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Join the hundreds of lenders who use FINPACK. Used by bankers since 1980, it is the original credit analysis software for agriculture. FINPACK continues to set the industry standard with superior research, development, and technical support. Now this same commitment to the highest quality credit analysis is available for your commercial clients.

## What does FINPACK do for you?

- **Helps you accomplish your work more efficiently than ever before**  
It is fast and easy to learn. You will be amazed at how much time it can save you.
- **Gives you an edge in building better customer relations**  
Provides financial information your customers can understand and use to manage their businesses.
- **Lets you do the banking while we do the technical work**  
No need to double check spreadsheet formulas.
- **Delivers better information about your customers' financial situation**  
Superior planning tools, RMA structured financial analysis, and historic spreads provide the most accurate picture of borrower performance.
- **Offers you the most cost effective credit analysis available**  
When compared to other systems or maintaining your own spreadsheets, FINPACK saves you money—period.

# The Flexibility to Meet All Your Customer Needs

FINPACK lets you choose the reports you need for each borrower—whether it's Global Cash Flow Analysis for smaller closely held businesses or Uniform Cash Flow Analysis for more complex business audited income statements.



**Large commercial credits**

- Quickly enter accountant-prepared balance sheets and financial statements
- Common-size spreads and ratio analysis for comparison to industry benchmarks
- UCA Cash Flow helps analyze sources and uses of cash in the business



**Small, family businesses**

- Develop consistent balance sheets for the borrower
- Easily enter business income and expense history from tax returns or company-prepared income statements
- Global Cash Flow Analysis combines personal and business financial history to analyze total debt obligations and repayment capacity of the borrower



**Multiple entities**

- Easily consolidate multiple entities to analyze diversified businesses
- Analyze debt repayment capacity when there are multiple guarantors

## About This Book

The FINPACK Sample Guide provides an overview of the entire set of tools and reports that FINPACK can give you. If you have wondered what exactly FINPACK does or how it presents financial information, this book will give you the answers.

The book gives you a quick overview for each FINPACK tool. Each section includes a short description of the financial tool and then shows you a sample report.

For example, the Balance Sheet section describes the features of the FINPACK Balance Sheet and shows a sample output so you can evaluate the information included and observe how the data is presented.

Will you ever use all of FINPACK's tools? Probably not, so take a look at the tools that you regularly use. You may also want to look at other tools that you would like to use but haven't had an easy way to implement at your institution.

FINPACK has been upgraded annually for over 20 years based on comments from lenders who use the software. With this history of field testing and refinement, we think it will serve your needs well.



## **FINPACK** Commercial **at a Glance**

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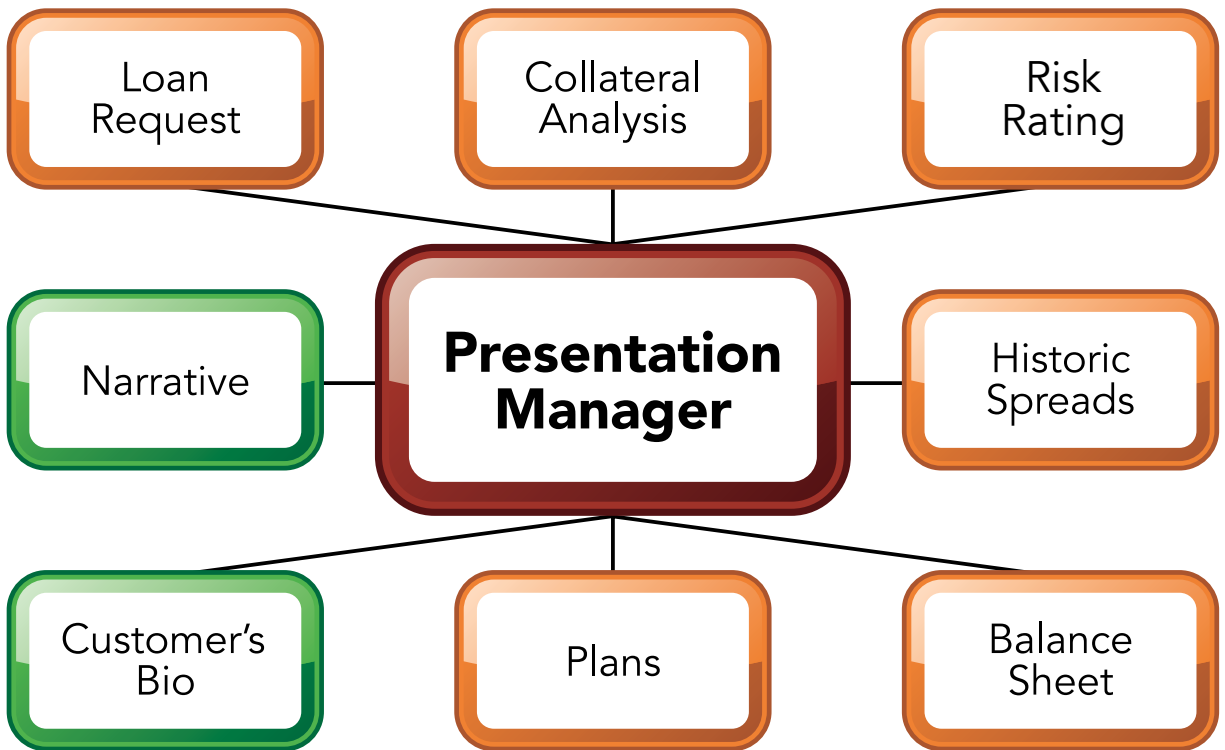


# Presentation Manager


The FINPACK Presentation Manager provides a consistent and concise loan presentation format customized to your bank's needs.

Users of the FINPACK Presentation Manager can:

- Combine FINPACK data and your narrative into a loan presentation
- Base loan presentations on a template that can be customized and standardized for the entire institution
- Take advantage of powerful and familiar word-processing features
- Select which data to import from balance sheets, collateral analysis, financial analysis, risk rating, and cash flow plans
- Automatically update linkages to imported data when source data changes from year to year
- Attach virtually any FINPACK document as an appendix, such as a balance sheet or historical financial spread



 Link from FINPACK

 User entered



**Credit Presentation**

**Borrower Information**

<p><b>Borrower: J.R. Jones</b>  <b>Address: 123 Main St</b>  <b>Zumchester, MN 55555</b></p> <p><b>Telephone: 555-555-5555</b>  <b>E-mail: jrautoparts@hometownnet.net</b></p> <p><b>Type of Operation: Auto Parts Store</b>  <b>Customer Since 1995</b>  <b>In Business Since 1992</b></p>	<p><b>Date: February 10, 2008</b>  <b>Loan Officer: Joe Banker</b></p> <p><b>Date of Last Review: March 17, 2007</b></p> <p><b>Risk Rating Score:</b>  <b>29.5 (3 -- Acceptable, average risk)</b></p> <p><b>EIN 10-1010101</b></p>
<p><b>Nature of Business/Operation Description:</b> Sells used and new auto parts in downtown Zumchester. Also provides auto repairs.</p>	

**Purpose of Request:**

**Sources of Repayment:**

**Presentation Manager's  
 section headings come  
 from your template,  
 which can be customized  
 for your institution.**

## Present and Proposed Loans

Loan	Present Balance	Proposed Balance	Int. Rate	Term(s)	Maturity Date
Fifth National-B63100	98,346	98,346	9.000	LOC	12/31/2008
Fifth National-Equipment	285,000	285,000	9.000	VAR	09/30/2016
Fifth National-PAR2	34,056	34,056	7.500	Fixed	11/31/2009
Fifth National-Real	185,472	185,472	7.250	Fixed	12/31/2015
Accounts payable	85,665	85,665	0.000		
	688,539	688,539	7.335		

## Collateral Analysis

Loan	Principal Balance	Collateral	Discounted Value	Prior Liens	Net Collateral
Fifth National-B63100	98,346	Cash and checking	6,775	-	6,775
Fifth National-Equipment	285,000	Accounts receivable	28,809	-	28,809
Fifth National-PAR2	34,056	Other current assets	43,163	-	43,163
Fifth National-Real	185,472	Inventory	429,073	-	429,073
Accounts payable	85,665	Machinery and equipment	556,394	175,755	380,639
		Land	101,500	-	101,500
Totals	688,539		1,165,713	175,755	989,958
<b>Loan to value</b>	<b>70%</b>				
<b>Collateral margin</b>	<b>301,419</b>				

**UCC Filing Number:**

**UCC Filing Date:**

**No additional data entry needed to link data tables to your presentation...**

## Ratio Analysis

Current ratio	3.2
Debt to asset ratio (mkt)	35.7
Debt to equity ratio (mkt)	55.6
Loan to value	70
Total assets (mkt)	2,252,011
Total liabilities	804,376

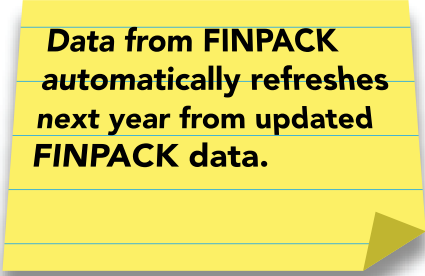
## **Recommendation**

**Strengths:**

**Weaknesses:**

**Exceptions to Policy:** None

**Conclusion and Recommendation:**



**Data from FINPACK  
automatically refreshes  
next year from updated  
FINPACK data.**

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Loan Officer

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Date

	Dec 31, 2003	Dec 31, 2004	Dec 31, 2005	Dec 31, 2006	Dec 31, 2007
<b>Current Assets</b>					
Cash and checking	9,105	14,711	-3,845	9,442	6,775
Accounts receivable	74,393	90,484	117,948	84,480	66,581
Other current assets	140,402	140,402	134,300	54,875	61,661
Inventory	777,886	801,006	777,905	565,334	612,962
<b>Total Current Assets</b>	<b>1,001,786</b>	<b>1,046,603</b>	<b>1,026,308</b>	<b>714,131</b>	<b>747,979</b>
<b>Noncurrent Assets</b>					
Machinery and equipment	534,050	505,640	538,450	709,492	855,990
Land	145,000	145,000	145,000	145,000	145,000
Buildings and improvements	130,000	130,000	130,000	130,000	130,000
<b>Total Noncurrent Assets</b>	<b>809,050</b>	<b>780,640</b>	<b>813,450</b>	<b>984,492</b>	<b>1,130,990</b>
<b>Total Business Assets</b>	<b>1,810,836</b>	<b>1,827,243</b>	<b>1,839,758</b>	<b>1,698,623</b>	<b>1,878,969</b>
<b>Total Personal Assets</b>	<b>261,036</b>	<b>284,586</b>	<b>357,042</b>	<b>308,532</b>	<b>373,042</b>
<b>Total All Assets</b>	<b>2,071,872</b>	<b>2,111,829</b>	<b>2,196,800</b>	<b>2,007,155</b>	<b>2,252,011</b>
<b>Current Liabilities</b>					
Accrued interest	2,394	2,210	2,633	2,407	14,484
Accounts payable	73,723	68,202	73,723	105,432	85,665
<b>Current Loans</b>					
Fifth National-B55803	16,752	17,654	16,752	-	-
Fifth National-B62704	7,881	-	-	-	-
Fifth National-B63100	138,075	129,756	138,075	104,355	98,346
Fifth National-B64708	3,929	6,458	3,929	-	-
Fifth National-B64709	8,270	8,276	8,220	-	-
Fifth National-B64710	6,360	6,360	6,360	-	-
Fifth National-B65173	5,965	-	-	-	-
Fifth National-B66014	212,554	212,554	214,090	-	-
Fifth National-B66015	20,027	20,027	21,076	-	-
Fifth National-B66190	7,401	7,401	7,770	-	-
Fifth National-B66387	56,604	-	-	-	-
Fifth National-B69292	-	-	19,056	10,987	-
Fifth National-B71202	-	-	29,465	17,016	-
<b>Total Current Loans</b>	<b>483,818</b>	<b>408,486</b>	<b>464,793</b>	<b>132,358</b>	<b>98,346</b>
CPLTD	17,439	18,797	17,057	27,756	34,525
<b>Total Current Liabilities</b>	<b>577,374</b>	<b>497,695</b>	<b>558,206</b>	<b>267,953</b>	<b>233,020</b>
<b>Noncurrent Loans</b>					
Fifth National-Real	208,942	198,484	187,272	178,374	173,256
Fifth National-PAR	8,437	98	-	-	-
Fifth National-PAR2	-	-	50,254	36,567	26,781
Fifth National-Equipment	-	-	-	119,094	269,966
<b>Total Noncurrent Loans</b>	<b>218,781</b>	<b>198,625</b>	<b>238,002</b>	<b>334,081</b>	<b>470,117</b>
<b>Total Business Liabilities</b>	<b>794,753</b>	<b>696,277</b>	<b>795,732</b>	<b>601,988</b>	<b>703,023</b>
Personal liabilities	170,004	157,096	141,083	131,018	101,221
<b>Total Liabilities</b>	<b>964,757</b>	<b>853,373</b>	<b>936,815</b>	<b>733,006</b>	<b>804,245</b>
<b>Equity</b>					
Retained earnings	1,107,115	1,258,456	1,259,985	1,274,149	1,447,766

	<i>Dec 31, 2003</i>	<i>Dec 31, 2004</i>	<i>Dec 31, 2005</i>	<i>Dec 31, 2006</i>	<i>Dec 31, 2007</i>
<b>Net worth change</b>	<b>0</b>	<b>151,341</b>	<b>1,529</b>	<b>14,164</b>	<b>173,617</b>
<b>Ratio Analysis</b>					
Current ratio	1.7	2.1	1.8	2.7	3.2
Quick ratio	0.1	0.2	0.2	0.4	0.3
Working capital	424,412	548,908	468,102	446,178	514,959
Current pct in debt	58 %	48 %	54 %	38 %	31 %
Noncurrent pct in debt	27 %	25 %	29 %	34 %	42 %
Total debt to asset ratio	47 %	40 %	43 %	37 %	36 %
Total equity to asset ratio	53 %	60 %	57 %	63 %	64 %
Total debt to equity ratio	0.87	0.68	0.74	0.58	0.56
Loan to value %	63 %	61 %	69 %	62 %	61 %
Collateral margin	422,589	403,251	299,079	300,837	387,084

**Easily attach  
supporting FINPACK  
reports.**

Tax year	2003	2004	2005	2006	2007
A. Principal product or service	Auto Parts & Repairs				
Accounting method	Cash	Cash	Cash	Cash	Cash
<b>PART I: Income</b>					
1. Gross receipts or sales	912,313	948,451	1,110,760	1,059,863	1,092,027
2. Returns and allowances	1,374	4,047	7,850	5,562	769
3. Subtract line 2 from line 1	910,939	944,404	1,102,910	1,054,301	1,091,258
4. Cost of goods sold	555,317	485,121	681,788	681,049	611,387
5. Gross profit	355,622	459,283	421,122	373,252	479,871
6. Other income	-	-	-	-	-
7. Gross income	355,622	459,283	421,122	373,252	479,871
<b>PART II: Expenses</b>					
8. Advertising	9,957	14,567	16,319	15,097	22,963
9. Car and truck expenses	13,721	-	-	-	-
10. Commissions and fees	-	-	-	-	-
11. Contract labor	-	-	-	-	-
12. Depletion	-	-	-	-	-
13. Depreciation	61,150	73,866	69,666	56,420	72,220
14. Employee benefit programs	-	-	-	-	-
15. Insurance	16,237	14,823	21,505	10,277	5,921
16a. Interest, mortgage	-	-	-	2,408	-
16b. Interest, other	16,760	37,440	34,132	40,079	37,959
17. Legal and professional services	553	-	-	322	464
18. Office expense	11,031	9,807	8,962	2,278	2,131
19. Pension and profit-sharing plans	-	-	-	-	-
20a. Rent or lease: vehicles, machinery, and equipment	90	275	993	-	-
20b. Rent or lease: other business property	-	-	-	200	-
21. Repairs and maintenance	3,237	6,918	4,562	-	1,713
22. Supplies	7,142	6,041	4,787	4,294	-
23. Taxes and licenses	17,476	20,104	26,576	26,305	20,756
24a. Travel	-	175	-	-	500
24b. Deductible meals and entertainment	-	-	-	32	115
25. Utilities	17,079	18,626	18,666	23,647	15,786
26. Wages	126,351	86,883	131,960	131,960	170,767
27. Other expenses	37,960	130,622	38,644	66,260	101,680
28. Total expenses	338,744	420,147	376,772	379,579	452,975
29. Tentative profit or loss	16,878	39,136	44,350	-6,327	26,896
30. Expenses for business use of your home	-	-	-	-	-
31. Net profit or loss	16,878	39,136	44,350	-6,327	26,896
<b>PART III: Cost of Goods Sold</b>					
35. Inventory at beginning of year	355,507	367,000	491,184	563,693	616,307
36. Purchases	566,810	609,305	754,297	733,663	641,749
37. Cost of labor	-	-	-	-	-
38. Materials and supplies	-	-	-	-	-
39. Other costs	-	-	-	-	-
40. Add lines 35 through 39	922,317	976,305	1,245,481	1,297,356	1,258,056
41. Inventory at end of year	367,000	491,184	563,693	616,307	646,669
42. Cost of goods sold	555,317	485,121	681,788	681,049	611,387



## Balance Sheets

Balance sheet data entry is simple and straightforward. Once the first balance sheet is complete, it is easy to copy and revise it for the next renewal season. Balance sheet data feeds into financial analysis and cash flow planning – there's no need to enter data twice.

