

# Accrual Balance Sheet Projection

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

	Beginning Balance	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Assets</b>											
Cash	\$ 5,275,000	\$ 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
A/R	\$ 8,443,685	\$ 13,205,737	\$ 28,917,909	\$ 53,880,944	\$ 59,385,860	\$ 62,100,715	\$ 67,058,268	\$ 66,212,984	\$ 66,008,179	\$ 65,958,557	\$ 65,946,534
Inventory	\$ 125,615,034	\$ 82,027,527	\$ 52,025,679	\$ 19,336,697	\$ 6,578,662	\$ 5,667,598	\$ 5,594,305	\$ 4,998,443	\$ 4,601,494	\$ 4,170,907	\$ 3,467,843
Interest Income Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Assets	\$ 245,700	\$ 245,700	\$ 245,700	\$ 245,700	\$ 245,700	\$ 245,700	\$ 245,700	\$ 245,700	\$ 245,700	\$ 245,700	\$ 245,700
<b>Total Current Assets</b>	<b>\$ 139,579,419</b>	<b>\$ 219,474,502</b>	<b>\$ 261,313,677</b>	<b>\$ 289,433,316</b>	<b>\$ 326,743,086</b>	<b>\$ 289,230,389</b>	<b>\$ 383,317,988</b>	<b>\$ 470,996,314</b>	<b>\$ 531,685,731</b>	<b>\$ 610,184,193</b>	<b>\$ 695,074,738</b>
Securities/Notes Receivable	\$ 34,205,000	\$ 28,637,234	\$ 20,005,000	\$ 20,005,000	\$ 20,005,000	\$ 20,005,000	\$ 20,005,000	\$ 20,005,000	\$ 20,005,000	\$ 20,005,000	\$ 20,005,000
Equipment	\$ 10,015,000	\$ 10,110,200	\$ 11,231,325	\$ 11,354,885	\$ 11,444,165	\$ 11,564,165	\$ 11,684,885	\$ 11,806,325	\$ 11,928,485	\$ 12,051,365	\$ 11,011,285
Less Accumulated Depreciation	\$ -	\$ (254,885)	\$ (526,798)	\$ (775,825)	\$ (1,013,008)	\$ (1,256,391)	\$ (1,507,017)	\$ (1,764,930)	\$ (2,055,173)	\$ (2,327,788)	\$ (2,616,998)
Buildings & Improvements	\$ 39,940,000	\$ 38,991,000	\$ 39,045,960	\$ 41,101,640	\$ 41,157,680	\$ 41,214,080	\$ 41,270,840	\$ 41,327,960	\$ 41,385,440	\$ 41,443,280	\$ 41,494,640
Less Accumulated Depreciation	\$ -	\$ (317,550)	\$ (648,848)	\$ (984,930)	\$ (1,324,814)	\$ (1,668,518)	\$ (2,016,060)	\$ (2,367,458)	\$ (2,722,730)	\$ (3,081,894)	\$ (3,425,626)
Real Estate Assets	\$ 57,070,000	\$ 57,101,800	\$ 57,137,560	\$ 57,174,040	\$ 57,210,880	\$ 57,248,080	\$ 57,285,640	\$ 57,323,560	\$ 57,361,840	\$ 57,400,480	\$ 57,432,640
Other Long Term Assets	\$ 654,100	\$ 694,500	\$ 737,540	\$ 781,060	\$ 824,820	\$ 868,820	\$ 913,060	\$ 957,540	\$ 1,002,260	\$ 1,047,220	\$ 1,087,860
Less Accumulated Depreciation	\$ -	\$ (54,440)	\$ (113,184)	\$ (176,280)	\$ (243,752)	\$ (315,624)	\$ (391,920)	\$ (472,664)	\$ (557,880)	\$ (647,592)	\$ (741,368)
Amortized Assets (net of Accumulated Amortization)	\$ 71,563,694	\$ 64,500,235	\$ 57,422,875	\$ 50,370,716	\$ 43,308,656	\$ 36,246,697	\$ 29,184,838	\$ 22,123,078	\$ 15,061,419	\$ 7,999,859	\$ 936,500
<b>Total Assets (Current and Long Term)</b>	<b>\$ 353,027,213</b>	<b>\$ 418,882,596</b>	<b>\$ 445,605,107</b>	<b>\$ 468,283,622</b>	<b>\$ 498,112,713</b>	<b>\$ 453,136,698</b>	<b>\$ 539,947,253</b>	<b>\$ 619,934,725</b>	<b>\$ 673,594,392</b>	<b>\$ 744,074,123</b>	<b>\$ 820,258,671</b>
<b>Liabilities</b>											
Accounts Payable	\$ 305,590	\$ 6,599,103	\$ 1,352,858	\$ 551,031	\$ 1,502,306	\$ 1,926,832	\$ 1,517,250	\$ 1,540,040	\$ 1,542,933	\$ 1,541,993	\$ 1,533,183
