

Taglich Brothers, Inc.

The Standard of Excellence in the Microcap Market

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Research Report-Update

CTI Industries Corp.

Rating: Speculative Buy

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CTIB – \$7.28 (NASDAQ)

May 29, 2002

	<u>FY1998A</u>	<u>FY1999A</u>	<u>FY2000A*</u>	<u>FY2001A</u>	<u>FY2002E</u>	<u>FY2003E</u>
Revenues (Thousands)	\$19,953	\$18,565	\$22,978	\$27,447	\$35,159	\$39,720
EPS (fully diluted)	\$0.09	\$(0.86)	\$(0.73)	\$(0.03)	\$0.52	\$0.55
52-Week Range	\$8.00 – 1.30		Fiscal Year Ends	December		
Shares Outstanding- (000)	1,208		Revenues/Share (TTM)	\$25.29		
Approximate Float (000)	500		Price/Sales (TTM)	0.29X		
Insider Holdings	59%		Price/Sales (2003)E	0.38X		
Tangible Book Value/Share	\$2.97		Price/Earnings (TTM)	19.7X		
Price/Tangible book	2.5X		Price/Earnings (2003)E	13.2X		

*CTIB changed its fiscal year from October to December during fiscal 2000

CTI Industries Corp. is an international manufacturer and marketer of mylar and latex balloons and specialty, laminated, and printed film. The Company's products are sold domestically and in 30 foreign countries.

Key Investment Considerations:

- *We are reiterating our Speculative Buy rating for shares of CTI Industries Corp. (CTIB) and establishing a 21-month target price of \$10.40 per share. We are increasing our price target from \$10.27 per share. Our price target is based on a discounted cash flow analysis, using EBITDA as a proxy for cash flows. Our current EBITDA projections are for \$3.4 million and \$3.8 million in 2002 and 2003, respectively. Our EBITDA projections call for EBITDA growth of over 10% from 2002 to 2003.*
- *First quarter net sales increased to \$9.7 million from \$6.1 million in the year ago quarter. Net income for the quarter was \$377 thousand or \$0.29 per share as compared to a net loss of \$133 thousand or \$(0.11) per share in the first quarter of 2001.*
- *For fiscal 2002, we are projecting \$35.16 million in revenue and net income of \$0.905 million. For fiscal 2003, our revised projections call for revenues of \$39.72 million and net income of \$1.154 million. We previously projected 2002 revenues of \$33.1 million and net income of \$0.706 million. For fiscal 2003, we previously projected revenues of \$39.7 million and \$0.927 million EPS of \$0.77 per share.*
- *We are estimating EPS of \$0.52 per share and \$0.55 per share in fiscal 2002 and 2003 respectively. Our previous projections were for EPS of \$0.58 per share and \$0.77 per share in fiscal 2002 and 2003, respectively. The reduction in EPS is due to an increase in the number of fully diluted shares stemming from the recent run-up in the stock price.*

* Please view our disclaimer located at the end of the text portion of this report.

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Company Overview

CTI Industries Corporation (CTIB) is engaged in the development, manufacture, sale and distribution of:

- Novelty products; principally balloons, including mylar balloons, latex balloons, punch balls and other inflatable toy items, incorporating such licensed designs as Peanuts, Garfield, Betty Boop, and Monster Trucks. CTIB manufactures over 450 balloon designs; and
- Specialty and printed films primarily for food packaging, specialized consumer uses and various commercial applications such as food packaging and storage. The Company manufactures these products primarily from its Barrington, Illinois facility.

Recently, CTIB announced an agreement with Hallmark whereby CTIB will manufacture and distribute foil and latex balloons for Hallmark's Party Express Division. Hallmark has also agreed to sublicense to CTIB such designs as Blue Clues, Scooby Doo, and Star Wars. In exchange, Hallmark will provide the designs for the balloons. The products will be distributed to Hallmark retail clients. As part of the agreement, CTIB will also be allowed to sell balloons incorporating licensed designs from Hallmark to CTIB's existing customers.

Recent Results- 1st Quarter 2002

On May 15, 2002 CTI Industries announced results for the first quarter ended March 31, 2002. First quarter net sales increased to \$9.7 million from \$6.1 million in the year ago quarter. The Company reported net income of \$377 thousand or \$0.29 per share. In the first quarter of 2001, CTIB reported a net loss of \$133 thousand or \$(0.11) per share. Revenues and earnings increased primarily due to strength in the Company's films and novelty segments. The films segment was particularly strong and posted a revenue increase of \$3 million. Also, the Company's Mexican and European operations continued to operate on a profitable basis after operating on a profitable basis for fiscal 2001.

The Company's results were significantly above our estimates due to unanticipated strength in revenues and operating margins. Taglich Brothers had estimated that the Company would post net sales of \$8.1 million and net income of \$195 thousand or \$0.16 per share. Operating margins increased to 8.05% from 2.05% primarily due to increased operating efficiencies as compared to the year ago period. Taglich Brothers estimated an operating margin of 5.6%

As of March 31, 2001, the Company had a cash balance of \$85 thousand, working capital of \$1.5 million, and a current ratio of 1.1X. During the quarter, the company's operations generated \$22,000 in positive cash flow as compared to using \$1.1 million in the year ago quarter. The Company's current cash management strategy includes maintaining minimal cash balances and utilizing its revolving line of credit for liquidity. **The Company believes that existing capital resources, cash generated from operations, and existing credit facilities will be sufficient to meet its operating requirements.**

Competitive Trends

Balloons

According to Industry statistics, the Balloon Market generates \$500 million and is part of the \$21 billion Giftware Market. Although the industry is highly fragmented, the leading competitors include Anagram International, Inc., M&D Balloons, Inc., Pioneer Balloon, Convertidora International, Barton Enterprises and Betallic. In 2002, Amscan acquired M&D Balloons from American Greetings. This follows two industry transactions in 1998 and 2000:

- In 1998, Anagram International was acquired by Amscan; and
- In 2000, M&D Balloons was purchased by American Greetings.

CTIB's recent deal with Hallmark should allow the Company to obtain a larger share of the balloon market. It is expected that Hallmark will leverage its significant size in the \$14 billion greeting card market (According to an April 2002 report by Unity Marketing, a marketing research and consulting firm) to make significant inroads in the balloon market.

Films

According to Industry statistics, the films market is a \$1 billion market with many participants. This market is part of the over \$90 billion packaging market, according to statistics from Impact Marketing Consultants.

Outlook & Projections

We are fine tuning our estimates fiscal 2002 and 2003 based on recent quarterly results and our revised projections for revenue, margins, and fully diluted shares outstanding.

For fiscal 2002, we are projecting \$35.16 million in revenue and net income of \$0.905 million. For fiscal 2003, our revised projections call for revenues of \$39.72 million and net income of \$1.154 million. We previously projected 2002 revenues of \$33.1 million and net income of \$0.706 million. For fiscal 2003, we previously projected revenues of \$39.7 million and \$0.927 million EPS of \$0.77 per share.

We are estimating EPS of \$0.52 per share and \$0.55 per share in fiscal 2002 and 2003 respectively. Our previous projections were for EPS of \$0.58 per share and \$0.77 per share in fiscal 2002 and 2003, respectively. The reduction in EPS is due to an increase in the number of fully diluted shares stemming from the recent run-up in the stock price.

We are also increasing our EBITDA estimates for fiscal 2002 and 2003. Our EBITDA projections call for EBITDA growth of over 10% from 2002 to 2003. Our current EBITDA projections are for \$3.4 million and \$3.8 million in 2002 and 2003, respectively. Our previous EBITDA projections called for \$3.3 million and \$3.7 million in fiscal 2002 and 2003, respectively.

Our current projections are based on:

- Recent quarterly trends in the Company's revenues and expenses;
- Continued strength in the Company's existing business. We believe that the Company will continue to capture market share in the \$1 billion-plus market film market and \$500 million balloon market;
- New business stemming from the recent partnership with Hallmark and its party goods division, Party Express. We believe that this partnership may significantly increase revenues of the Company's balloon products and that there may be further licensing opportunities; and
- Increasing operating and net margins as compared to previous fiscal years, as CTIB achieves greater operating leverage as its fixed costs are spread over a larger revenue base.

Risks

Macroeconomics

The World economies are in the midst of an uncertain period. Although recent domestic GDP statistics point to a recovery, the index of leading economic indicators indicates possible weakness down the road. A continuing decline in the economy could have a negative effect on the financial and operating performance of the Company. However, novelty items tend to do well in economic downturns.

Reliance on major customers

CTIB has three major customers that make up a significant portion of their business, two customers in its films segments and one customer in its novelty segment (Eckerd Drug Stores, a unit of J.C. Penney (NYSE:JCP)). The

Company does not have any long-term contracts with these customers. The loss of any of these customers would have an adverse effect on the operating performance of the Company.

Operating Leverage

CTIB has a limited number of shares outstanding; therefore any change in the top-line could dramatically impact the bottom-line results.

Future Profitability

The accumulated deficit as of March 31, 2002 was \$1.18 million. Although we have projected a sustained period of profitability, the Company must execute successfully. As the Company continues to grow, there may be unexpected growing pains and diminishing returns.

Cash concerns

In the event that operations suffer a setback due to an unforeseen expense or macroeconomic issues, the Company's policy of maintaining a minimal cash balance may restrict the Company's financial liquidity and may impact the Company's financial results and growth prospects.

Liquidity

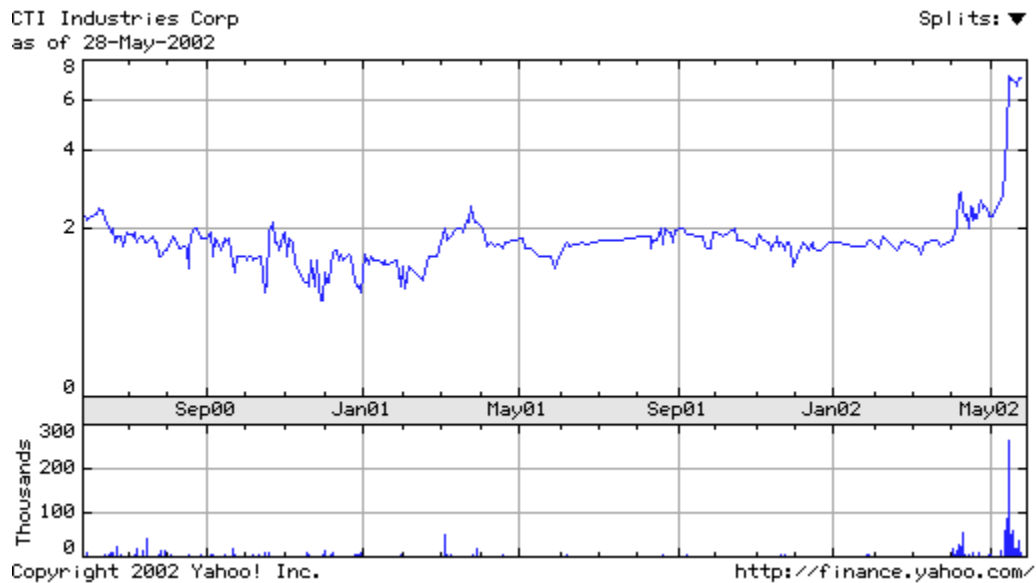
The shares of CTIB have risks common to those of the microcap segment of the market. Often these risks cause microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume and can lead to large spreads and high volatility in stock price. These concerns are exacerbated in times of earnings shortfalls or uncertainty.

Miscellaneous Risks

The Company's financial results and equity values are subject to other risks and uncertainties known and unknown, including but not limited to competitive, operating, financial market, governmental, regulatory, country, and event risks. These risks may cause actual results to differ from expected results.

