / (Current Assets - Current Liabilities)
Long-Term Liabilities to Working Capital	Long Term Liabilities / (Current Assets - Current Liabilities)
Sales to Working Capital	Sales / (Current Assets - Current Liabilities)

Activity Ratios

Accounts Receivable Turnover	Sales / Trade Accounts Receivable
Days Sales in Receivables	Trade Accounts Receivable / (Sales / Days)
Inventory Turnover	Cost of Sales / Inventory
Days Cost of Sales in Inventory	Inventory / (Cost of Sales / Days)
Accounts Payable Turnover	Cost of Sales / Trade Accounts Payable
Days Cost of Sales in Payables	Trade Accounts Payable / (Cost of Sales / Days)
Operating Cycle Days	(Inventory / (Cost of Sales / Days)) + (Trade Accounts Receivable / (Sales / Days))
Sales to Assets	Sales / Total Assets
Sales to Net Fixed Assets	Sales / (Property and Equipment - Accumulated Depreciation)

Activity Ratios (cont.)

Percent Depreciation Expense to Fixed Assets	Depreciation Expense / Property and Equipment * 100
Percent Accumulated Depreciation to Fixed Assets	Accumulated Depreciation / Property and Equipment * 100
Net Fixed Assets to Equity	(Property and Equipment - Accumulated Depreciation) / Total Equity

Profitability Ratios

Percent Gross Profit	((Sales - Cost of Sales) / Sales) * 100
Percent Profit Margin on Sales	Earnings before Taxes / Sales * 100
Percent Rate of Return on Assets	Earnings before Taxes / Total Assets * 100
Percent Rate of Return on	Earnings before Taxes / Total Equity * 100
Price Earnings Ratio	Stock Price / (Net Income / Outstanding Shares)
Earnings Per Share	Net Income / Outstanding Shares

Coverage Ratios

Debt to Total Assets	Total Liabilities / Total Assets
Percent Owners' Equity	Total Equity / Total Assets * 100
Equity Multiplier	Total Assets / Total Equity
Debt to Equity	Total Liabilities / Total Equity
Cash Flow to Current Maturities Long-Term Debt	(Net Income + Depreciation Expense) / Current Portion of Long Term Debt
Times Interest Earned	Earnings before Interest and Taxes / Interest Expense
Book Value Per Share	Total Equity / Outstanding Shares

Expenses to Sales Ratios

Percent Depreciation to Sales	Depreciation Expense / Sales * 100
Percent Owners' Compensation to Sales	Owners Compensation / Sales * 100

Categories

Balance Sheet

Cash
Includes cash and short term investments with an original maturity less than one year, including restricted cash
Marketable Securities
Includes debt and equity financial instruments including trading securities, securities held to maturity, and securities available for sale which are intended to be sold in the short term
Trade Accounts Receivable
Includes total accounts receivable, less allowances
Inventory
Includes total inventory, net of any allowance
Prepaid Expenses
Includes cash paid in advance for services or supplies
Current Assets
Sum of all current assets - those assets that are reasonably expected to be realized in cash or sold or consumed within a year or within the normal operating cycle of the company
Long-Term Investments
Includes investments, not including marketable securities
Property and Equipment
Tangible assets held by a company for use in the production or supply of goods and services, for rental to others, or for administrative purposes that are expected to provide economic benefit for more than one year
Accumulated Depreciation
The cumulative amount of depreciation and amortization that has been recognized in the income statement, generally shown as a deduction from the historical cost of fixed assets
Net Property and Equipment
Property and equipment less accumulated depreciation
Intangible Assets
Assets, excluding financial assets, that lack physical substance, net of accumulated amortization
Other Non-Current Assets
Includes non-current assets not otherwise defined
Non-Current Assets
Sum of all noncurrent assets - those assets that are not reasonably expected to be realized in cash or sold or consumed within a year or within the normal operating cycle of the company
Notes Payable
Includes written promises to pay, the portions of which are due one year or less in the future
Trade Accounts Payable
Recurring obligations of a business that arise from the acquisition of merchandise, materials, supplies and services used in the production and/or sale of goods and services
Compensation
Includes unpaid obilgations of regular compensation received by employees as a condition of employment
Other Accrued Liabilities
Includes obligations for expenses that have been incurred, but not yet paid
Income Taxes Payable
Includes unpaid obligation of all income taxes
Current Portion of Long-Term Debt
The sum of all debt which is due within one year or less
Other Current Liabilities
Includes current liablities not otherwise defined

Balance Sheet (cont.)

Current Liabilities
Total obligations incurred as part of normal operations that are expected to be repayed during the following year
Long-Term Debt
Includes notes and obligations that provide for repayment over a term longer than one year
Deferred IncomeTaxes
Includes the long-term effect on income taxes attributable to taxable temporary differences
Other Long-Term Liabilities
Includes long-term liabilities not otherwise defined
Long-Term Liabilities
Total obligations incurred as part of normal operations that are expected to be repayed beyond one year or one business cycle
Capital Stock
Includes securities representing an ownership interest in a company
Additional Paid-In Capital
Includes amounts received at issuance in excess of the par or stated value of capital stock and amounts received from other transactions involving the company's stock or stockholders
Retained Earnings
Includes the undistributed earnings of a company
Treasury Stock
Includes shares of a company that have been repurchased by a company
Other Equity
Includes equity not otherwise defined

Categories

Statement of Income

Sales
Includes revenues arising from the sale of goods and/or rendering of services in the normal course of business, reduced by sales adjustments, sales returns and allowances, and sales discounts

Cost of Sales
Includes costs incurred to produce goods for sale and/or to deliver services and may include direct materials, direct labor, overhead and depreciation

Gross Profit
Sales less cost of goods and/or services sold

Owners Compensation
Expenditures for salaries of officers

Depreciation Expense
Includes the amount of expense charged against earnings by a company to write off the cost of property or equipment over its useful life

Selling Expenses
Includes expenses directly related to the selling of products or services

Other Operating Expenses
Includes operating expenses not otherwise defined

Operating Expenses
Generally recurring costs associated with normal operations and currently chargeable against revenue except for the portion of said expenses which can be clearly related to production

Operating Profit
Gross profit less operating expenses

Other Income
Includes revenue from non-operating activity

Other Expenses
Includes expenses from non-operating activity

Earnings before Interest and Taxes
Sum of operating profit and non-operating income and expenses

Interest Expense
Includes interest expense on deposits, long-term debt and all other borrowings

Earnings before Taxes
Sum of operating profit and non-operating income and expenses, including interest expenses

Provision for Income Taxes
Provision for all current and deferred income taxes

Net Income
All income less all expenses