A/R Debt	\$ 17,141,107	\$ 5,282,295	\$ 17,350,745	\$ -	\$ 23,285,449	\$ 24,349,956	\$ 26,293,833	\$ 25,962,394	\$ 25,882,089	\$ 25,862,632	\$ 25,857,917
Inventory Debt	\$ 82,008,572	\$ 50,651,998	\$ -	\$ 11,940,410	\$ 4,062,324	\$ -	\$ 3,127,216	\$ 3,086,538	\$ 2,841,422	\$ 2,575,535	\$ 2,118,852
Income Taxes Due	\$ -	\$ 35,001,112	\$ 48,314,656	\$ 47,536,565	\$ 45,555,365	\$ 47,649,820	\$ 56,763,501	\$ 57,352,259	\$ 57,433,550	\$ 58,564,186	\$ 56,969,427
Other Current Debt	\$ 200,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Debt-Non Interest Bearing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest-Other	\$ 2,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest-Individually Scheduled Debt	\$ -	\$ 16,667	\$ 400,000	\$ 400,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Accrued Interest-Other Transaction Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest-Sub Debt	\$ -	\$ 4,360,000	\$ 6,610,227	\$ 6,331,068	\$ 5,994,501	\$ 6,794,416	\$ 4,948,543	\$ 2,711,772	\$ 475,000	\$ 535,000	\$ 595,000
Accrued Interest-Seller Debt	\$ -	\$ 3,700,000	\$ 6,268,000	\$ 6,098,000	\$ 6,214,000	\$ 6,674,000	\$ 7,179,000	\$ 7,684,000	\$ 8,189,000	\$ 8,694,000	\$ 9,199,000
Accrued Interest-Equity Debt	\$ -	\$ (1,150,000)	\$ (1,150,006)	\$ (1,180,006)	\$ (1,180,006)	\$ (1,180,006)	\$ (1,180,006)	\$ (1,180,006)	\$ (1,180,006)	\$ (1,180,006)	\$ (1,180,006)
Current Portion of Long Term Debt	\$ 14,698,006	\$ 18,627,698	\$ 6,693,882	\$ 20,639,593	\$ 5,462,832	\$ 6,761,042	\$ 1,346,337	\$ 36,371,540	\$ 11,357,211	\$ 1,736,568	\$ 484,191
<b>Total Current Liabilities</b>	<b>\$ 114,356,525</b>	<b>\$ 123,088,872</b>	<b>\$ 85,840,362</b>	<b>\$ 92,316,661</b>	<b>\$ 91,146,772</b>	<b>\$ 93,226,059</b>	<b>\$ 100,245,675</b>	<b>\$ 133,778,537</b>	<b>\$ 106,791,199</b>	<b>\$ 98,579,907</b>	<b>\$ 95,827,510</b>
Other Transaction Debt	\$ 375,000	\$ 265,000	\$ 265,000	\$ 865,000	\$ 1,875,000	\$ 1,871,433	\$ 1,971,433	\$ 2,021,433	\$ 2,121,433	\$ 2,121,433	\$ 1,765,000
Machinery & Equipment Debt	\$ 9,073,938	\$ 15,648,262	\$ 6,216,650	\$ 5,678,946	\$ 5,106,289	\$ 6,527,457	\$ 5,542,223	\$ 4,550,390	\$ 3,551,886	\$ 2,546,404	\$ 1,533,899
Building & Improvement Debt	\$ 4,771,152	\$ 2,581,370	\$ 2,701,594	\$ 3,611,226	\$ 4,039,128	\$ 4,471,007	\$ 4,129,906	\$ 3,792,216	\$ 3,437,028	\$ 3,104,244	\$ 2,876,723
Real Estate Debt	\$ 14,849,801	\$ 16,860,544	\$ 11,487,236	\$ 9,771,125	\$ 7,971,229	\$ 6,794,926	\$ 4,616,705	\$ 4,599,891	\$ 4,582,044	\$ 4,563,099	\$ 4,542,991
Subordinated Debt	\$ 30,000,000	\$ 23,186,950	\$ 19,622,123	\$ 15,777,066	\$ 9,165,958	\$ 6,257,487	\$ 3,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Accrued Warrants	\$ -	\$ 268,141,542	\$ 170,584,606	\$ 100,823,436	\$ 117,428,431	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
Seller Debt-Initial Purchase Debt	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 39,300,000	\$ 39,300,000	\$ 39,300,000	\$ 39,300,000	\$ 39,300,000	\$ 39,300,000	\$ 4,300,000	\$ 4,300,000
Performance Earn Out Debt	\$ -	\$ 300,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Equity Debt	\$ 5,100,000	\$ 5,100,000	\$ 6,100,010	\$ 6,100,010	\$ 6,100,010	\$ 6,100,010	\$ 6,000,010	\$ 6,000,010	\$ 6,000,010	\$ 3,000,010	\$ 3,150,010
Other Long Term Debt	\$ 2,300,000	\$ 12,019,758	\$ 11,938,304	\$ 11,855,620	\$ 121,688	\$ 90,584	\$ 190,584	\$ 190,584	\$ 190,584	\$ 190,584	\$ 190,584
Other Long Term Liabilities	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000
Less Current Portion of Long Term Debt	\$ (14,698,006)	\$ (18,627,698)	\$ (6,693,882)	\$ (20,639,593)	\$ (5,462,832)	\$ (6,761,042)	\$ (1,346,337)	\$ (36,371,540)	\$ (11,357,211)	\$ (1,736,568)	\$ (484,191)
Deferred Tax Liability (Asset)	\$ 9,759,891	\$ 9,816,719	\$ 9,889,472	\$ 9,862,872	\$ 10,036,930	\$ 10,111,656	\$ 10,187,062	\$ 10,263,158	\$ 10,339,957	\$ 10,417,468	\$ 10,495,494
<b>Total Liabilities (Current &amp; Long Term)</b>	<b>\$ 216,198,300</b>	<b>\$ 498,691,320</b>	<b>\$ 358,761,475</b>	<b>\$ 276,132,371</b>	<b>\$ 287,638,601</b>	<b>\$ 174,799,576</b>	<b>\$ 180,647,261</b>	<b>\$ 178,934,680</b>	<b>\$ 150,766,929</b>	<b>\$ 137,896,581</b>	<b>\$ 135,008,024</b>
<b>Equity</b>											
Beginning Equity (Deficit)	\$ 83,863,354	\$ 136,828,913	\$ (79,808,724)	\$ 86,843,632	\$ 192,151,251	\$ 210,474,112	\$ 278,337,123	\$ 359,299,993	\$ 441,000,045	\$ 522,827,462	\$ 606,177,542
Cash Contributed (Distributed)	\$ 50,884,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Equity Required	\$ 2,080,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity Adjustment, (Draw) Contribution	\$ -	\$ (144,000)	\$ (239,000)	\$ (164,000)	\$ 9,875,000	\$ (222,000)	\$ (114,000)	\$ (123,000)	\$ (12,000)	\$ (12,000)	\$ (24,000)
Asset Value Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(See Beginning Balance Equity Detail)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Warrants (Increase), Decrease	\$ -	\$ (268,141,542)	\$ 97,556,936	\$ 35,349,769	\$ (56,821,157)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Annual Earnings-Profit, (Loss)</b>	<b>\$ -</b>	<b>\$ 51,647,904</b>	<b>\$ 69,334,421</b>	<b>\$ 70,121,850</b>	<b>\$ 65,269,018</b>	<b>\$ 68,085,011</b>	<b>\$ 81,076,870</b>	<b>\$ 81,823,052</b>	<b>\$ 81,839,417</b>	<b>\$ 83,362,080</b>	<b>\$ 79,097,105</b>
<b>Accumulated Retained Earnings-Profit, (Loss)</b>	<b>\$ -</b>	<b>\$ 51,647,904</b>	<b>\$ 120,982,325</b>	<b>\$ 191,104,175</b>	<b>\$ 256,373,193</b>	<b>\$ 324,458,203</b>	<b>\$ 405,535,073</b>	<b>\$ 487,358,126</b>	<b>\$ 569,197,543</b>	<b>\$ 652,559,622</b>	<b>\$ 731,656,727</b>
<b>Ending Equity (Deficit)</b>	<b>\$ 136,828,913</b>	<b>\$ (79,808,724)</b>	<b>\$ 86,843,632</b>	<b>\$ 192,151,251</b>	<b>\$ 210,474,112</b>	<b>\$ 278,337,123</b>	<b>\$ 359,299,993</b>	<b>\$ 441,000,045</b>	<b>\$ 522,827,462</b>	<b>\$ 606,177,542</b>	<b>\$ 685,250,647</b>
Assets less Liab & Equity s/b = 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Working Capital	\$ 25,222,894	\$ 96,385,630	\$ 175,473,315	\$ 197,116,654	\$ 235,596,314	\$ 196,004,330	\$ 283,072,314	\$ 337,217,777	\$ 424,894,532	\$ 511,604,285	\$ 599,247,229
Current Ratio	1.22	1.78	3.04	3.14	3.58	3.10	3.82	3.52	4.98	6.19	7.25
Debt to Equity Ratio	1.58	(6.25)	4.13	1.44	1.37	0.63	0.50	0.41	0.29	0.23	0.20