

ANALYSIS OF FINANCIAL CONDITION
For
John and Mary Demo
(PRESENT)

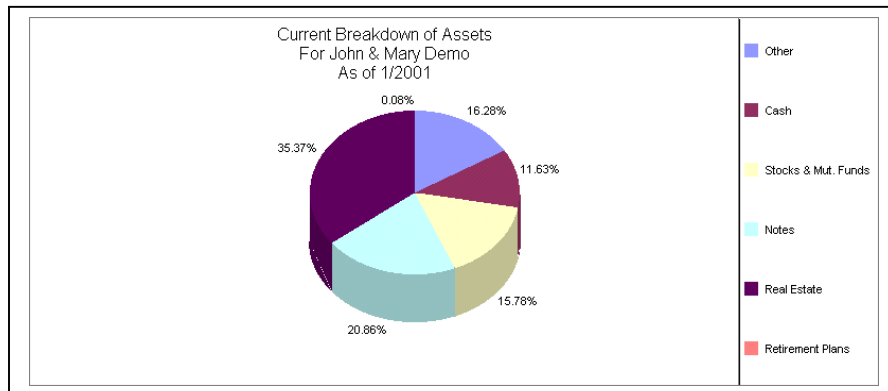
As Of January 2001

One of the key elements to any financial report is the Statement of Financial Condition. It acts as an annual “scorecard” in determining whether you’re winning or losing against the effects of taxes, inflation and personal spending patterns.

In reviewing your Statement of Financial Condition as it appears on the date indicated, ASSUMING NO CHANGES IN YOUR PRESENT SPENDING AND INVESTMENT HABITS, you can expect to have assets totaling \$980,987 and liabilities totaling \$190,612. Thus, your net worth is expected to be \$790,376.

A statistical breakdown of your ASSETS reveals:

ASSET TYPE	PERCENT OF TOTAL ASSETS			
CASH ASSETS of	\$	106,000	EQUALS	10.81%
STOCKS AND MUTUAL FUNDS of	\$	143,922	EQUALS	14.67%
BONDS of	\$	8,500	EQUALS	0.87%
NOTES of	\$	190,186	EQUALS	19.39%
LIFE INSURANCE CASH VALUE of	\$	10,000	EQUALS	1.02%
REAL ESTATE of	\$	322,500	EQUALS	32.88%
PERSONAL PROPERTY of	\$	107,000	EQUALS	10.91%
BUSINESS INTERESTS of	\$	22,980	EQUALS	2.34%
RETIREMENT PLANS of	\$	69,900	EQUALS	7.13%



In addition, further observations can be made that you have 73.10% of your annual earned income in readily available cash (checking, savings, money market accounts).

This is considered to be an extremely conservative cash position. Perhaps too conservative. Your risk here is broad exposure to inflation and taxes.

Your total current assets of \$258,422 (cash assets, stocks, bonds and mutual funds) equals 135.57% of your total liabilities.

This puts you in an extremely secure financial position although, this may not be working to your advantage from a tax standpoint.