Users of FINPACK's Balance Sheets can:

- Enter as much or as little detail as desired
- Generate ratio analysis, including working capital, current ratio, quick ratio, and debt to asset ratio
- Automatically create historic spreads
- Use our loan calculation wizard to calculate loan payments and payment schedules
- Print supporting schedules
- Include an optional personal section, which is segregated from business assets and liabilities
- Consolidate balance sheets from multiple entities





**Balance Sheets**

<b>Current Assets</b>		Value	<b>Current Liabilities</b>				Balance	
Cash and checking		6,775	Accrued interest			14,599		
Prepaid expenses and supplies		-	Accounts payable and other accrued expenses			85,665		
Accounts receivable (Schd C)		66,581						
Other current assets		61,661						
Invent. (Schd E)	Quantity			Int	P & I	Principal		
Belts-Cooling	-	31,010	Current loans (Schd N)	Rate	Due	Balance		
Body Parts	-	84,595	Fifth National-B63100	9.00	-	98,346		
Brakes	-	18,060						
Clutch	-	20,205	Principal due within 12 months on term liabilities			34,411		
Drivetrain	-	40,560						
Electrical	-	38,005						
Engine	-	155,060						
Exhaust	-	10,095						
Filters	-	6,575						
Fuel-Emission	-	8,565						
Heat-AC	-	21,010						
Ignition	-	20,200						
Suspension-Steering	-	34,000						
Tools-Shop Supplies	-	114,567						
Misc	-	10,455						
<b>Total Current Assets</b>		<b>747,979</b>	<b>Total Current Liabilities</b>			<b>233,021</b>		
<b>Noncurrent Assets</b>		Market Value	<b>Noncurrent Liabilities (Schd O)</b>					
Machinery and equipment		855,990	Loan	Int Rate	Principal Balance	P & I Due	Principal Due	NonCur Balance
Titled vehicles		-	Fifth National-Real	7.25	185,472	26,436	12,179	173,293
Land		145,000	Fifth National-PAR2	7.50	34,056	9,570	7,268	26,788
Buildings and improvements		130,000	Fifth National-Equipment	9.00	285,000	44,409	14,964	270,036
Other noncurrent assets		-						
<b>Total Noncurrent Assets</b>		<b>1,130,990</b>	<b>Total Noncurrent Liabilities</b>					<b>470,117</b>
<b>Total Business Assets</b>		<b>1,878,969</b>	<b>Total Business Liabilities</b>					<b>703,138</b>
Personal Assets (Schd K)		373,042	Personal Liabilities (Schd Q)					101,238
<b>Total Assets</b>		<b>2,252,011</b>	<b>Total Liabilities</b>					804,376
			<b>Total Equity</b>					<b>1,447,635</b>

I certify that my statements on this balance sheet are true, complete, and correct to the best of my knowledge and belief.

Signature(s) \_\_\_\_\_ Date \_\_\_\_\_

**Schedule C: Accounts receivable**

	Quantity	Value Per	
		Unit	Value
Less than 30 days	71	290.00	20,590
31 to 60 days	24	275.00	6,600
61 to 90 days	19	735.00	13,965
91 to 120 days	17	668.00	11,356
121 to 180 days	11	290.00	3,190
Over 180 days	17	640.00	10,880
<b>Total accounts receivable</b>			<b>66,581</b>

**Schedule E: Inventory**

Item	Quantity	Value Per	
		Unit	Value
Belts-Cooling	-	-	31,010
Body Parts	-	-	84,595
Brakes	-	-	18,060
Clutch	-	-	20,205
Drivetrain	-	-	40,560
Electrical	-	-	38,005
Engine	-	-	155,060
Exhaust	-	-	10,095
Filters	-	-	6,575
Fuel-Emission	-	-	8,565
Heat-AC	-	-	21,010
Ignition	-	-	20,200
Suspension-Steering	-	-	34,000
Tools-Shop Supplies	-	-	114,567
Misc	-	-	10,455
<b>Total i nventory</b>			<b>612,962</b>

**Schedule N: Current loans**

	Interest Rate	Principal Balance	Accrued Interest	Normal P & I	Past Due P & I	Month Due	Balance
Fifth National-B63100	9.00 %	98,346	-	-	-	-	98,346
<b>Total current loans</b>		<b>98,346</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>98,346</b>

**Schedule K: Personal assets**

	Quantity	Mkt Value Per Unit	Market Value
Savings and checking			18,954
Stocks and bonds			-
Other personal current assets			-
Household furnishings and appliances			38,100
Personal vehicles			109,543
Cash value of life insurance			-
Retirement accounts			-
Personal business investment			-
Personal real estate			169,045
Other personal noncurrent assets			37,400
<b>Total personal assets</b>			<b>373,042</b>

**Schedule O: Noncurrent loans**

	Interest Rate	Principal Balance	Accrued Interest	Normal P & I	Past Due P & I	Month Due	Final Year	Principal Due	Non Curr Balance
Fifth National-Real	7.25 %	185,472	1,916	26,436	-	11	2016	12,179	173,293
Fifth National-PAR2	7.50 %	34,056	385	9,570	-	9	2013	7,268	26,788
Fifth National-Equipment	9.00 %	285,000	12,298	44,409	-	8	2015	14,964	270,036
Total noncurrent loans		504,528	14,599	80,415	-			34,411	470,117

**Schedule Q: Personal loans**

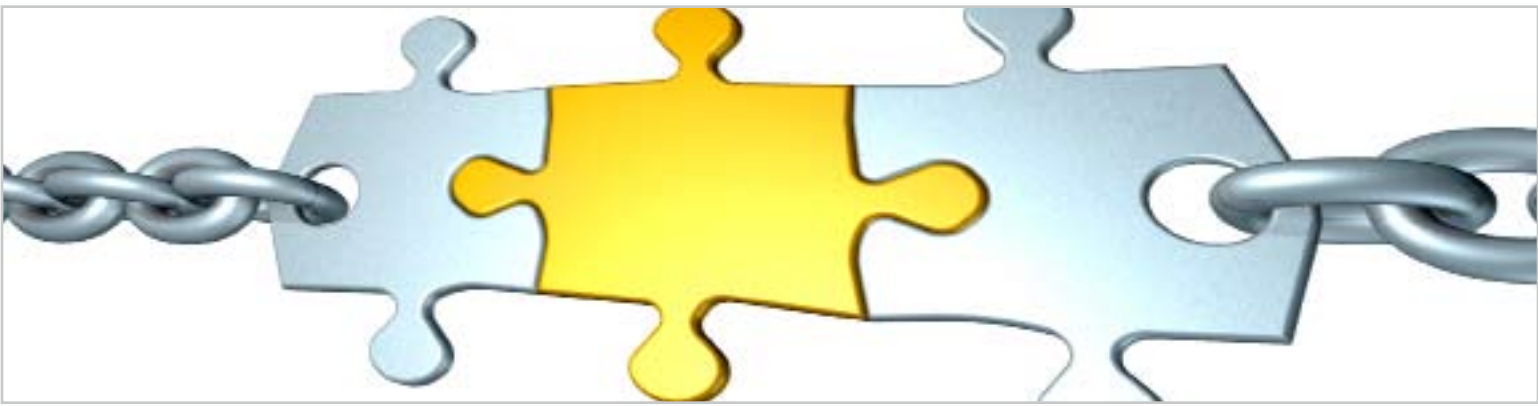
Accrued interest									972
Personal accounts payable									2,455
Principal due within 12 months on term loans									7,416

	Interest Rate	Principal Balance	Accrued Interest	Normal P & I	Past Due P & I	Month Due	Final Year	Principal Due	Balance
Current Loans									
Noncurrent									
GMAC-Van	8.50 %	5,575	-	5,956	-	multiple	2006	5,575	-
5Nat-Home Mortgag	6.75 %	92,236	972	9,056	-	12	2020	1,841	90,395
Total personal loans		97,811	972	15,012	-			7,416	90,395

**Schedule T: Ratio analysis**

	Market
Current ratio	3.21
Quick ratio	0.31
Working capital	514,958
Current percent in debt	31 %
Noncurrent percent in debt	42 %
Personal percent in debt	27 %
Total debt to asset ratio	36 %
Total equity to asset ratio	64 %
Total debt to equity ratio	56 %





## Collateral Analysis

FINPACK's Collateral Analysis builds from the balance sheets to calculate Loan to Value and the Collateral Margin. Proposed loans and projected collateral can be added to complete the picture. Collateral Analysis can feed directly into Presentation Manager and Risk Rating.

With Collateral Analysis, you can:

- Select loans and collateral from the balance sheet
- Enter multiple collateral groups, when applicable
- Standardize discount percentages (although discount percentages can also be overridden for individual analysis)
- Link loan to value and collateral margin to the Risk Rating and Presentation Manager components of FINPACK

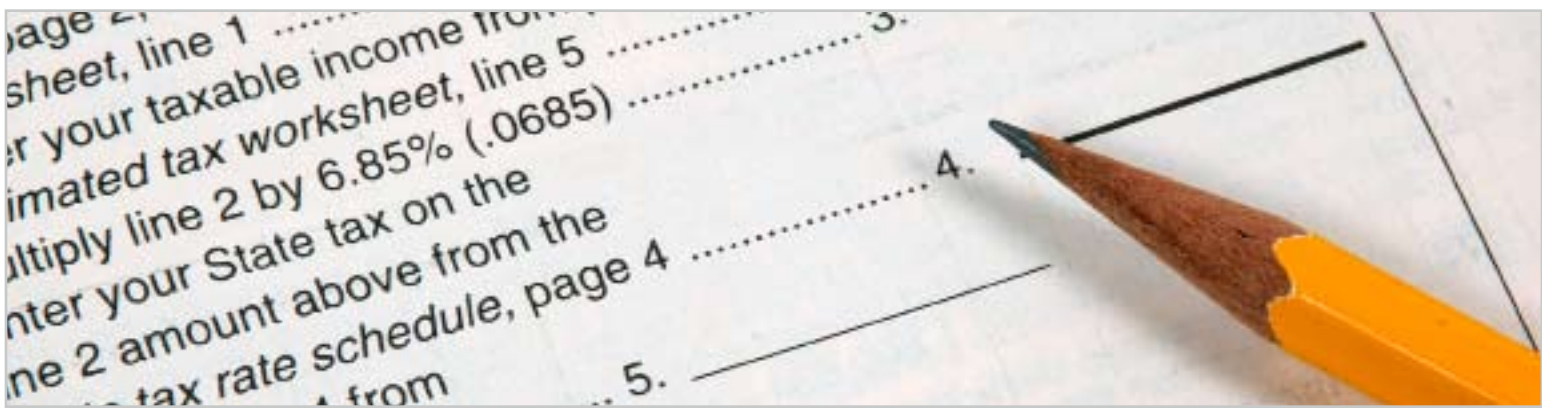




**Collateral Analysis**

Loan	Principal Balance	Collateral	Market Value	Disc. Pct.	Discounted Value	Prior Liens	Net Collateral	Loan to Value
<b>JR Auto</b>								
Fifth National-B63100	98,346	Cash and checking	6,775	100.00	6,775	-	6,775	
Fifth National-Equipment	285,000	Accounts receivable	41,155	70.00	28,809	-	28,809	
Fifth National-PAR2	34,056	Other current assets	61,661	70.00	43,163	-	43,163	
Fifth National-Real	185,472	Inventory	612,962	70.00	429,073	-	429,073	
Accounts payable	85,665	Machinery and equipment	855,990	65.00	556,394	175,755	380,639	
		Land	145,000	70.00	101,500	-	101,500	
<b>Total</b>	<b>688,539</b>		<b>1,723,543</b>		<b>1,165,713</b>	<b>175,755</b>	<b>989,958</b>	<b>69.6 %</b>
<b>Total loan to value</b>	<b>688,539</b>						<b>989,958</b>	<b>69.6 %</b>
<b>Collateral coverage margin</b>								<b>1.44</b>
<b>Collateral margin</b>								<b>301,419</b>





## Income Spreads

Use the Income Statement & Tax Database to gather historical financial information. Whether you are working from audited income statements, company prepared income statements or tax returns, this section of FINPACK has all the bases covered.

With Income Spreads, you can:

- Spread historical income and expenses in any of the following formats: Schedule C, Schedule E, Schedule F, Form 1065 Partnerships, Form 1120 Corporate, Form 1120-S Corporate, Personal Financial Statement, and Income Statement
- Transfer historic data into your annual cash flow plan
- Provide data for the Financial Analysis, RMA comparisons and Global Cashflow Analysis
- Consolidate financial history from multiple entities

<b>Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Accounting method	Accrual	Accrual	Accrual
<b>Revenue</b>			
Gross receipts or sales	4,000,000	4,087,000	4,698,000
Returns and allowances	-	-	-
Net sales	4,000,000	4,087,000	4,698,000
Beginning inventory	840,000	861,000	891,000
Purchases	2,620,000	2,550,000	3,291,000
Direct labor	-	-	-
Materials and supplies	-	-	-
Indirect expenses	-	-	-
Ending inventory	861,000	891,000	924,000
Cost of goods sold	2,599,000	2,520,000	3,258,000
Gross profit	1,401,000	1,567,000	1,440,000
Rental income	-	-	-
Royalty income	-	-	-
Other income	28,000	28,000	25,000
Total operating income	1,429,000	1,595,000	1,465,000
<b>Expenses</b>			
Advertising	60,000	60,000	60,000
Bad debts	-	-	-
Car and truck expenses	-	-	-
Charitable contributions	-	-	-
Commissions and fees	-	-	-
Compensation of officers	200,000	200,000	200,000
Contract labor	-	-	-
Depletion	-	-	-
Depreciation	46,050	40,050	30,050
Dues and subscriptions	-	-	-
Employee benefit programs	60,000	66,000	72,000
Freight and trucking	-	-	-
Insurance	-	-	-
Interest	132,434	132,460	125,373
Legal and professional services	-	-	-
Meals and entertainment	-	-	-
Miscellaneous	645,000	764,000	675,000
Office expense	-	-	-
Pension and profit-sharing plans	-	-	-
Rent or lease: vehicles, machinery and equipment	-	-	-
Rent or lease: other business property	145,000	145,000	145,000
Repairs and maintenance	15,000	12,000	16,000
Salaries and wages	90,000	94,000	98,000
Supplies	-	-	-
Taxes and licenses	11,960	11,799	11,579
Travel	-	-	-
Utilities	-	-	-
Total expenses	1,405,444	1,525,309	1,433,002
Net operating income	23,556	69,691	31,998

**This is an example  
Income Statement  
consolidated from two  
business divisions.**

---

<b>Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Gain or loss on sale of assets	-	-	-
Interest income	-	-	-
Total other income	-	-	-
Net income before tax	23,556	69,691	31,998
Income tax	-	-	-
Distributions/Dividends	10,000	24,000	68,000

