

## Sources & Uses of Cash

Beginning Reference Point

May 01, 2017

Case Study 2 Project Calculation # 43247d8a-OK

Purchase Target Company

Acquisition of Mfg Company

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Accrual Net Income (Loss)</b>	\$ (184,305)	\$ 32,492	\$ 211,519	\$ 284,513	\$ 345,880	1,191,012	\$ 1,232,337	\$ 1,274,489	\$ 1,317,485	\$ 1,361,340
Addback-Source, (Deduct-Use of Cash):										
Accrual Interest Income	\$ -	-	-	-	-	-	-	-	-	-
Interest Income Received	\$ -	-	-	-	-	-	-	-	-	-
Accrual Interest Expense	\$ 1,715,000	1,636,965	1,553,492	1,463,528	1,367,156	2,358	2,358	2,358	2,358	2,358
A/R Debt Interest Paid	\$ -	-	-	-	-	-	-	-	-	-
Inventory Debt Interest Paid	\$ -	-	-	-	-	-	-	-	-	-
Equip, Buildings, Real Estate Debt Interest Paid	\$ -	-	-	-	-	-	-	-	-	-
Sub Debt Regular Interest Paid	\$ (960,000)	(960,000)	(960,000)	(960,000)	(960,000)	-	-	-	-	-
Sub Debt PIK Interest Paid	\$ -	-	-	-	-	-	-	-	-	-
Seller Interest Paid	\$ (350,000)	(271,170)	(186,822)	(96,570)	-	-	-	-	-	-
Seller Interest Paid-Performance/Earn Out Note	\$ -	-	-	-	-	-	-	-	-	(2,358)
Equity Interest Paid	\$ -	-	-	-	(2,025,000)	-	-	-	-	-
Other Interest Paid	\$ -	-	-	-	-	-	-	-	-	-
Other Transaction Debt Interest Paid	\$ -	-	-	-	-	-	-	-	-	-
Indiv Sched Debt Interest Paid	\$ -	-	-	-	-	-	-	-	-	-
Prepayment penalty paid (considered part of Int)	\$ -	-	-	-	-	-	-	-	-	-
Performance/Earn Out Accrued Expense	\$ -	-	-	-	-	-	-	-	-	-
Non Cash (Gain) Loss on Sale of Assets	\$ -	-	-	-	-	-	-	-	-	-
Accrued Income Tax estimate	\$ -	-	-	82,583	184,514	772,902	801,674	831,020	860,954	891,486
Deferred Income Tax estimate	\$ (150,795)	-	-	-	-	-	-	-	-	-
Total Estimated Taxes Paid	\$ -	-	-	-	(82,583)	(184,514)	(772,902)	(801,674)	(831,020)	(860,954)
Depreciation & Amortization	\$ 1,535,100	1,537,043	1,537,685	1,538,125	1,538,574	1,538,574	1,538,574	1,538,574	1,538,574	1,538,574
Change in Other Current Assets	\$ -	-	-	-	-	-	-	-	-	-
Principal Received on Notes Receivable	\$ -	-	-	-	-	-	-	-	-	-
Change in A/R	\$ -	-	-	-	-	-	-	-	-	-
Change in Inventory	\$ -	-	-	-	-	-	-	-	-	-
Change in A/P	\$ -	-	-	-	-	-	-	-	-	-
Change in A/R, Inv Debt	\$ -	-	-	-	-	-	-	-	-	-
Change in Other Cur Debt	\$ -	-	-	-	-	-	-	-	-	-
Principal Paid/Draw on Other LT Debt	\$ -	-	-	-	-	-	-	-	-	-
Change in Equip, Buildings, Real Estate Debt	\$ -	-	-	-	-	-	-	-	-	-
Principal Paid on Sub Debt	\$ -	-	-	-	(8,000,000)	-	-	-	-	-
Principal Paid on Seller Debt and/or Performance Earn Out Note	\$ (1,126,141)	(1,204,970)	(1,289,318)	(1,379,571)	(0)	-	-	-	-	2,358
Principal Paid on Equity Debt	\$ -	-	-	-	(6,750,000)	-	-	-	-	-
Principal Pd on Other Transaction Debt	\$ -	-	-	-	-	-	-	-	-	-
Sub Debt Warrants Purchased Back	\$ -	-	-	-	-	-	-	-	-	-
(CapEx Purchases), Asset Sales	\$ -	-	-	-	-	-	-	-	-	-
Non-Expense Cash from AJE's	\$ -	-	-	-	-	-	-	-	-	-
Non-Expense Cash Draws	\$ -	-	-	-	-	-	-	-	-	-
<b>Increase (Decrease) in Cash</b>	\$ 478,859	\$ 770,359	\$ 866,554	\$ 932,608	\$ (14,381,459)	3,320,333	\$ 2,802,041	\$ 2,844,769	\$ 2,888,351	\$ 2,932,805
Indicated in Cash Flow	478,859	770,359	866,554	932,608	(14,381,459)	3,320,333	2,802,041	2,844,769	2,888,351	2,932,805
Error Check s/b 0	-	-	-	-	-	-	-	-	-	-
<b>Cumulative Cash Balance</b>	\$ 1,478,859	\$ 2,249,219	\$ 3,115,773	\$ 4,048,382	\$ (10,333,078)	\$ (7,012,745)	\$ (4,210,704)	\$ (1,365,935)	\$ 1,522,416	\$ 4,455,220
Tie to Balance Sheet Cash	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK