

Start-Up Expenses Year I (Starting Balance Sheet)

Prepared By:
Sam Miller

Company Name:
Aviation Flight Academy-Pensacola

| Fixed Assets | Amount | Depreciation (years) | Notes |
|--------------------------------|----------------------|----------------------|------------------|
| Real Estate-Land | - | Not Depreciated | |
| Real Estate-Buildings | 22,000,000 | 20 | |
| Leasehold Improvements | 1,400,000 | 7 | |
| Equipment | 1,250,000 | 7 | |
| Furniture and Fixtures | 300,000 | 5 | |
| Vehicles | 300,000 | 5 | |
| Other | 1,250,000 | 5 | Aircraft Repairs |
| Total Fixed Assets | \$ 26,500,000 | | |
| Operating Capital | Amount | Notes | |
| Pre-Opening Salaries and Wages | 3,000,000 | | |
| Prepaid Insurance Premiums | 745,000 | | |
| Inventory | 40,000 | | |
| Legal and Accounting Fees | 30,000 | | |
| Rent Deposits | 10,000 | | |
| Utility Deposits | 25,000 | | |
| Supplies | 150,000 | | |
| Advertising and Promotions | 150,000 | | |
| Licenses | | | |
| Other Initial Start-Up Costs | - | | |
| Working Capital (Cash On Hand) | 350,000 | | |
| Total Operating Capital | \$ 4,500,000 | | |
| Total Required Funds | \$ 31,000,000 | | |

| Sources of Funding | Percentage | Totals | Loan Rate | Term in Months | Monthly Payments | Notes |
|---------------------------------|------------|----------------------|--|----------------|------------------|------------------|
| Owner's Equity | 0.00% | | | | | Stocks Exchanged |
| Outside Investors | 100.00% | 31,000,000 | 9.00% | 60 | 643,509 | |
| Additional Loans or Debt | | | | | | |
| Commercial Loan | 0.00% | - | 9.00% | 84 | - | |
| Commercial Mortgage | 0.00% | - | 9.00% | 240 | - | |
| Credit Card Debt | 0.00% | - | 7.00% | 60 | - | |
| Vehicle Loans | 0.00% | - | 6.00% | 48 | - | |
| Other Bank Debt | 0.00% | - | 5.00% | 36 | - | |
| Total Sources of Funding | 100.00% | \$ 31,000,000 | Cell D 42 must equal cell C31 | | \$ - | |
| Total Funding Needed | | \$ - | You are fully funded (Balanced) | | | |

| Existing Businesses ONLY -- Calculating Cash on Hand | |
|--|-------------------|
| Cash | - |
| + Accounts Receivable | 1,167,517 |
| + Prepaid Expenses | - |
| - Accounts Payable | - |
| - Accrued Expenses | 294,165 |
| Total Cash on Hand | \$ 873,352 |