<b>Tax year</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
A. Principal product or service	Auto Parts			
Accounting method	Cash	Cash	Cash	Cash
<b>PART I: Income</b>				
1. Gross receipts or sales	948,451	1,110,760	1,059,863	1,092,027
2. Returns and allowances	4,047	7,850	5,562	769
3. Subtract line 2 from line 1	944,404	1,102,910	1,054,301	1,091,258
4. Cost of goods sold	485,121	681,788	681,049	611,387
5. Gross profit	459,283	421,122	373,252	479,871
6. Other income	-	-	-	-
7. Gross income	459,283	421,122	373,252	479,871
<b>PART II: Expenses</b>				
8. Advertising	14,567	16,319	15,097	22,963
9. Car and truck expenses	-	-	-	-
10. Commissions and fees	-	-	-	-
11. Contract labor	-	-	-	-
12. Depletion	-	-	-	-
13. Depreciation	73,866	69,666	56,420	72,220
14. Employee benefit programs	-	-	-	-
15. Insurance	14,823	21,505	10,277	5,921
16a. Interest, mortgage	-	-	2,408	-
16b. Interest, other	37,440	34,132	40,079	37,959
17. Legal and professional services	-	-	322	464
18. Office expense	9,807	8,962	2,278	2,131
19. Pension and profit-sharing plans	-	-	-	-
20a. Rent or lease: vehicles, machinery, and equipment	275	993	-	-
20b. Rent or lease: other business property	-	-	200	-
21. Repairs and maintenance	6,918	4,562	-	1,713
22. Supplies	6,041	4,787	4,294	-
23. Taxes and licenses	20,104	26,576	26,305	20,756
24a. Travel	175	-	-	500
24b. Deductible meals and entertainment	-	-	32	115
25. Utilities	18,626	18,666	23,647	15,786
26. Wages	86,883	131,960	131,960	170,767
27. Other expenses	130,622	38,644	66,260	101,680
28. Total expenses	420,147	376,772	379,579	452,975
29. Tentative profit or loss	39,136	44,350	-6,327	26,896
30. Expenses for business use of your home	-	-	-	-
31. Net profit or loss	39,136	44,350	-6,327	26,896
<b>PART III: Cost of Goods Sold</b>				
35. Inventory at beginning of year	367,000	491,184	563,693	616,307
36. Purchases	609,305	754,297	733,663	641,749
37. Cost of labor	-	-	-	-
38. Materials and supplies	-	-	-	-
39. Other costs	-	-	-	-
40. Add lines 35 through 39	976,305	1,245,481	1,297,356	1,258,056
41. Inventory at end of year	491,184	563,693	616,307	646,669
42. Cost of goods sold	485,121	681,788	681,049	

**Income Spreads**

**A tax return can also serve as financial history for the business.**

<i>Tax year</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
7. Wages, salaries, tips, etc.	42,853	43,022	44,197
8a. Taxable interest	-	-	-
9a. Ordinary dividends	-	-	-
10. Taxable refunds of state and local income taxes	-	-	-
11. Alimony received	-	-	-
12. Business income or loss	35,593	81,097	85,795
13. Capital gain or loss	2,453	865	1,742
14. Other gains or losses	-	-	-
15b. IRA distributions, taxable amount	-	-	-
16b. Pensions and annuities, taxable amount	-	-	-
17. Rental real estate, royalties, partnerships, etc.	-	-	-
18. Farm income or loss	-	-	-
19. Unemployment compensation	-	-	-
20b. Social security benefits, taxable amount	-	-	-
21. Other income	1,000	1,100	1,200
22. Total income	81,899	126,084	132,934
36. Total adjustments	-	-	-
37. Adjusted gross income	81,899	126,084	132,934
63. Total tax	7,339	15,165	18,869
Living expenses	35,000	38,000	40,000
Total personal expenses	42,339	53,165	58,869
Cash before debt service (AGI minus expenses)	39,560	72,919	74,065
Personal debt included on business balance sheet?	No	No	No
Mortgage payments			
Primary residence	18,324	18,324	18,324
Cabin	-	16,224	16,224
Vehicle payments			
4-door sedan	4,788	4,788	4,788
Pickup	4,308	4,308	4,308
Credit card payments			
VISA	2,100	2,400	3,000
Other debt payments			
14ft fishing boat	-	3,300	3,300
Total annual debt payments	29,520	49,344	49,944
Net personal cash flow	10,040	23,575	24,121

**Income Spreads**

**A 1040 form is the starting point of the Personal Financial Statement**





# Financial Analysis

Financial Analysis calculates the most commonly used ratios in the financial services industry using data from a beginning and ending Balance Sheet and an Income Statement or Tax Database.

With the Financial Analysis, you can:

- Spread historical asset, liability and income data, and financial ratios
- Calculate liquidity, coverage, leverage, operating, and expense to sales ratios
- Generate a consistent format whether the data comes from tax history or accountant prepared Income Statements



**Balance Sheet - Common Sized**  
**1120-S - Art Wholesale**

<b>Ending Balance Sheet (cost)</b> <b>Thousands \$ and Common Size</b>	<b>2006</b>		<b>2007</b>		<b>2008</b>	
	Dec 31, 2006		Dec 31, 2007		Dec 31, 2008	
	\$		\$		\$	
<b>Assets</b>						
Cash & equivalents	132	9.4	92	6.8	173	12.3
Trade receivables (net)	212	15.1	250	18.4	199	14.1
Inventory	861	61.2	891	65.4	924	65.5
All other current assets	-	-	-	-	-	-
Total current assets	1,205	85.7	1,233	90.5	1,296	91.9
Fixed assets (net)	175	12.4	112	8.2	100	7.1
Intangibles (net)	-	-	-	-	-	-
All other non-current assets	26	1.8	17	1.2	14	1.0
Total assets	1,406	100.0	1,362	100.0	1,410	100.0
<b>Liabilities</b>						
Notes payable - short term	253	18.0	199	14.6	158	11.2
Current maturities - LTD	7	0.5	7	0.5	5	0.4
Trade payables	58	4.1	53	3.9	115	8.2
Income taxes payable	-	-	-	-	-	-
All other current liabilities	41	2.9	45	3.3	28	2.0
Total current liabilities	359	25.5	304	22.3	306	21.7
Long term debt	389	27.7	355	26.1	439	31.1
Deferred taxes	-	-	-	-	-	-
All other non-current liabilities	-	-	-	-	-	-
Net worth	658	46.8	703	51.6	665	47.2
Total liabilities & Net worth	1,406	100.0	1,362	100.0	1,410	100.0

**Income - Common Sized**  
**1120-S - Art Wholesale**

	<b>2006</b>		<b>2007</b>		<b>2008</b>	
<b>Ending Balance Sheet (cost)</b>	Dec 31, 2006		Dec 31, 2007		Dec 31, 2008	
<b>Thousands \$ and Common Size</b>	\$		\$		\$	
<b>Income data</b>						
Gross sales	3,855	-	3,942	-	4,553	-
- Returns and allowances	-	-	-	-	-	-
Net sales	3,855	100.0	3,942	100.0	4,553	100.0
- Costs of goods sold	2,599	-	2,520	-	3,258	-
Gross profit	1,256	32.6	1,422	36.1	1,295	28.4
Operating expenses	1,245	32.3	1,365	34.6	1,280	28.1
Operating profit	39	1.0	85	2.2	40	0.9
All other expenses (net)	7	0.2	8	0.2	5	0.1
Profit before taxes	4	0.1	49	1.2	10	0.2

**Balance Sheet - % Change****1120-S - Art Wholesale**

<b>Ending Balance Sheet (cost)</b> <b>Thousands \$ and Percent Change</b>	<b>2006</b>		<b>2007</b>		<b>2008</b>	
	Dec 31, 2006		Dec 31, 2007		Dec 31, 2008	
	\$	% chg	\$	% chg	\$	% chg
<b>Assets</b>						
Cash & equivalents	132	-	92	-30.3	173	88.0
Trade receivables (net)	212	-	250	17.9	199	-20.4
Inventory	861	-	891	3.5	924	3.7
All other current assets	-	-	-	-	-	-
Total current assets	1,205	-	1,233	2.3	1,296	5.1
Fixed assets (net)	175	-	112	-36.0	100	-10.7
Intangibles (net)	-	-	-	-	-	-
All other non-current assets	26	-	17	-34.6	14	-17.6
Total assets	1,406	-	1,362	-3.1	1,410	3.5
<b>Liabilities</b>						
Notes payable - short term	253	-	199	-21.3	158	-20.6
Current maturities - LTD	7	-	7	-	5	-28.6
Trade payables	58	-	53	-8.6	115	117.0
Income taxes payable	-	-	-	-	-	-
All other current liabilities	41	-	45	9.8	28	-37.8
Total current liabilities	359	-	304	-15.3	306	0.7
Long term debt	389	-	355	-8.7	439	23.7
Deferred taxes	-	-	-	-	-	-
All other non-current liabilities	-	-	-	-	-	-
Net worth	658	-	703	6.8	665	-5.4
Total liabilities & Net worth	1,406	-	1,362	-3.1	1,410	3.5

