**Indiana Athletics, Inc. (IAI)**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **Current Assets** | **Total Assets** | **Current Liabilities** | **Total Liabilities** | **Total Revenue** | **Total Expenses** | **Net Income** | **Current Ratio** | **Debt Ratio** | **Debt Equity Ratio** | **Return on Owners’ Equity** |
| 2006 | 39,603,412 | 96,371,277 | 19,650,591 | 39,122,167 | 69,720,638 | 47,139,664 | 22,580,974 | 2.02 | 0.41 | 0.68 | 0.39 |
| 2008 | 51,665,900 | 133,621,758 | 28,889,826 | 61,484,697 | 81,624,093 | 61,350,461 | 20,273,632 | 1.79 | 0.46 | 0.85 | 0.28 |
| 2009 | 48,836,268 | 143,475,290 | 28,547,110 | 93,670,643 | 76,155,442 | 64,419,917 | 11,735,525 | 1.71 | 0.65 | 1.88 | 0.24 |
| 2010 | 26,398,557 | 134,001,163 | 24,078,411 | 83,030,320 | 69,568,614 | 67,581,031 | 1,987,583 | 1.10 | 0.62 | 1.63 | 0.04 |
| 2011 | 24,298,725 | 87,927,640 | 22,115,828 | 78,915,012 | 74,456,090 | 71,597,760 | 2,858,330 | 1.10 | 0.90 | 8.76 | 0.32 |
| 2012 | 24,810,246 | 78,409,729 | 22,361,217 | 83,249,027 | 70,493,698 | 79,371,604 | -8,877,906 | 1.11 | 1.06 | 17.20 | -1.83 |

1. Brief summary of the financial activity of IAI, and analysis of the calculated ratios:

Based on the data of financial activity of the company over the years 2006 to 2012 provided in the table, the organization has had mixed financial performance over the years. From 2006 to 2008, the company experienced growth in total assets, total revenue, and net income. However, the company's financial health deteriorated from 2009 onwards, as evidenced by declining current ratios, increasing debt ratios, and decreasing return on owners' equity. The company's net income also fluctuated, with significant losses recorded in 2012.

Current ratio: This ratio measures the ability of the company to pay its short-term liabilities with its short-term assets. The current ratio steadily decreases from 2006 to 2009, then drops significantly in 2010, and remains relatively stable from 2011 to 2012. This suggests that the company had a relatively strong ability to meet its short-term obligations in the early years, but struggled in 2010, and improved slightly in the later years.

Debt ratio: This ratio measures the proportion of the company's assets that are financed by debt. It shows that the company has been increasing its reliance on debt over time, which could be a cause for concern.

Debt-to-equity ratio: This ratio measures the proportion of the company's assets that are financed by debt compared to equity. The debt-to-equity ratio increases from 2006 to 2009, then drops in 2010, and increases again in 2011 and 2012. This suggests that the company has been relying heavily on debt to finance its operations, which could put it at risk of defaulting on its loans.

Return on owners' equity: This ratio measures the return that owners receive on their investment in the company. The return on owners' equity fluctuates over the years, ranging from a high of 0.39 in 2006 to a low of -1.83 in 2012, which means that the company is not generating enough profits to cover the cost of its shareholders' investments.

2. Analysis of the organization’s financial health:

Overall, the financial performance of the company appears to have been relatively strong in the early years, but weaker in the later years. The company relied more heavily on debt financing in the early years, but began to pay off debt in 2010 before increasing it again in the later years. The company was more profitable in the early years, but experienced losses in the later years.

Hypothetically, the company's declining financial health could be due to various reasons, such as poor management decisions, increased competition, declining demand for the company's products or services, or economic factors.

3. How the company should proceed in the future:

In order to improve its financial health, the company may need to review its financial strategies, such as managing its debt and optimizing its operations to improve profitability and reduce costs, to improve its financial health in the future. One way to do this could be to focus on increasing revenue through expansion or improving its product offerings. The company could also consider reducing expenses or improving operational efficiency to increase profitability.

Overall, the company should carefully evaluate its financial position and take appropriate measures to address any potential issues. It may be beneficial to work with a financial advisor to develop a comprehensive plan for improving financial health and sustaining long-term growth.