Payroll Year I

Prepared By: Company Name:
 Sam Miller Aviation Flight Academy-Pensacola

| Employee Types | Number of Owners /Employees | Average Hourly Pay (to 2 decimal places, ex. \$15.23) | Estimated Hrs./Week (per person) | Estimated Pay/Month (Total) | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Annual Totals |
|--|-----------------------------|---|--|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Owner(s) | 4 | 240.00 | 40 | \$ 166,400 | 166,400 | 166,400 | 166,400 | 166,400 | 166,400 | 166,400 | 166,400 | 166,400 | 166,400 | 166,400 | 166,400 | 166,400 | \$ 1,996,800 |
| Full-Time Employees | 48 | 40.00 | 40 | \$ 332,800 | 332,800 | 332,800 | 332,800 | 332,800 | 332,800 | 332,800 | 332,800 | 332,800 | 332,800 | 332,800 | 332,800 | 332,800 | \$ 3,993,600 |
| Part-Time Employees | 14 | 25.00 | 30 | \$ 45,500 | 45,500 | 45,500 | 45,500 | 45,500 | 45,500 | 45,500 | 45,500 | 45,500 | 45,500 | 45,500 | 45,500 | 45,500 | \$ 546,000 |
| Executive Management | 8 | 65.00 | 40 | \$ 90,133 | 90,133 | 90,133 | 90,133 | 90,133 | 90,133 | 90,133 | 90,133 | 90,133 | 90,133 | 90,133 | 90,133 | 90,133 | \$ 1,081,600 |
| Total Salaries and Wages | 74 | \$ 370.00 | 150 | \$ 634,833 | \$ 634,833 | \$ 634,833 | \$ 634,833 | \$ 634,833 | \$ 634,833 | \$ 634,833 | \$ 634,833 | \$ 634,833 | \$ 634,833 | \$ 634,833 | \$ 634,833 | \$ 634,833 | \$ 7,618,000 |
| | | | | | | | | | | | | | | | | | |
| Payroll Taxes and Benefits | Wage Base Limit | Percentage of Salary/Wage | Estimated Taxes & Benefits/Month (Total) | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Annual Totals | |
| Social Security | \$ 117,000 | 6.20% | \$ 33,771 | 33,771 | 33,771 | 33,771 | 33,771 | 33,771 | 33,771 | 33,771 | 33,771 | 33,771 | 33,771 | 33,771 | 33,771 | \$ 405,257 | |
| Medicare | -- | 6.00% | \$ 32,682 | 32,682 | 32,682 | 32,682 | 32,682 | 32,682 | 32,682 | 32,682 | 32,682 | 32,682 | 32,682 | 32,682 | 32,682 | \$ 392,184 | |
| Federal Unemployment Tax (FUTA) | \$ 7,000 | 6.00% | \$ 2,590 | 2,590 | 2,590 | 2,590 | 2,590 | 2,590 | 2,590 | 2,590 | 2,590 | 2,590 | 2,590 | 2,590 | 2,590 | \$ 31,080 | |
| State Unemployment Tax (SUTA) | \$ 7,000 | 5.40% | \$ 2,331 | 2,331 | 2,331 | 2,331 | 2,331 | 2,331 | 2,331 | 2,331 | 2,331 | 2,331 | 2,331 | 2,331 | 2,331 | \$ 27,972 | |
| Employee Pension Programs | -- | 1.50% | \$ 8,171 | 8,171 | 8,171 | 8,171 | 8,171 | 8,171 | 8,171 | 8,171 | 8,171 | 8,171 | 8,171 | 8,171 | 8,171 | \$ 98,046 | |
| Worker's Compensation | -- | 3.50% | \$ 19,065 | 19,065 | 19,065 | 19,065 | 19,065 | 19,065 | 19,065 | 19,065 | 19,065 | 19,065 | 19,065 | 19,065 | 19,065 | \$ 228,774 | |
| Employee Health Insurance | -- | 10.45% | \$ 56,921 | 56,921 | 56,921 | 56,921 | 56,921 | 56,921 | 56,921 | 56,921 | 56,921 | 56,921 | 56,921 | 56,921 | 56,921 | \$ 683,054 | |
| Other Employee Benefit Programs | -- | 0.00% | \$ - | - | - | - | - | - | - | - | - | - | - | - | - | \$ - | |
| Total Payroll Taxes and Benefits | | 39.05% | \$ 155,531 | \$ 155,531 | \$ 155,531 | \$ 155,531 | \$ 155,531 | \$ 155,531 | \$ 155,531 | \$ 155,531 | \$ 155,531 | \$ 155,531 | \$ 155,531 | \$ 155,531 | \$ 155,531 | \$ 1,866,367 | |
| | | | | | | | | | | | | | | | | | |
| Total Salaries and Related Expenses | | | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 9,484,367 | |

Payroll Years 1-3

Prepared By:

Sam Miller

Company Name:

Aviation Flight Academy-Pensacola

| Employee Types | Year 1 Totals | Growth Rate 1 to 2 | Second Year | Growth Rate 2 to 3 | Third Year |
|--|---------------------|--------------------|---------------------|--------------------|---------------------|
| Owner(s) | 1,996,800 | 2.2% | 2,040,730 | 2.2% | 2,085,626 |
| Full-Time Employees | 3,993,600 | 2.2% | 4,081,459 | 2.2% | 4,171,251 |
| Part-Time Employees | 546,000 | 2.2% | 558,012 | 2.2% | 570,288 |
| Independent Contractors | 1,081,600 | 2.2% | 1,105,395 | 2.2% | 1,129,714 |
| Total Salaries and Wages | \$ 7,618,000 | | \$ 7,785,596 | | \$ 7,956,879 |
| Payroll Taxes and Benefits | | | | | |
| Social Security | 405,257 | 2.2% | 414,172 | 2.2% | 423,284 |
| Medicare | 392,184 | 2.2% | 400,812 | 2.2% | 409,630 |
| Federal Unemployment Tax (FUTA) | 31,080 | 2.2% | 31,764 | 2.2% | 32,463 |
| State Unemployment Tax (SUTA) | 27,972 | 2.2% | 28,587 | 2.2% | 29,216 |
| Employee Pension Programs | 98,046 | 0.0% | 98,046 | 0.0% | 98,046 |
| Worker's Compensation | 228,774 | 2.2% | 233,807 | 2.2% | 238,951 |
| Employee Health Insurance | 683,054 | 2.2% | 698,081 | 2.2% | 713,439 |
| Other Employee Benefit Programs | - | 10.0% | - | 10.0% | - |
| Total Payroll Taxes and Benefits | \$ 1,866,367 | | \$ 1,905,270 | | \$ 1,945,029 |
| Total Salaries and Related Expenses | \$ 9,484,367 | | \$ 9,690,866 | | \$ 9,901,908 |

Sales Forecast Year I

Prepared By: **Company Name:**
 Sam Miller Aviation Flight Academy-Pensacola

| Complete This Chart First: | | | | |
|------------------------------|-------|----------------------|---------------|-----------------|
| Product Lines | Units | Sales Price Per Unit | COGS Per Unit | Margin Per Unit |
| Training Private Pilot | 45 | \$ 9,390.00 | \$ 2,925.00 | \$ 6,465.00 |
| Training Commercial | 45 | \$ 5,000.00 | \$ 2,925.00 | \$ 2,075.00 |
| Training PIC/SIC | 1 | \$ 30,000.00 | \$ 3,200.00 | \$ 26,800.00 |
| Training Transition Military | 1 | \$ 20,000.00 | \$ 3,200.00 | \$ 16,800.00 |
| ATP/ATPL-EU | 20 | \$ 75,500.00 | \$ 36,500.00 | \$ 39,000.00 |
| VA & Military Training | 1 | \$ 58,000.00 | \$ 36,500.00 | \$ 21,500.00 |