**Income - % Change****1120-S - Art Wholesale**

<b>Ending Balance Sheet (cost)</b> <b>Thousands \$ and Percent Change</b>	<b>2006</b>		<b>2007</b>		<b>2008</b>	
	Dec 31, 2006		Dec 31, 2007		Dec 31, 2008	
	\$	% chg	\$	% chg	\$	% chg
<b>Income data</b>						
Gross sales	3,855	-	3,942	2.3	4,553	15.5
- Returns and allowances	-	-	-	-	-	-
Net sales	3,855	-	3,942	2.3	4,553	15.5
- Costs of goods sold	2,599	-	2,520	-3.0	3,258	29.3
Gross profit	1,256	-	1,422	13.2	1,295	-8.9
Operating expenses	1,245	-	1,365	9.6	1,280	-6.2
Operating profit	39	-	85	117.9	40	-52.9
All other expenses (net)	7	-	8	14.3	5	-37.5
Profit before taxes	4	-	49	1,125.0	10	-79.6

**1120-S - Art Wholesale**

	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Ending Balance Sheet (cost)</b>	Dec 31, 2006	Dec 31, 2007	Dec 31, 2008

**Liquidity Ratios**

Current ratio	3.4	4.1	4.2
Quick ratio	1.0	1.1	1.2
Sales/Receivables	18.2	15.8	22.9
Days' receivables	20	23	16
Cost of Sales/Inventory	3.0	2.8	3.5
Days' inventory	121	129	104
Cost of Sales/Payables	44.8	47.5	28.3
Days' Payables	8	8	13
Sales/Working capital	4.6	4.2	4.6

**Coverage Ratios**

EBIT/Interest	1.1	2.4	1.3
Net Profit+deprec/CPLTD	-	10.4	3.4
EBITDA/CPLTD+Interest	2.0	2.5	1.5

**Leverage Ratios**

Fixed/Worth	0.3	0.2	0.2
Debt/Worth	1.1	0.9	1.1

**Operating Ratios**

Profit before taxes/Net worth	0.6 %	7.0 %	1.5 %
Profit before taxes/Total assets	0.3 %	3.6 %	0.7 %
Sales/Fixed assets	22.0	35.2	45.5
Sales/Total assets	2.7	2.9	3.2

**Expense to Sales Ratios**

Depreciation/Sales	0.8 %	0.6 %	0.3 %
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**Altman Z-Scores**

	<b>2007</b>	<b>2008</b>
Public firms (original model)	4.60	4.79
Private firms	4.40	4.54





## RMA Comparisons

Compare your customer's financial analysis to industry standards using the RMA Comparisons built into FINPACK.

RMA Comparisons is an optional add-on that you can purchase with FINPACK Commercial.

The RMA Comparisons let you:

- Do a side-by-side comparison of dozens of financial measures and ratios for your customer compared to RMA financial benchmarks
- Determine how your customers stack up and analyze their strengths and weaknesses
- Select from hundreds of types of industries from which to make the comparisons



**Balance Sheet - Common Sized**

1120-S - Art Wholesale

NAICS Code 424990 - Other Miscellaneous Nondurable Goods Merchant Wholesalers

Number of Statements: 665 - Unqualified(80), Reviewed(116), Compiled(107), Tax Returns(138), Other(224)

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Ending Balance Sheet (cost) Thousands \$ and Common Size	2006		2007		2008		Industry
	Dec 31, 2006		Dec 31, 2007		Dec 31, 2008		2008
	\$		\$		\$		
<b>Assets</b>							
Cash & equivalents	132	9.4	92	6.8	173	12.3	9.7
Trade receivables (net)	212	15.1	250	18.4	199	14.1	30.9
Inventory	861	61.2	891	65.4	924	65.5	33.8
All other current assets	-	-	-	-	-	-	2.8
Total current assets	1,205	85.7	1,233	90.5	1,296	91.9	77.1
Fixed assets (net)	175	12.4	112	8.2	100	7.1	13.1
Intangibles (net)	-	-	-	-	-	-	4.0
All other non-current assets	26	1.8	17	1.2	14	1.0	5.8
Total assets	1,406	100.0	1,362	100.0	1,410	100.0	100.0
<b>Liabilities</b>							
Notes payable - short term	253	18.0	199	14.6	158	11.2	16.5
Current maturities - LTD	7	0.5	7	0.5	5	0.4	2.5
Trade payables	58	4.1	53	3.9	115	8.2	21.4
Income taxes payable	-	-	-	-	-	-	0.3
All other current liabilities	41	2.9	45	3.3	28	2.0	9.1
Total current liabilities	359	25.5	304	22.3	306	21.7	49.9
Long term debt	389	27.7	355	26.1	439	31.1	10.7
Deferred taxes	-	-	-	-	-	-	0.1
All other non-current liabilities	-	-	-	-	-	-	6.0
Net worth	658	46.8	703	51.6	665	47.2	33.3
Total liabilities & Net worth	1,406	100.0	1,362	100.0	1,410	100.0	100.0

**Income - Common Sized****1120-S - Art Wholesale****NAICS Code 424990 - Other Miscellaneous Nondurable Goods Merchant Wholesalers****Number of Statements: 665 - Unqualified(80), Reviewed(116), Compiled(107), Tax Returns(138), Other(224)**

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<b>Ending Balance Sheet (cost)</b> <b>Thousands \$ and Common Size</b>	<b>2006</b>		<b>2007</b>		<b>2008</b>		<b>Industry</b>
	Dec 31, 2006		Dec 31, 2007		Dec 31, 2008		2008
	\$		\$		\$		
<b>Income data</b>							
Gross sales	3,855	-	3,942	-	4,553	-	-
- Returns and allowances	-	-	-	-	-	-	-
Net sales	3,855	100.0	3,942	100.0	4,553	100.0	100.0
- Costs of goods sold	2,599	-	2,520	-	3,258	-	-
Gross profit	1,256	32.6	1,422	36.1	1,295	28.4	32.5
Operating expenses	1,245	32.3	1,365	34.6	1,280	28.1	28.7
Operating profit	39	1.0	85	2.2	40	0.9	3.9
All other expenses (net)	7	0.2	8	0.2	5	0.1	0.9
Profit before taxes	4	0.1	49	1.2	10	0.2	2.9

**Balance Sheet - % Change****1120-S - Art Wholesale**

<b>Ending Balance Sheet (cost)</b> <b>Thousands \$ and Percent Change</b>	<b>2006</b>		<b>2007</b>		<b>2008</b>	
	Dec 31, 2006		Dec 31, 2007		Dec 31, 2008	
	\$	% chg	\$	% chg	\$	% chg
<b>Assets</b>						
Cash & equivalents	132	-	92	-30.3	173	88.0
Trade receivables (net)	212	-	250	17.9	199	-20.4
Inventory	861	-	891	3.5	924	3.7
All other current assets	-	-	-	-	-	-
Total current assets	1,205	-	1,233	2.3	1,296	5.1
Fixed assets (net)	175	-	112	-36.0	100	-10.7
Intangibles (net)	-	-	-	-	-	-
All other non-current assets	26	-	17	-34.6	14	-17.6
Total assets	1,406	-	1,362	-3.1	1,410	3.5
<b>Liabilities</b>						
Notes payable - short term	253	-	199	-21.3	158	-20.6
Current maturities - LTD	7	-	7	-	5	-28.6
Trade payables	58	-	53	-8.6	115	117.0
Income taxes payable	-	-	-	-	-	-
All other current liabilities	41	-	45	9.8	28	-37.8
Total current liabilities	359	-	304	-15.3	306	0.7
Long term debt	389	-	355	-8.7	439	23.7
Deferred taxes	-	-	-	-	-	-
All other non-current liabilities	-	-	-	-	-	-
Net worth	658	-	703	6.8	665	-5.4
Total liabilities & Net worth	1,406	-	1,362	-3.1	1,410	3.5

**Income - % Change****1120-S - Art Wholesale**

<b>Ending Balance Sheet (cost)</b> <b>Thousands \$ and Percent Change</b>	<b>2006</b>		<b>2007</b>		<b>2008</b>	
	Dec 31, 2006		Dec 31, 2007		Dec 31, 2008	
	\$	% chg	\$	% chg	\$	% chg
<b>Income data</b>						
Gross sales	3,855	-	3,942	2.3	4,553	15.5
- Returns and allowances	-	-	-	-	-	-
Net sales	3,855	-	3,942	2.3	4,553	15.5
- Costs of goods sold	2,599	-	2,520	-3.0	3,258	29.3
Gross profit	1,256	-	1,422	13.2	1,295	-8.9
Operating expenses	1,245	-	1,365	9.6	1,280	-6.2
Operating profit	39	-	85	117.9	40	-52.9
All other expenses (net)	7	-	8	14.3	5	-37.5
Profit before taxes	4	-	49	1,125.0	10	-79.6

**1120-S - Art Wholesale****NAICS Code 424990 - Other Miscellaneous Nondurable Goods Merchant Wholesalers****Number of Statements: 665 - Unqualified(80), Reviewed(116), Compiled(107), Tax Returns(138), Other(224)**

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	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Industry</b>
<b>Ending Balance Sheet (cost)</b>	Dec 31, 2006	Dec 31, 2007	Dec 31, 2008	2008

**Liquidity Ratios**

				2.7
Current ratio	3.4	4.1	4.2	1.5
				1.2
				1.4
Quick ratio	1.0	1.1	1.2	0.8
				0.5
				16.5
Sales/Receivables	18.2	15.8	22.9	9.9
				6.9
				22
Days' receivables	20	23	16	37
				53
				13.3
Cost of Sales/Inventory	3.0	2.8	3.5	6.3
				3.2
				27
Days' inventory	121	129	104	58
				115
				24.6
Cost of Sales/Payables	44.8	47.5	28.3	12.0
				6.8
				15
Days' Payables	8	8	13	30
				53
				5.4
Sales/Working capital	4.6	4.2	4.6	11.6
				34.9

**Coverage Ratios**

				8.3
EBIT/Interest	1.1	2.4	1.3	3.0
				1.3
				8.5
Net Profit+deprec/CPLTD	-	10.4	3.4	3.4
				0.9
				-
EBITDA/CPLTD+Interest	2.0	2.5	1.5	-
				-

**1120-S - Art Wholesale**

NAICS Code 424990 - Other Miscellaneous Nondurable Goods Merchant Wholesalers

Number of Statements: 665 - Unqualified(80), Reviewed(116), Compiled(107), Tax Returns(138), Other(224)

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	2006	2007	2008	Industry
Ending Balance Sheet (cost)	Dec 31, 2006	Dec 31, 2007	Dec 31, 2008	2008

**Leverage Ratios**

Fixed/Worth	0.3	0.2	0.2	0.1 0.2 0.9
Debt/Worth	1.1	0.9	1.1	0.9 2.3 6.7

**Operating Ratios**

Profit before taxes/Net worth	0.6 %	7.0 %	1.5 %	46.3 % 18.0 % 4.4 %
Profit before taxes/Total assets	0.3 %	3.6 %	0.7 %	14.6 % 5.5 % 0.9 %
Sales/Fixed assets	22.0	35.2	45.5	142.9 51.1 16.5
Sales/Total assets	2.7	2.9	3.2	4.0 2.8 1.9

**Expense to Sales Ratios**

Depreciation/Sales	0.8 %	0.6 %	0.3 %	0.3 % 0.6 % 1.4 %
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**Altman Z-Scores**

	2007	2008
Public firms (original model)	4.60	4.79
Private firms	4.40	4.54



# Uniform Cash Flow Analysis (UCA) Report

Uniform Cash Flow  
Analysis Report

For businesses with accrual financial statements, you have the option to generate a UCA report as part of the Financial Analysis. This direct method of cash flow analysis uses beginning and ending balance sheets along with income statement data to show how cash is used in the business.

With the UCA report, you can:

- Spread the history of cash usage in the business
- Determine debt servicing capability of the business
- Balance the calculated change in cash vs. the actual change in cash to perform accuracy checks on the data



**UCA Cash Flow**  
Thousands \$

	<b>2007</b>	<b>2008</b>
Net Sales	3,942	4,553
- Change in A/R	38	-51
<b>Cash From Sales</b>	<b>3,904</b>	<b>4,604</b>
COGS	2,520	3,258
+ Change in Inventories	30	33
- Change in A/P	-5	62
Cash Production Costs	2,555	3,229
<b>Cash From Trading</b>	<b>1,349</b>	<b>1,375</b>
Operating Expenses	1,365	1,280
- Depreciation	24	14
- Change in Prepaid Expenses	9	3
- Change in Accrued Expenses	4	-17
Cash Operating Expenses	1,328	1,280
<b>Cash After Operations</b>	<b>21</b>	<b>95</b>
Misc Income	28	25
- Misc Expense	-	-
- Change in Other Current Assets	-	-
- Income Taxes Paid	-	-
Misc Income and Income Taxes	28	25
<b>Net Cash After Operations</b>	<b>49</b>	<b>120</b>
Interest Expense	36	30
- Change in Interest Payable	-	-
+ Dividends / Distributions	4	48
Financing Costs	40	78
<b>Net Cash Income</b>	<b>9</b>	<b>42</b>
CPLTD	7	7
<b>Cash After Debt Amortization</b>	<b>2</b>	<b>35</b>
Capital Expenditures	39	-2
+ Change in Other Noncurrent Assets	-	-
+ Change in Intangible Assets	-	-
Cash Used for Investing	39	-2
<b>Financing Surplus / Requirement</b>	<b>41</b>	<b>33</b>
Change in Short Term Debt	-54	-41
+ Change in Long Term Debt	-27	89
+ Change in Equity	-	-
Total External Financing	-81	48
<b>Cash after Financing</b>	<b>-40</b>	<b>81</b>
<b>Actual Change in Cash</b>	<b>-40</b>	<b>81</b>





# Global Cash Flow

Global Cash Flow analysis calculates debt coverage ratios to help analyze the commingling of business and personal funds that occurs in a closely held business. It allows you to see how the business performs by itself, then brings in personal financial statements to measure how personal sources and uses of cash impact overall debt servicing.

With Global Cash Flow, you can:

- Spread historic debt repayment capacity for the business and from personal sources
- Combine all cash flow into an overall debt coverage ratio
- Get the full picture of potential weaknesses, as well as strengths in a closely held business
- Evaluate repayment when there are multiple guarantors for the business



	2007	2008	Average
<b>Business Debt Coverage</b>			
Net income	26,896	83,016	54,956
+ Depreciation, depletion	72,220	82,029	77,125
- Income tax	-	-	-
+ Interest expense	37,959	36,202	37,081
Debt repayment capacity	137,075	201,247	169,161
Debt payments	55,998	80,415	68,207
Debt coverage ratio	2.45	2.50	2.48
<b>Robert J. Jones</b>			
Adjusted gross income	152,090	184,232	168,161
- Income taxes	33,459	40,531	36,995
- Other living expenses	82,629	87,202	84,916
Cash before debt payments	36,002	56,499	46,250
Personal debt payments	47,641	50,876	49,259
Personal debt coverage ratio	0.76	1.11	0.93
<b>J.R. Jones</b>			
Adjusted gross income	137,898	135,703	136,801
- Income taxes	30,337	28,975	29,656
- Other living expenses	44,027	42,027	43,027
Cash before debt payments	63,534	64,701	64,118
Personal debt payments	17,609	15,451	16,530
Personal debt coverage ratio	3.61	4.19	3.90
<b>Global Debt Coverage</b>			
Business and personal debt repayment capacity	236,611	322,447	279,529
- Business income included in personal income	26,896	83,016	54,956
Net global debt repayment capacity	209,715	239,431	224,573
Total debt payments	121,248	146,742	133,995
Total debt coverage ratio	1.73	1.63	1.68





# Risk Rating

FINPACK's flexible risk rating / credit scoring tool meets the needs of your institution. Risk Rating automatically links to data from client plans and analyses. FINPACK makes risk rating fast and consistent.

With Risk Rating, you can:

- Create your own risk rating model(s)
- Link to data from the balance sheet, collateral analysis and financial analysis
- Include customized external criteria, such as credit score



Risk Rating Model: Loan Scoring, Commercial

Balance Sheet(s): January 1, 2008; January 1, 2007

CRITERIA	RESULT	SCORE	x WEIGHT	= TOTAL
<b>Liquidity</b>				
Current ratio	3.2	1	2.5	2.5
Noncurrent % in debt (mkt)	42	6	1.5	9
<b>Solvency</b>				
Debt to equity ratio (mkt)	55.6	2	3	6
Net worth growth % (mkt)	-13.2	6	1.5	9
<b>Security Analysis</b>				
Loan to value	70	2	1.5	3

Overall Rating: 3 -- Acceptable, average risk

Total Score: 29.5

**OVERALL RATINGS**

Total Weighted Points		Rating	Recommendation
From	To		
53.5	60.00	6	Lowest quality - liquidation possible
44.5	53.49	5	High degree of risk
35.5	44.49	4	Above average risk
26.5	35.49	3	Acceptable, average risk
17.5	26.49	2	Good quality, minimal risk
10	17.49	1	Highest quality, no apparent risk





## Annual Plan

When you need a plan for a commercial borrower, FINPACK's Annual Plan gives you quick and accurate accrual and cash information. The Annual Plan will give you consistent cash flow projections regardless of the source of the business' financial history.

The Annual Plan is a quick and easy cash flow plan that includes:

- A pro-forma income statement and balance sheet
- Projected change in working capital
- Projected earned net worth change
- Projected debt coverage ratios
- Links to past history for accurate and convenient data entry



### Executive Summary

**Projected Cash Flow Summary**

Total operating inflow		1,165,000
Total operating outflow	(-)	992,114
Capital purchases	(-)	118,250
Capital sales	(+)	-
New credit	(+)	118,250
Loan payments	(-)	95,427
<b>Net cash flow</b>	<b>(=)</b>	<b>77,459</b>
Beginning cash balance	(+)	6,775
Operating loan borrowings	(+)	-
Operating loan principal payments	(-)	-
Ending cash balance	(=)	84,234

Beginning operating loan balance	98,346
Ending operating loan balance	98,346

**Projected Change in Working Capital**

Change in cash		77,459
Change in current inventories	(+)	32,074
Change in operating loan balance	(-)	-
Change in other current loans	(-)	-
Estimated change in working capital	(=)	109,533

**Projected Income Statement**

Net receipts		1,164,231
Cost of goods sold	-	608,042
Gross profit	(=)	556,189
Other income	+	-
Inventory change - income items	+	-6,581
Gross income	(=)	549,608

Interest expense		46,004
Depreciation	(+)	73,068
Other expenses	(+)	323,831
Inventory change - expense items	(+)	-4,948
Total expense	(=)	437,955
Net income before taxes		111,653

**Projected Earned Net Worth Change**

Net income		111,653
Owner w ithdrawals	(-)	-
Income & social security tax	(-)	25,765
Personal loan interest expense	(-)	6,624
Personal asset depreciation	(-)	10,954
Change in personal accounts payable	(-)	-455
Earned net worth change	(=)	68,765

**Term Debt Coverage**

Net income from operations		111,653
Depreciation	(+)	73,068
Personal income	(+)	-
Owner w ithdrawals	(-)	-
Personal ban payments	(-)	15,012
Income and social security tax	(-)	25,765
Interest paid on term debt	(+)	46,004
Capital debt repayment capacity	(=)	189,948
Term debt payments		80,415
Term debt coverage		2.36

**Financial Ratios**

Liquidity Ratios	Beginning	Ending
Current ratio	3.2	3.7
Quick ratio	0.3	0.6

Sales/Receivables	17.5
Days' receivables	21
Cost of Sales/Inventory	1.0
Days' inventory	368
Cost of Sales/Payables	7.1
Days' payables	51
Sales/Working capital	2.3

**Coverage Ratios**

EBIT/Interest	3.7
Net profit+deprec/CPLTD	4.6

**Leverage Ratios**

	Beginning	Ending
Fixed/Worth	1.0	0.9
Debt/Worth	0.6	0.6

**Operating Ratios**

Profit before taxes/Net worth	9.5 %
Profit before taxes/Total assets	5.9 %
Sales/Fixed assets	1.0
Sales/Total assets	0.6

**Expense to Sales Ratios**

Depreciation/Sales	6.3 %
Officer compensation/Sales	- %

**PROJECTED INCOME STATEMENT**

<b>Income</b>	Quantity	Price	Amount	<b>Expense</b>	Amount
Gross receipts or sales			1,165,000	Advertising	25,000
Returns and allowances			769	Insurance	5,921
Net receipts			1,164,231	Legal and professional service	464
				Office expense	2,131
Cost of sales				Repairs and maintenance	3,500
Beginning inventory			612,962	Taxes and licenses	6,500
Purchases			641,749	Travel	500
Subtotal			1,254,711	Meals and entertainment	115
Ending inventory			646,669	Utilities	20,000
Cost of goods sold			608,042	Wages	184,700
Gross profit			556,189	Other expenses	75,000
				Depreciation & depletion	73,068
Other income				Interest	46,004
Inventory changes				Inventory changes	
Accounts receivable			-6,581	Accrued interest	4,948
Total income			549,608	Total expense	437,955
				Net income before taxes	111,653
				Income taxes	25,765
				Net income	85,888

**PROJECTED NET CASH FLOW**

<b>Cash Inflows</b>	Quantity	Price	Inflow	<b>Cash Outflows</b>	Outflow
Gross receipts or sales			1,165,000	Returns and allowances	769
Total operating inflows			1,165,000	Purchases	641,749
<b>New Credit</b>				Advertising	25,000
Fifth National-Equipment			118,250	Insurance	5,921
Total new credit			118,250	Legal and professional service	464
				Office expense	2,131
				Repairs and maintenance	3,500
				Taxes and licenses	6,500
				Travel	500
				Meals and entertainment	115
				Utilities	20,000
				Wages	184,700
				Other expenses	75,000
				Income & social sec taxes	25,765
				Total operating outflows	992,114
				<b>Capital Purchases</b>	
				Machinery and Equipment	118,250
				Total capital purchases	118,250
				<b>Loan Payments</b>	
				Fifth National-Equipment	44,409
				Fifth National-PAR2	9,570
				Fifth National-Real	26,436
				Fifth National-Home Mortgage	9,056
				GMAC-Van	5,956
				Total loan payments	95,427
Total cash inflows			1,283,250	Total cash outflows	1,205,791
				Net cash flow	77,459

**PROJECTED INVENTORY CHANGE**

Commodity	Begin Inventory	\$/Unit	Begin Value	Ending Inventory	\$/Unit	Ending Value	Change
Product inventory			612,962			646,669	33,707
Accounts receivable			66,581			60,000	-6,581
Total income items			66,581			60,000	-6,581
Payables & accr exp		(end)	85,665	(beg)		85,665	-
Accrued i nterest		(end)	9,650	(beg)		14,599	4,948
Total expense items			95,315			100,264	4,948
Total inventories			774,858			806,933	32,074

**PROJECTED BALANCE SHEET**

	Beginning	Projected Ending
<b>Current Assets</b>		
Cash and checking	6,775	84,234
Accounts receivable	66,581	60,000
Other current assets	61,661	60,000
Invent.	612,962	646,669
Total current assets	747,979	850,903
<b>Noncurrent Assets</b>		
Equipment	855,990	901,172
Land	145,000	145,000
Bldgs & improve.	130,000	130,000
Total noncurrent assets	1,130,990	1,176,172
Total business assets	1,878,969	2,027,075
Personal assets	373,042	362,088
Total assets	2,252,011	2,389,163
<b>Current Liabilities</b>		
Accrued interest	14,599	9,650
Payables & accr exp	85,665	85,665
Operating loan(s)	98,346	98,346
Principal due on term loans	34,411	34,411
Total current liabilities	233,021	228,072
<b>Noncurrent Liabilities</b>		
Fifth National-Equipment	270,036	373,322
Fifth National-PAR2	26,788	19,520
Fifth National-Real	173,293	161,114
Total noncurrent liabilities	470,117	553,956
Total business liabilities	703,138	782,028
Personal liabilities	101,238	92,395
Total liabilities	804,376	874,423
Net worth	1,447,635	1,514,739
Net worth change		67,104
Debt to asset ratio	36 %	37 %





## Customer Support

The Center for Farm Financial Management is committed to providing world-class services in the area of technical support. We have been supporting lenders and other agricultural professionals since 1984. Our qualified technical support engineers are prepared to handle your support needs on a case-by-case basis or in an ongoing partnership. We provide support worldwide, delivering timely, reliable service to ensure every customer's business success.





The Center for Farm Financial Management (CFFM) provides educational programs and software tools that are practical, timely, and applicable to real-world situations.

- First used by lenders in 1980, FINPACK is the original off-the-shelf agricultural credit analysis tool used broadly by banks
- In 2008, FINPACK Commercial was added to FINPACK to facilitate commercial credit analysis
- FINPACK is used by lenders, farmers and educators throughout the United States and Canada
- CFFM has over 25 years of experience developing financial management software
- We are committed to the development of practical, fast, and accurate financial software tools
- We are committed to outstanding software support and customer service

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