Conclusion

Based on our growth projections, we are reiterating our Speculative Buy rating on the shares of CTIB. We have set a 21-month price target of \$10.40 per share, an increase from our previous price target of \$10.27 per share. Our new price target is based a discounted cash flow analysis, using EBITDA as a proxy for cash flows. Our DCF assumptions include a 16.00% discount rate and a terminal value multiple of 8X. We have risk-adjusted our valuation by 20% to incorporate microcap and other risks.



Public Companies Mentioned in this Report:

American Greeting (NYSE: AM)

J.C. Penney (NYSE:JCP)

* The information and statistical data contained herein have been obtained from sources, which we believe to be reliable but in no way are warranted by us as to accuracy or completeness. We do not undertake to advise you as to change in figures or our views. This is not a solicitation of any order to buy or sell. Taglich Brothers, Inc. is not a market maker and does not sell to or buy from customers on a principal basis. We, our affiliates, any officer, director or stockholder or any member of their families may from time to time purchase or sell any of the above-mentioned or related securities. The above statement is the opinion of Taglich Brothers, Inc. and is not a guarantee that the target price for the stock will be met or that predicted business results for the company will occur. As of the date of this report, we, our affiliates, any officer, director or stockholder, or any member of their families have a position in the stock of the company mentioned in this report. Taglich Brothers, Inc., does not currently have an Investment Banking relationship with the company and was not a manager or co-manager of any offering for the company within the last three years. Since February 2000, the company pays a monthly monetary fee of \$1,000 (USD) to Taglich Brothers, Inc. for the creation and dissemination of research reports.

CTI Industries
Annual Income Statement Model
For Fiscal Years Ended *
(in thousands)

	FY1999A	FY2000A	FY2001A	FY2002E	FY2003E
Net sales	\$ 18,565	\$ 22,978	\$ 27,447	\$ 35,159	\$ 39,720
Cost of sales	<u>13,447</u>	<u>16,375</u>	<u>19,835</u>	<u>25,407</u>	<u>28,557</u>
Gross profit	5,117	6,603	7,612	9,752	11,163
Gross margin	27.56%	28.74%	27.73%	27.74%	28.10%
Operating expenses					
General and administrative	2,224	3,585	3,468	4,249	4,717
Selling	2,527	1,840	1,760	2,113	2,445
Advertising and marketing	<u>1,584</u>	<u>966</u>	<u>1,133</u>	<u>1,344</u>	<u>1,616</u>
Total operating expenses	<u>6,335</u>	<u>6,390</u>	<u>6,361</u>	<u>7,707</u>	<u>8,778</u>
Operating income	(1,218)	213	1,251	2,045	2,385
Operating margins	-6.56%	0.93%	4.56%	5.82%	6.01%
Other income (expense)					
Interest expense	(933)	(1,099)	(1,001)	(698)	(600)
Interest income	88	14	1	-	-
Gain on sale of assets	-	30	23	-	-
Other	<u>250</u>	<u>(15)</u>	<u>(86)</u>	<u>-</u>	<u>-</u>
Total other expense	<u>(595)</u>	<u>(1,070)</u>	<u>(1,063)</u>	<u>(698)</u>	<u>(600)</u>
Pretax income (loss)	(1,813)	(857)	174	1,347	1,785
Pretax margins	-9.76%	-3.73%	0.63%	3.83%	4.49%
Income tax expense (benefit)	<u>(707)</u>	<u>107</u>	<u>267</u>	<u>394</u>	<u>536</u>
Tax rate	39.02%	-12.48%	153.45%	29.26%	30.00%
Net income (loss) before minority interest	(1,105)	(964)	(93)	953	1,250
Minority interest	-	(87)	(58)	85	95
Net income (loss) for common	<u>\$ (1,105)</u>	<u>\$ (877)</u>	<u>\$ (35)</u>	<u>\$ 905</u>	<u>\$ 1,154</u>
EPS basic	<u>\$ (0.87)</u>	<u>\$ (0.73)</u>	<u>\$ (0.03)</u>	<u>\$ 0.70</u>	<u>\$ 0.71</u>
EPS diluted	<u>\$ (0.86)</u>	<u>\$ (0.73)</u>	<u>\$ (0.03)</u>	<u>\$ 0.52</u>	<u>\$ 0.55</u>
Weighted average shares (basic)	1,269	1,208	1,208	1,300	1,630
Weighted average shares (diluted)	1,283	1,208	1,208	1,749	2,100
% of revenue					
Cost of sales	72.44%	71.26%	72.27%	72.26%	71.90%
General and administrative	11.98%	15.60%	12.64%	12.09%	11.88%
Selling	13.61%	8.01%	6.41%	6.01%	6.16%
Advertising and marketing	8.53%	4.20%	4.13%	3.82%	4.07%
year / year growth					
revenues		23.77%	19.45%	28.10%	12.97%
net margin		NM	NM	NM	27.58%
EPS		NM	NM	NM	6.25%

*CTIB changed its fiscal year from October to December during fiscal 2000

CTI Industries
Quarterly Income Statement
For Fiscal Year Ended December 31, 2001
(in thousands)

	Q1(3/01)A	Q2(6/01)A	Q3(9/01)A	Q4(12/01)A	FY2001A
Net sales	\$ 6,081	\$ 6,876	\$ 6,808	\$ 7,682	\$ 27,447
Cost of sales	<u>4,458</u>	<u>5,068</u>	<u>4,851</u>	<u>5,458</u>	<u>19,835</u>
Gross profit	1,623	1,808	1,957	2,224	7,612
Gross margin	26.69%	26.29%	28.75%	28.95%	27.73%
Operating expenses					
General and administrative	747	818	857	1,046	3,468
Selling	426	445	492	397	1,760
Advertising and marketing	<u>271</u>	<u>307</u>	<u>296</u>	<u>259</u>	<u>1,133</u>
Total operating expenses	<u>1,444</u>	<u>1,570</u>	<u>1,645</u>	<u>1,714</u>	<u>6,361</u>
Operating income	179	237	312	510	1,251
Operating margins	2.94%	3.45%	4.58%	6.64%	4.56%
Interest expense	(300)	(242)	(216)	(243)	(1,001)
Interest income	1	-	-	-	1
Gain on sale of assets	8	7	8	-	23
Other	<u>(35)</u>	<u>84</u>	<u>(136)</u>	<u>1</u>	<u>(86)</u>
Total other expense	<u>(327)</u>	<u>(151)</u>	<u>(344)</u>	<u>(242)</u>	<u>(1,063)</u>
Pretax income (loss)	(148)	86	(32)	268	174
Pretax margins	-2.43%	1.25%	-0.47%	3.49%	0.63%
Income tax expense (benefit)	<u>9</u>	<u>4</u>	<u>2</u>	<u>252</u>	<u>267</u>
Tax rate	-6.08%	4.65%	0.00%	94.03%	153.45%
Net income (loss) before minority interest	(157)	82	(34)	16	(93)
Minority interest	(23)	22	(20)	(37)	(58)
Net income (loss) for common	<u>\$ (133)</u>	<u>\$ 60</u>	<u>\$ (14)</u>	<u>\$ 53</u>	<u>\$ (35)</u>
EPS basic	<u>\$ (0.11)</u>	<u>\$ 0.05</u>	<u>\$ (0.01)</u>	<u>\$ 0.04</u>	<u>\$ (0.03)</u>
EPS diluted	<u>\$ (0.11)</u>	<u>\$ 0.05</u>	<u>\$ (0.01)</u>	<u>\$ 0.04</u>	<u>\$ (0.03)</u>
Weighted average shares (basic)	1,208	1,208	1,208	1,208	1,208
Weighted average shares (diluted)	1,208	1,208	1,208	1,208	1,208
% of revenue					
Cost of sales	73.31%	73.71%	71.25%	71.05%	72.27%
General and administrative	12.28%	11.90%	12.59%	13.62%	12.64%
Selling	7.01%	6.47%	7.23%	5.17%	6.41%
Advertising and marketing	4.46%	4.46%	4.35%	3.37%	4.13%
year / year growth					
revenues	-13.29%	6.59%	39.19%	20.88%	19.45%
net margin	-253.69%	-136.93%	91.03%	-266.34%	NM
EPS	-266.06%	-144.18%	91.03%	-298.90%	NM

CTI Industries
Quarterly Income Statement
For Fiscal Year Ended December 31, 2002
(in thousands)

	Q1(3/02)A	Q2(6/02)E	Q3(9/02)E	Q4(12/02)E	FY2002E
Net sales	\$ 9,738	\$ 8,251	\$ 8,170	\$ 9,000	\$ 35,159
Cost of sales	<u>7,184</u>	<u>5,978</u>	<u>5,837</u>	<u>6,408</u>	<u>25,407</u>
Gross profit	2,554	2,273	2,332	2,592	9,752
Gross margin	26.23%	27.55%	28.55%	28.80%	27.74%
Operating expenses					
General and administrative	1,002	1,036	1,042	1,170	4,249
Selling	375	536	572	630	2,113
Advertising and marketing	<u>393</u>	<u>309</u>	<u>327</u>	<u>315</u>	<u>1,344</u>
Total operating expenses	<u>1,770</u>	<u>1,881</u>	<u>1,940</u>	<u>2,115</u>	<u>7,707</u>
Operating income	784	392	392	477	2,045
Operating margins	8.05%	4.75%	4.80%	5.30%	5.82%
EBITDA	1,130	737	737	822	3,426
Other income (expense)					
Interest expense	(173)	(175)	(175)	(175)	(698)
Pretax income (loss)	648	217	217	302	1,347
Pretax margins	6.65%	2.63%	2.66%	3.36%	3.83%
Income tax expense (benefit)	<u>247</u>	<u>43</u>	<u>43</u>	<u>60</u>	<u>394</u>
Tax rate	38.12%	20.00%	20.00%	20.00%	29.26%
Net income (loss) before minority interest	401	174	174	242	953
Minority interest	24	20	20	22	85
Net income (loss) for common	<u>\$ 377</u>	<u>\$ 154</u>	<u>\$ 154</u>	<u>\$ 220</u>	<u>\$ 905</u>
EPS basic	<u>\$ 0.31</u>	<u>\$ 0.13</u>	<u>\$ 0.11</u>	<u>\$ 0.16</u>	<u>\$ 0.70</u>
EPS diluted	<u>\$ 0.29</u>	<u>\$ 0.09</u>	<u>\$ 0.08</u>	<u>\$ 0.11</u>	<u>\$ 0.52</u>
Weighted average shares (basic)	1,208	1,208	1,400	1,400	1,300
Weighted average shares (diluted)	1,296	1,700	2,000	2,000	1,749
% of revenue					
Cost of sales	73.77%	72.45%	71.45%	71.20%	72.26%
General and administrative	10.29%	12.55%	12.75%	13.00%	12.09%
Selling	3.85%	6.50%	7.00%	7.00%	6.01%
Advertising and marketing	4.04%	3.75%	4.00%	3.50%	3.82%
year / year growth					
revenues	60.14%	20.00%	20.00%	17.16%	28.10%
net margin	383.46%	156.24%	NM	315.09%	NM
EPS	364.45%	82.08%	NM	150.72%	NM

CTI Industries
Quarterly Income Statement
For Fiscal Year Ended December 31, 2003
(in thousands)

