

Sources & Uses of Cash

Beginning Reference Point

April 15, 2017

Case Study 4 Project Calculation # e2d49fda-OK

Existing Company Purchases Target Company

Acquisition of ABC Corp

Includes Existing Company and Target Company
10 Year Horizon

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Accrual Net Income (Loss)	\$ 51,647,904	\$ 69,334,421	\$ 70,121,850	\$ 65,269,018	\$ 68,085,011	\$ 81,076,870	\$ 81,823,052	\$ 81,839,417	\$ 83,362,080	\$ 79,097,105
Addback-Source, (Deduct-Use of Cash):										
Accrual Interest Income	\$ (1,233,743)	(944,261)	(800,500)	(800,500)	(800,500)	(800,500)	(802,100)	(800,500)	(804,500)	(800,500)
Interest Income Received	\$ 1,233,743	944,261	800,500	800,500	800,500	800,500	802,100	800,500	804,500	800,500
Accrual Interest Expense	\$ 13,939,465	9,650,375	10,039,404	9,156,568	8,175,416	7,604,748	6,683,384	6,728,879	4,157,477	8,937,952
A/R Debt Interest Paid	\$ (292,746)	(805,373)	(16,683)	(1,164,272)	(1,217,498)	(1,314,692)	(1,298,120)	(1,294,104)	(1,293,132)	(1,292,896)
Inventory Debt Interest Paid	\$ (3,197,604)	(48,704)	(1,097,057)	(203,116)	-	(156,361)	(154,327)	(142,071)	(128,777)	(105,943)
Equip, Buildings, Real Estate Debt Interest Paid	\$ (435,376)	(467,977)	(423,958)	(351,013)	(314,585)	(401,060)	(282,619)	(229,155)	(174,996)	(121,727)
Sub Debt Regular Interest Paid	\$ (2,236,586)	(2,191,058)	(3,362,079)	(1,486,739)	(1,139,915)	(540,898)	(150,000)	(270,000)	(270,000)	(6,270,000)
Sub Debt PIK Interest Paid	\$ -	(105,000)	(705,000)	(1,800,030)	-	(2,296,772)	(2,296,772)	(2,296,772)	-	-
Seller Interest Paid	\$ 1,150,000	-	(3,800,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(1,000,000)	-
Seller Interest Paid-Performance/Earn Out Note	\$ -	-	-	-	-	-	-	-	-	-
Equity Interest Paid	\$ (1,369,500)	(229,506)	(292,500)	(274,500)	(274,500)	(274,500)	(270,000)	(270,000)	(270,000)	(135,054)
Other Interest Paid	\$ (2,750)	-	-	-	-	-	-	-	-	-
Other Transaction Debt Interest Paid	\$ (220,500)	35,000	(15,000)	(45,000)	(95,500)	(95,322)	(100,322)	(103,322)	(108,322)	(108,322)
Indiv Sched Debt Interest Paid	\$ (410,486)	(636,202)	(806,285)	(702,464)	(373,503)	(366,017)	(362,997)	(355,226)	(347,250)	(339,064)
Prepayment penalty paid (considered part of Int)	\$ -	-	-	-	-	-	-	-	-	-
Performance/Earn Out Accrued Expense	\$ 300,000	200,000	-	-	-	-	-	-	-	-
Non Cash (Gain) Loss on Sale of Assets	\$ 1,014,000	(4,000)	(2,005,000)	30,000	-	-	-	-	-	1,150,000
Accrued Income Tax estimate	\$ 35,001,112	48,262,822	47,418,372	45,470,224	47,397,129	56,442,652	56,962,632	56,974,513	58,035,101	56,369,643
Deferred Income Tax estimate	\$ 56,828	72,753	73,400	74,058	74,726	75,406	76,097	76,798	77,511	78,026
Total Estimated Taxes Paid	\$ -	(34,949,278)	(48,296,463)	(47,351,424)	(45,302,675)	(47,328,971)	(56,373,873)	(56,893,223)	(56,904,465)	(57,964,402)
Depreciation & Amortization	\$ 7,690,335	7,724,314	7,710,364	7,706,599	7,720,919	7,736,324	7,751,814	7,792,390	7,783,051	7,790,078
Change in Other Current Assets	\$ -	-	-	-	-	-	-	-	-	-
Principal Received on Notes Receivable	\$ 6,867,766	8,632,234	-	-	-	-	200,000	-	500,000	-
Change in A/R	\$ (4,762,053)	(15,712,172)	(24,963,035)	(5,504,916)	(2,714,855)	(4,957,553)	845,284	204,805	49,622	12,023
Change in Inventory	\$ 43,587,507	30,001,849	32,688,982	12,758,035	911,063	73,294	595,862	396,949	430,587	703,064
Change in A/P	\$ 6,293,513	(5,246,245)	(801,826)	951,275	424,526	(409,581)	22,790	2,893	(940)	(8,810)
Change in A/R, Inv Debt	\$ (43,215,386)	(38,583,548)	(5,410,335)	15,407,363	(2,997,817)	5,071,094	(372,117)	(325,421)	(285,345)	(461,397)
Change in Other Cur Debt	\$ (200,500)	-	-	-	-	-	-	-	-	-
Principal Paid/Draw on Other LT Debt	\$ (280,242)	(81,454)	(82,684)	(11,733,933)	(31,104)	100,000	-	-	-	-
Change in Equip, Buildings, Real Estate Debt	\$ (7,604,714)	(14,984,697)	(2,769,182)	(1,944,652)	(23,257)	(3,504,554)	(1,346,337)	(1,371,540)	(1,357,211)	(1,360,135)
Principal Paid on Sub Debt	\$ (6,813,050)	(3,564,827)	(3,845,056)	(6,611,108)	(2,908,471)	(3,257,487)	1,000,000	-	-	-
Principal Paid on Seller Debt and/or Performance Earn Out Note	\$ -	-	(700,000)	-	-	-	-	(25,000,000)	(10,000,000)	-
Principal Paid on Equity Debt	\$ -	1,000,010	-	-	-	-	-	-	(3,000,000)	-
Principal Pd on Other Transaction Debt	\$ -	-	100,000	10,000	(3,567)	100,000	-	100,000	-	(356,433)
Sub Debt Warrants Purchased Back	\$ -	-	(34,411,401)	(40,216,162)	(111,428,431)	-	-	-	-	-
(CapEx Purchases), Asset Sales	\$ (232,400)	(250,880)	(254,240)	(255,920)	(257,600)	(259,280)	(260,960)	(262,640)	(264,320)	(234,080)
Non-Expense Cash from AJE's	\$ 22,590,000	(685,005)	1,915,000	1,000,000	700,000	(300,000)	50,000	(500,000)	-	250,006
Non-Expense Cash Draws	\$ (144,000)	(239,000)	(164,000)	9,875,000	(222,000)	(114,000)	(123,000)	(12,000)	(12,000)	(24,000)
Increase (Decrease) in Cash	\$ 118,720,538	\$ 56,128,851	\$ 35,845,585	\$ 44,562,889	\$ (39,316,488)	\$ 89,203,340	\$ 89,119,471	\$ 61,291,171	\$ 78,978,671	\$ 85,605,633
Indicated in Cash Flow	118,720,538	56,128,851	35,845,585	44,562,889	(39,316,488)	89,203,340	89,119,471	61,291,171	78,978,671	85,605,633
Error Check s/b 0	-	-	-	-	-	-	-	-	-	-
Cumulative Cash Balance	\$ 123,995,538	\$ 180,124,389	\$ 215,969,975	\$ 260,532,864	\$ 221,216,376	\$ 310,419,716	\$ 399,539,187	\$ 460,830,358	\$ 539,809,029	\$ 625,414,662
Tie to Balance Sheet Cash	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK