

Operating Performance ~ Ratios ~ Key Relationships

Enter Company Name

© 2009 All Rights Reserved, IntactAuto® Holdings LLC

Main Menu

Print Report

Help Screen

Liquidity Ratios

	January-09	February-09	March-09	April-09	May-09	June-09	July-09	August-09	September-09	October-09	November-09	December-09	January-10
Current Ratio	\$ 1.08	\$ 1.07	\$ 1.05	\$ 1.11	\$ 1.22	\$ 1.35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Quick Ratio	\$ 0.19	\$ 0.15	\$ 0.12	\$ 0.15	\$ 0.18	\$ 0.20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Safety Ratio

** Debt to Equity	\$ 4.80	\$ 5.34	\$ 6.29	\$ 4.35	\$ 3.02	\$ 2.23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-------------------	---------	---------	---------	---------	---------	---------	------	------	------	------	------	------	------

Profitability Ratios

Gross Profit Ratio (%)	14.2%	13.3%	12.1%	12.2%	12.5%	12.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pretax Profit Ratio (%)	1.7%	1.5%	1.2%	1.8%	2.5%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Performance Ratios

Sales to Assets	\$ 3.90	\$ 3.80	\$ 3.75	\$ 4.39	\$ 4.64	\$ 4.66	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Return on Assets (%)	6.6%	5.7%	4.5%	8.1%	11.7%	12.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Return on Equity (%)	38.4%	36.1%	32.8%	43.2%	46.9%	40.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inventory Turnover - Year	6.33	5.47	4.82	5.95	6.35	6.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory Turn - Days	57.67	66.70	75.72	61.32	57.46	57.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Performance Standards

Liquidity Ratios

	Standards	* Average	Variance
Current Ratio	\$ 0.95	\$ 1.16	\$ 0.21
Quick Ratio	\$ 0.15	\$ 0.16	\$ 0.01

Safety Ratio

** Debt to Equity	\$ 1.60	\$ 3.70	\$ 2.10
-------------------	---------	---------	---------

Profitability Ratios

Gross Profit Ratio (%)	11.0%	12.6%	1.60%
Pretax Profit Ratio (%)	1.5%	2.0%	0.54%

Performance Ratios

Sales to Assets	\$ 3.25	\$ 4.27	\$ 1.02
Return on Assets (%)	3.5%	8.7%	5.22%
Return on Equity (%)	19.0%	41.0%	21.98%
Inventory Turnover - Year	6.50	5.87	(0.63)
Inventory Turn - Days	79.00	62.22	(16.78)

Operating Dollar Values to Date ~ Average

	Numerator \$	Denominator \$
Total Current Assets	9,105,833	Total Current Liabilities 7,871,167
Cash & Trade Receivables	1,274,833	Total Current Liabilities 7,871,167
Total Liabilities	8,659,000	Total Equity ~ YTD Net Income 2,340,000
Gross Profit ~ Income, YTD	5,916,500	Net Sales, Year-to-Date 46,956,000
Net Profit Before Taxes, YTD	959,000	Net Sales, Year-to-Date 46,956,000
Net Sales, Year-to-Date	46,956,000	Total Assets 10,999,000
Net Profit Before Taxes, YTD	959,000	Total Assets 10,999,000
Net Profit Before Taxes, YTD	959,000	Total Equity ~ YTD Net Income 2,340,000
Cost-of-Goods Sold	41,039,500	Operating Inventories 6,996,167

* Average and Operating Dollar Values to Date include the Comparison Base Period

** Debt to Equity is the only ratio on this report which indicates improved business conditions by decreasing

Standards Value Assessment Worksheet

Operating Performance ~ Ratios ~ Key Relationships

Enter Company Name

© 2009 All Rights Reserved, IntactAuto® Holdings LLC

Standard Value Reassessment Options

	Balance Sheet Actual Value	Suggested Numerator Adj	Numerator Adjusted
--	-------------------------------	----------------------------	-----------------------

Cash & Trade Receivables	\$ 1,274,833	\$ (94,158)	\$ -
-------------------------------------	--------------	-------------	------

Entries will be reflected In Cash & Trade Receivables, Total Current Assets and Total Assets.

Total Current Assets	\$ 9,105,833	\$ (1,628,225)	\$ -
-----------------------------	--------------	----------------	------

Entries will be reflected in Total Current Assets and Total Assets.

Operating Inventories	\$ 6,996,167	\$ (682,397)	\$ -
------------------------------	--------------	--------------	------

Entries will be reflected in Operating Inventories, Total Current Assets and Total Assets. Operating Inventory value without LIFO ~ FIFO Reserve

Total Equity Only	\$ 2,340,000	\$ 3,071,875	\$ -
--------------------------	--------------	--------------	------

Entries will be reflected in Total Equity, YTD Net Income adjusting entered are to be made below within the Net Profit Before Taxes, YTD worksheet cell.

Net Sales Adjustment		
% + or -	Adjustment	Balance Sheet
0.00%	\$ -	\$ 46,956,000

Net Sales, Gross, Net Profit

Offsetting Balance Sheet Entry ~ Increases (+) and Decreases (-)

Cash & Trade Receivables	Total Current Assets	Total Assets	Total Current Liabilities	Total Liabilities	Total Equity
-----------------------------	-------------------------	-----------------	------------------------------	----------------------	-----------------

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
------	------	------	------	------	------

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
------	------	------	------	------	------

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
------	------	------	------	------	------

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
------	------	------	------	------	------

Reset Worksheet

Gross Profit ~ Income			
Actual %	% + or -	Adjustment	Balance Sheet
12.60%	0.00%	\$ -	\$ 5,916,500

Net Profit Before Taxes			
Actual %	% + or -	Adjustment	Balance Sheet
2.04%	0.00%	\$ -	\$ 959,000

Entry made within Net Profit are reflected In Cash & Trade Receivables, Total Current Assets and Total Assets.

Liquidity Ratios

Current Ratio

	Balance Sheet Actual Value	Suggested Numerator	Numerator Adjusted	Adjusted Balance Sheet
Total Current Assets	\$ 9,105,833	\$ (1,628,225)	\$ -	\$ 9,105,833

Quick Ratio

	Balance Sheet Actual Value	Suggested Numerator	Numerator Adjusted	Adjusted Balance Sheet
Cash & Trade Receivables	\$ 1,274,833	\$ (94,158)	\$ -	\$ 1,274,833

Safety Ratio

Debt to Equity

	Balance Sheet Actual Value	Suggested Numerator	Numerator Adjusted	Adjusted Balance Sheet
Total Liabilities	\$ 8,659,000	\$ (4,915,000)	\$ -	\$ 8,659,000

Profitability Ratios

Gross Profit Ratio (%)

	Balance Sheet Actual Value	Suggested Numerator	Numerator Adjusted	Adjusted Balance Sheet
Gross Profit ~ Income, YTD	\$ 5,916,500	\$ (751,340)	\$ -	\$ 5,916,500

Pretax Profit Ratio (%)

	Balance Sheet Actual Value	Suggested Numerator	Numerator Adjusted	Adjusted Balance Sheet
Net Profit Before Taxes, YTD	\$ 959,000	\$ (254,660)	\$ -	\$ 959,000

Performance Ratios

Sales to Assets

	Balance Sheet Actual Value	Suggested Numerator	Numerator Adjusted	Adjusted Balance Sheet
Net Sales, Year-to-Date	\$ 46,956,000	\$ (11,209,250)	\$ -	\$ 46,956,000

Return on Assets (%)

	Balance Sheet Actual Value	Suggested Numerator	Numerator Adjusted	Adjusted Balance Sheet
Net Profit Before Taxes, YTD	\$ 959,000	\$ (574,035)	\$ -	\$ 959,000

Return on Equity (%)

	Balance Sheet Actual Value	Suggested Numerator	Numerator Adjusted	Adjusted Balance Sheet
Net Profit Before Taxes, YTD	\$ 959,000	\$ (514,400)	\$ -	\$ 959,000

Inventory Turnover - Year

	Balance Sheet Actual Value	Suggested Numerator	Numerator Adjusted	Adjusted Balance Sheet
Cost-of-Goods Sold	\$ 41,039,500	\$ 4,435,583	\$ -	\$ 41,039,500

Total Current Liabilities

Balance Sheet Actual Value	Suggested Denominator	Denominator Adjusted	Adjusted Balance Sheet	Estimated Ratio Value	* Average Variance
-------------------------------	--------------------------	-------------------------	---------------------------	--------------------------	-----------------------

\$ 7,871,167	\$ 1,713,921	\$ -	\$ 7,871,167	\$ 1.16	\$ -
--------------	--------------	------	--------------	---------	------

Total Current Liabilities

\$ 7,871,167	\$ 627,722	\$ -	\$ 7,871,167	\$ 0.16	\$ -
--------------	------------	------	--------------	---------	------

Total Equity ~ YTD Net Income

\$ 2,340,000	\$ 3,071,875	\$ -	\$ 2,340,000	\$ 3.70	\$ -
--------------	--------------	------	--------------	---------	------

Net Sales, Year-to-Date

\$ 46,956,000	\$ 6,830,364	\$ -	\$ 46,956,000	12.6%	0.0%
---------------	--------------	------	---------------	-------	------

Net Sales, Year-to-Date

\$ 46,956,000	\$ 16,977,333	\$ -	\$ 46,956,000	2.0%	0.0%
---------------	---------------	------	---------------	------	------

Total Assets

\$ 10,999,000	\$ 3,449,000	\$ -	\$ 10,999,000	\$ 4.27	\$ -
---------------	--------------	------	---------------	---------	------

Total Assets

\$ 10,999,000	\$ 16,401,000	\$ -	\$ 10,999,000	8.7%	0.0%
---------------	---------------	------	---------------	------	------

Total Equity ~ YTD Net Income

\$ 2,340,000	\$ 2,707,368	\$ -	\$ 2,340,000	41.0%	0.0%
--------------	--------------	------	--------------	-------	------

Operating Inventories

\$ 6,996,167	\$ (682,397)	\$ -	\$ 6,996,167	5.87	0.00
--------------	--------------	------	--------------	------	------

Ratios ~ Key Relationships Reporting Help Screen

Enter Company Name

Select a Financial Statement

Exit Screen

Print Screen

IntactAuto

Report Overview

The Operating Performance ~ Ratios and Key Relationships report offers you a systematic way of arranging and comparing financial facts and data about your company, thus allowing you the opportunity to make sound decisions when planning future business growth and plans of action.

These key relationships address the four major concerns every company has, those being; Liquidity, Safety, Profitability and Performance.

Key Relationships are commonly used to compare your current financial positions to like businesses and assist you in maintaining a proportionate, Balance Sheet. Most of the ratio calculations made are relatively simple, but have a serious impact a company's ability to maintain liquidity, which is a creditor's largest concern.

They provide the opportunity of addressing areas of potential improvement in performance, establishing a sound foundation for all future business plans.

Understanding Ratios

An essential factor to consider when calculating ratios is that you are simplifying relational expressions. The key word being "relational", how one variable relates to another variable or something else, such as, "How do Total Current Assets relate to Current Liabilities?" So it's important to understand which Account Classes you are dividing to produce the ratio value. Fortunately within this workbook (eliminates confusion) an **increase in a ratio value represents a positive** business condition **except** one ratio, that being, "Safety ~ Debt to Equity Ratio". The last thing a creditor wants is to see is Total Liabilities increasing in relationship to Total Equity or phrased another way, "An increase in dollars owed (debt), per dollar of Equity retained within the company".

How the Operating Performance ~ Ratios ~ Key Relationships Report Works ...

Probably the most exciting element added to this workbook is its "Double-Click" feature; you as a workbook user can click on the blue text/description fields on this report and be redirected to a detailed explanation of each and every calculated ratio, including the actual financial account balances per fiscal period ~ month. Printing capabilities are also available on the detailed explanation worksheet.

Standards Value Assessment Worksheet

This portion of the worksheet ~ report is a little less common, but after years of reviewing statistical ratios the same two questions always seems to emerge, those being; "What does that mean in terms of dollars in relationship to my company?" and "If an adjustment is made to any one Account Class, how does that effect the remaining Key Relationships being considered?"

That is what this worksheet and these financial values will answer, hopefully providing a better understanding as to the actual dollar value adjustments required for your business to achieve the desired Standard Performance Ratios entered on the Workbook Default settings worksheet.

This worksheet examines the three main components of a ratio calculation, those being; the **Average Account Class Balance** to date (not the last fiscal period) of both the Numerator and Denominator, than applies the **Average Company Ratio** to date and arrives at an **individual** estimated value that **either** the Numerator **or** Denominator must change to equal your companies desired **Standard Performance Ratios**.

You as an individual must examine the calculated Suggested Numerator **and/or** Denominator changes on the worksheet, including the Account Class (e.g. Total Current Assets), plus the sub-accounts within that class to arrive at an adjustment value which may be obtainable. Then enter those values within the available Standards Value Reassessment Option lines with an appropriate offsetting account entry.

Examples ...

Reduce Cash & Receivables and payoff Total Current Liabilities

Enter the reducing dollar amount as a **negative** value within the Cash & Trade Receivables Numerator Adjustment Cell and also a **negative** amount within the Offsetting Balance Sheet Entry Cell, under the column heading of Total Current Liabilities. Then review the Adjusted Balance Sheet Values for Cash & Trade Receivables, Total Current Assets, Total Assets and the Estimated Ratio Value.

Sell a Current Asset other than the items within the Operating Inventories and increase cash-on-hand (Cash & Trade Receivables)

Enter a desired **negative** amount within the Total Current Assets Numerator Adjustment Cell and also a **positive** amount within the Offsetting Balance Sheet entry cell under the column heading of Cash & Trade Receivables. Then review the Adjusted Balance Sheet Value for Cash & Trade Receivables, Total Current Assets and Total Assets (Total Assets do not change since all entries relate to assets).

Increase Net Sales Year-to-Date, Gross Profit ~ Income YTD, Net Profit before Taxes YTD

Enter the estimated % Net Sales Increase, then enter the anticipated Gross Profit ~ Income YTD % increase (% values are an adjustment to the current % value). Now, enter the % increase in Net Profit before Taxes YTD value and review the Adjustment Values for accuracy. All Profit before Tax entries will recalculate and are reflected in the Numerator Adjustment Cells of the Account Classes; Cash & Trade Receivables, Total Current Assets and Total Assets.

At this point you could make a second entry reducing Cash & Trade Receivables and payoff total Current Liabilities, see first example.

As for additional examples, the possibilities are nearly endless. Experimentation is the ultimate learning tool. Simply remember, this is accounting and $Assets = Liabilities + Equity$. E.g. you can not increase Cash & Trade Receivables and pay off Current Liabilities within one transaction. And, for every increase in financial account classifications there must be an offsetting decrease and visa-versa.

Helpful Hints and Comments ...

Only yellow cells allow entries which is standard throughout this workbook

Estimated Ratio cells below Standard Performance Ratios will turn red in color

Error messages will appear if offsetting entries are not entered correctly ($Assets = Liabilities + Equity$)

Enter an Increase in an Account Class as a plus (+) and a Decrease in an Account Class as a minus (-)

Debt to Equity is the only ratio on this report which indicates improved business conditions by decreasing

Gross Profit ~ Income YTD, Net Profit before Taxes YTD and Net Sales YTD do not require offsetting entries

The Standards Value Assessment Worksheet utilizes average fiscal period values, negating any fiscal period extremes

Not all suggested Numerator or Denominator changes are the same for an Account Class; consider the calculation and classification of the ratio

Original Suggested Numerators or Denominator do not change with worksheet adjusting entries, visual combine the suggested and total adjustment

Be extremely **careful not to duplicate** a reassessment adjusting entry. All entries made within a Reassessment Option are reflected in related accounts

This worksheet is not intended to be a forecasting tool, but more of a "What if" tool. Account Balances could significantly change with Sales and Profit adjustments

Financial Statement Lines within each Account Class Balance

Suffering a little bit from information overload and can not remember which accounts make-up an Account Class? The solution, you may at anytime return to the Main Menu and click on the Review ~ Balance Sheet Financials forms button, accessing that worksheet, which allows you to "Double-Click" on any Account Class and have the review worksheet identify with a description which financial statement lines are included within an Account Class.

This worksheet (Operating Performance ~ Ratios ~ Key Relationships) will retain all information ~ entries made until you click the Reset worksheet forms button.