	Q1(3/03)E	Q2(6/03)E	Q3(9/03)E	Q4(12/03)E	FY2003E
Net sales	\$ 9,600	\$ 9,500	\$ 8,800	\$ 11,820	\$ 39,720
Cost of sales	<u>7,056</u>	<u>6,840</u>	<u>6,257</u>	<u>8,404</u>	<u>28,557</u>
Gross profit	2,544	2,660	2,543	3,416	11,163
Gross margin	26.50%	28.00%	28.90%	28.90%	28.10%
Operating expenses					
General and administrative	1,056	1,202	1,100	1,359	4,717
Selling	384	618	616	827	2,445
Advertising and marketing	<u>355</u>	<u>404</u>	<u>396</u>	<u>461</u>	<u>1,616</u>
Total operating expenses	<u>1,795</u>	<u>2,223</u>	<u>2,112</u>	<u>2,648</u>	<u>8,778</u>
Operating income	749	437	431	768	\$ 2,385
Operating margins	7.80%	4.60%	4.90%	6.50%	6.01%
EBITDA	1,099	787	781	1,118	\$ 3,785
Other income (expense)					
Interest expense	(150)	(150)	(150)	(150)	(600)
Pretax income (loss)	599	287	281	618	1,785
Pretax margins	6.24%	3.02%	3.20%	5.23%	4.49%
Income tax expense (benefit)	<u>180</u>	<u>86</u>	<u>84</u>	<u>185</u>	<u>536</u>
Tax rate	30.00%	30.00%	30.00%	30.00%	30.00%
Net income (loss) before minority interest	419	201	197	433	1,250
Minority interest	23	23	21	28	95
Net income (loss) for common	<u>\$ 396</u>	<u>\$ 178</u>	<u>\$ 176</u>	<u>\$ 404</u>	<u>\$ 1,154</u>
EPS basic	<u>\$ 0.24</u>	<u>\$ 0.11</u>	<u>\$ 0.11</u>	<u>\$ 0.25</u>	<u>\$ 0.71</u>
EPS diluted	<u>\$ 0.19</u>	<u>\$ 0.08</u>	<u>\$ 0.08</u>	<u>\$ 0.19</u>	<u>\$ 0.55</u>
Weighted average shares (basic)	1,630	1,630	1,630	1,630	1,630
Weighted average shares (diluted)	2,100	2,100	2,100	2,100	2,100
% of revenue					
Cost of sales	73.50%	72.00%	71.10%	71.10%	71.90%
General and administrative	11.00%	12.65%	12.50%	11.50%	11.88%
Selling	4.00%	6.50%	7.00%	7.00%	6.16%
Advertising and marketing	3.70%	4.25%	4.50%	3.90%	4.07%
year / year growth					
revenues	-1.42%	15.13%	7.72%	31.33%	12.97%
net margin	5.07%	15.84%	14.03%	83.84%	27.58%
EPS	-35.16%	-6.22%	8.60%	75.08%	6.25%

CTI Industries
Consolidated Balance Sheet
For Fiscal Year Ended
(in thousands)

	1Q2002	FY12/01	FY12/00
Assets			
Current Assets			
Cash	\$ 85	\$ 110	\$ 393
Accounts Receivable	6,069	4,385	2,574
Inventories	9,129	8,458	7,061
Deferred tax assets	291	291	66
Other	<u>886</u>	<u>898</u>	<u>659</u>
Total Current Assets	16,460	14,143	10,752
Total property and equipment, net	8,777	8,700	9,173
Other assets			
Deferred financing costs, net	411	83	11
Goodwill	1,113	1,113	1,200
Deferred tax assets	118	362	813
Other assets	<u>259</u>	<u>264</u>	<u>270</u>
Total other assets	<u>1,590</u>	<u>1,822</u>	<u>2,293</u>
Total Assets	<u>\$ 26,828</u>	<u>\$ 24,664</u>	<u>\$ 22,219</u>
Liabilities and Stockholders Equity			
Current liabilities			
Accounts payable	\$ 7,165	\$ 5,492	\$ 5,046
Line of credit	6,091	5,698	3,610
Notes payable- current portion	318	318	4,177
Accrued liabilities	<u>1,420</u>	<u>1,608</u>	<u>1,782</u>
Total current liabilities	14,994	13,117	14,614
Long-term liabilities			
Non-current liabilities	2,423	2,536	803
Notes payable	3,608	3,682	1,301
Subordinated debt	<u>487</u>	<u>487</u>	<u>497</u>
Total long-term liabilities	6,518	6,704	2,600
Minority interest	205	181	239
Stockholders' equity			
Total stockholders' equity	<u>5,111</u>	<u>4,662</u>	<u>4,766</u>
Total Liabilities and Stockholders' Equity	<u>\$ 26,828</u>	<u>\$ 24,664</u>	<u>\$ 22,219</u>