

Data Source Differences

From time to time, many of us have found discrepancies when we have compared one data source with another. Sometimes, those differences can be considerable-sufficient to make a pronounced difference in the outcome of our stock studies depending upon which source we use. Oddly enough, data can be quite different, yet quite correct. How can this be?

Data sources or providers each have different types of clients. Each is interested in providing data to its clientele that will best suit their unique purposes. They will therefore make use of the latitude that is granted under "Generally Accepted Accounting Principles" (GAAP) that will best suit the types of clients they serve. Each of the providers offers "accurate" data; but, the way it is reported varies considerably in practice. The most important areas of difference are disclosed below.

Terms The first consideration in understanding the differences between data sources is to distinguish between **original** and **restated** data.

Original data is as it was originally reported at the closing of the period for which the data applies.

Restated data (often referred to as "pro-forma" data) refers to data that has been retroactively altered to show what "might have been" had the company operated in the configuration it now operates; i.e., after spinning off a division or discontinuing the operation of a portion of the company. This data is an educated estimate of value to the analyst. The second consideration is the difference between **as reported** and data that has been modified by the data provider.

As reported data is what the company reports at the end of a fiscal period. What may be confusing is that FASB (the Financial Accounting Standards Board - the private sector organization in charge of establishing standards of financial accounting and reporting) requires that companies alter their past reports to conform to the accounting practices that are currently imposed. The data provider may modify data reported by a company to best suit its clientele. Two examples of modified data are "standardized" data and "normalized" data.

Standardized data has been modified by the provider to place income and expense items in common categories in order to permit meaningful comparisons between companies. Data "buried" in footnotes may be assigned to those categories as well.

Normalized data has been modified to exclude the effect of "non-recurring gains or losses."

Comparing Data Sources

Legend (See notes below chart for definitions):		
Orig = Original	Rstd = Restated	
Stdz = Standardized	Nmlz = Normalized	
AsRp = As Reported	Bas = Basic	Dil = Diluted

	Company Reports	Value Line (Hard copy reports)	S&P Compustat (NAIC DataFiles)	MarketGuide (SSG data files on the AAll Stock Investor PRO CD-ROM)
Adjustment to Data	Orig may be Rstd AsRp	Orig Nmlz	Orig Stdz	Rstd AsRp
Sales	Can be Rstd AsRp	Orig	Orig Stdz	Rstd AsRp
Bank Revenue	User must sum Net Interest Income + Non-Interest Income and deduct Loan Loss Provision	User must sum Net Interest Income + Non-Interest Income and deduct Loan Loss Provision	GROSS Interest Income + Fees & Commissions. Loan Loss Provision not deducted.	Net Interest Income + Non-Interest Income less Loan Loss Provision
Pretax Profit	Can be Rstd AsRp	Not reported by Value Line.	Orig Stdz	Rstd AsRp
EPS	AsRp Stdz Bas	Orig Nmlz generally Dil	Orig Bas for full history	Rstd Dil
Book Value	Equity section of Balance sheet.	Uses common equity less Liquidating value of redeemable Pfd Stock. Includes value of intangibles.	Uses total equity including Pfd. Includes value of intangibles.	Uses common equity. Includes value of intangibles
Dividends	Gives various dividend information. 5 & 10 yr. summaries show Fiscal div DECL'D date	Qtrly div PAID-exdate Annual div DECL'D date	Annl div - exdate Qtrly div - exdate	Annl div DECL'D - date
Fiscal Year Label	Shows Balance Sheet date; Does not set data year	Data year set by fiscal yr date: FY ending during Jan-Apr. uses prior calendar year to assign data year. FY ends during May-Dec uses current calendar year to assign data year	Data year can be set as FY or calendar year	Data year set by FY date: FY ending during Jan - May uses prior calendar year to assign data year. FY ending during June-Dec.; uses current calendar year to assign data year.
Prices	Contains 2 years of quarterly highs and lows (Matches to fiscal year, not calendar year)	Uses calendar year high and low prices.	The user can select to use either Fiscal Year or Calendar Year prices during installation of the Datafiles.	Uses Fiscal Year prices.

	Company Reports	Value Line (Hard copy reports)	S&P Compustat (NAIC DataFiles)	MarketGuide (SSG data files on the AAll Stock Investor PRO CD-ROM)
Comments	"Old" Annual and Quarterly reports (whether paper or electronic) cannot be revised by the company to reflect stock splits after the date of the report.			

Notes:

Original. Data is the original numbers picked up by the data source; not changed with later reports.

Restated. Data from prior years are restated from what was originally reported to show the effect of significant events such as an acquisition or divestiture.

As Reported. Data is shown as the company shows on their financial statements.

Normalized. Company reported data might have been modified to remove the effect of pretax, non-recurring items. (Shown net of taxes.)

Standardized. Company reported data might have been assigned to more generic categories to remove the effect of differing accounting practices followed by companies, especially within the same industry. This often includes data that had been footnoted. Most often applied to income and expense items.

Basic. EPS calculated as simple Net Income Available to Common Shareholders divided by the weighted average number of common shares outstanding. Basic EPS replaces "Primary EPS", which included effects of some common stock equivalents. Primary EPS is shown prior to Dec. 15, 1997

Diluted. Diluted EPS: Calculated as net income available for common shareholders plus adjustments for Common Stock Equivalents and other potentially dilutive securities, divided by the weighted average of common shares plus the weighted average of Common Stock Equivalents and other potentially dilutive securities. Diluted EPS replaces Fully Diluted EPS prior to Dec. 15, 1997. They both represent the maximum dilution however they are calculated somewhat differently due to changes in definitions. Companies are no longer exempt from reporting dilution based on the "3% materiality" rule and must report all dilution.

****** Data may be imported electronically when converted by a utility program such as The SSG MAKER or The SSG Processor.