| Product Lines | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Annual Totals | Category Breakdown | Category / Total |
|-------------------------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------|--------------------|------------------|
| Training Private Pilot | | | | | | | | | | | | | | | |
| 45 Sold | 200 | 200 | 250 | 260 | 270 | 280 | 290 | 290 | 290 | 290 | 290 | 290 | 3,200 | | 54.4% |
| Total Sales | 1,878,000 | 1,878,000 | 2,347,500 | 2,441,400 | 2,535,300 | 2,629,200 | 2,723,100 | 2,723,100 | 2,723,100 | 2,723,100 | 2,723,100 | 2,723,100 | \$ 30,048,000 | 100.0% | 23.8% |
| Total COGS | 585,000 | 585,000 | 731,250 | 760,500 | 789,750 | 819,000 | 848,250 | 848,250 | 848,250 | 848,250 | 848,250 | 848,250 | \$ 9,360,000 | 31.2% | 17.6% |
| Total Margin | 1,293,000 | 1,293,000 | 1,616,250 | 1,680,900 | 1,745,550 | 1,810,200 | 1,874,850 | 1,874,850 | 1,874,850 | 1,874,850 | 1,874,850 | 1,874,850 | \$ 20,688,000 | 68.8% | 28.3% |
| Training Commercial | | | | | | | | | | | | | | | |
| 45 Sold | 10 | 15 | 50 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 660 | | 11.2% |
| Total Sales | 50,000 | 75,000 | 250,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | \$ 3,300,000 | 100.0% | 2.6% |
| Total COGS | 29,250 | 43,875 | 146,250 | 190,125 | 190,125 | 190,125 | 190,125 | 190,125 | 190,125 | 190,125 | 190,125 | 190,125 | \$ 1,930,500 | 58.5% | 3.6% |
| Margin | 20,750 | 31,125 | 103,750 | 134,875 | 134,875 | 134,875 | 134,875 | 134,875 | 134,875 | 134,875 | 134,875 | 134,875 | \$ 1,369,500 | 41.5% | 1.9% |
| Training PIC/SIC | | | | | | | | | | | | | | | |
| 1 Sold | 10 | 10 | 20 | 20 | 20 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 360 | | 6.1% |
| Total Sales | 300,000 | 300,000 | 600,000 | 600,000 | 600,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | \$ 10,800,000 | 100.0% | 8.6% |
| Total COGS | 32,000 | 32,000 | 64,000 | 64,000 | 64,000 | 128,000 | 128,000 | 128,000 | 128,000 | 128,000 | 128,000 | 128,000 | \$ 1,152,000 | 10.7% | 2.2% |
| Margin | 268,000 | 268,000 | 536,000 | 536,000 | 536,000 | 1,072,000 | 1,072,000 | 1,072,000 | 1,072,000 | 1,072,000 | 1,072,000 | 1,072,000 | \$ 9,648,000 | 89.3% | 13.2% |
| Training Transition Military | | | | | | | | | | | | | | | |
| 1 Sold | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 600 | | 10.2% |
| Total Sales | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | \$ 12,000,000 | 100.0% | 9.5% |
| Total COGS | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | \$ 1,920,000 | 16.0% | 3.6% |
| Margin | 840,000 | 840,000 | 840,000 | 840,000 | 840,000 | 840,000 | 840,000 | 840,000 | 840,000 | 840,000 | 840,000 | 840,000 | \$ 10,080,000 | 84.0% | 13.8% |
| ATP/ATPL-EU | | | | | | | | | | | | | | | |
| 20 Sold | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 480 | | 8.2% |
| Total Sales | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | \$ 36,240,000 | 100.0% | 28.7% |
| Total COGS | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | \$ 17,520,000 | 48.3% | 32.9% |
| Margin | 1,560,000 | 1,560,000 | 1,560,000 | 1,560,000 | 1,560,000 | 1,560,000 | 1,560,000 | 1,560,000 | 1,560,000 | 1,560,000 | 1,560,000 | 1,560,000 | \$ 18,720,000 | 51.7% | 25.6% |
| VA & Military Training | | | | | | | | | | | | | | | |
| 1 Sold | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 50 | 50 | 50 | 50 | 584 | | 9.9% |
| Total Sales | 2,784,000 | 2,784,000 | 2,784,000 | 2,784,000 | 2,784,000 | 2,784,000 | 2,784,000 | 2,784,000 | 2,900,000 | 2,900,000 | 2,900,000 | 2,900,000 | \$ 33,872,000 | 100.0% | 26.8% |
| Total COGS | 1,752,000 | 1,752,000 | 1,752,000 | 1,752,000 | 1,752,000 | 1,752,000 | 1,752,000 | 1,752,000 | 1,825,000 | 1,825,000 | 1,825,000 | 1,825,000 | \$ 21,316,000 | 62.9% | 40.1% |
| Margin | 1,032,000 | 1,032,000 | 1,032,000 | 1,032,000 | 1,032,000 | 1,032,000 | 1,032,000 | 1,032,000 | 1,075,000 | 1,075,000 | 1,075,000 | 1,075,000 | \$ 12,556,000 | 37.1% | 17.2% |
| Total Units Sold | 358 | 363 | 458 | 483 | 493 | 523 | 533 | 533 | 535 | 535 | 535 | 535 | 5,884 | | |
| Total Sales \$ | 9,032,000 | 9,057,000 | 10,001,500 | 10,170,400 | 10,264,300 | 10,958,200 | 11,052,100 | 11,052,100 | 11,168,100 | 11,168,100 | 11,168,100 | 11,168,100 | \$ 126,260,000 | | |
| Total Cost of Goods Sold \$ | 4,018,250 | 4,032,875 | 4,313,500 | 4,386,625 | 4,415,875 | 4,509,125 | 4,538,375 | 4,538,375 | 4,611,375 | 4,611,375 | 4,611,375 | 4,611,375 | \$ 53,198,500 | | |
| Total Margin \$ | 5,013,750 | 5,024,125 | 5,688,000 | 5,783,775 | 5,848,425 | 6,449,075 | 6,513,725 | 6,513,725 | 6,556,725 | 6,556,725 | 6,556,725 | 6,556,725 | \$ 73,061,500 | | |

Sales Forecast Years 1-3

Prepared by: **Company Name:**
 Sam Miller Aviation Flight Academy-Pensacola

Growth Rate Year 1 to Year 2: 10.00%
 Growth Rate Year 2 to Year 3: 10.00%

| Product Lines | Year 1 Totals | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Year 2 Totals | Category Breakdown | Category / Total |
|-------------------------------------|--------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|--------------------|------------------|
| Training Private Pilot | | | | | | | | | | | | | | | | |
| 45 Sold | 3200 | 220 | 220 | 275 | 286 | 297 | 308 | 319 | 319 | 319 | 319 | 319 | 319 | 3,520 | | 54.4% |
| Total Sales \$ | 30,048,000 | 2,065,800 | 2,065,800 | 2,582,250 | 2,685,540 | 2,788,830 | 2,892,120 | 2,995,410 | 2,995,410 | 2,995,410 | 2,995,410 | 2,995,410 | 2,995,410 | \$ 33,052,800 | 100.0% | 23.8% |
| Total COGS \$ | 9,360,000 | 643,500 | 643,500 | 804,375 | 836,550 | 868,725 | 900,900 | 933,075 | 933,075 | 933,075 | 933,075 | 933,075 | 933,075 | \$ 10,296,000 | 31.2% | 17.6% |
| Total Margin \$ | 20,688,000 | 1,422,300 | 1,422,300 | 1,777,875 | 1,848,990 | 1,920,105 | 1,991,220 | 2,062,335 | 2,062,335 | 2,062,335 | 2,062,335 | 2,062,335 | 2,062,335 | \$ 22,756,800 | 68.8% | 28.3% |
| Training Commercial | | | | | | | | | | | | | | | | |
| 45 Sold | 660 | 11 | 17 | 55 | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 726 | | 11.2% |
| Total Sales \$ | 3,300,000 | 55,000 | 82,500 | 275,000 | 357,500 | 357,500 | 357,500 | 357,500 | 357,500 | 357,500 | 357,500 | 357,500 | 357,500 | \$ 3,630,000 | 100.0% | 2.6% |
| Total COGS \$ | 1,930,500 | 32,175 | 48,263 | 160,875 | 209,138 | 209,138 | 209,138 | 209,138 | 209,138 | 209,138 | 209,138 | 209,138 | 209,138 | \$ 2,123,550 | 58.5% | 3.6% |
| Margin \$ | 1,369,500 | 22,825 | 34,238 | 114,125 | 148,363 | 148,363 | 148,363 | 148,363 | 148,363 | 148,363 | 148,363 | 148,363 | 148,363 | \$ 1,506,450 | 41.5% | 1.9% |
| Training PIC/SIC | | | | | | | | | | | | | | | | |
| 1 Sold | 360 | 11 | 11 | 22 | 22 | 22 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 396 | | 6.1% |
| Total Sales \$ | 10,800,000 | 330,000 | 330,000 | 660,000 | 660,000 | 660,000 | 1,320,000 | 1,320,000 | 1,320,000 | 1,320,000 | 1,320,000 | 1,320,000 | 1,320,000 | \$ 11,880,000 | 100.0% | 8.6% |
| Total COGS \$ | 1,152,000 | 35,200 | 35,200 | 70,400 | 70,400 | 70,400 | 140,800 | 140,800 | 140,800 | 140,800 | 140,800 | 140,800 | 140,800 | \$ 1,267,200 | 10.7% | 2.2% |
| Margin \$ | 9,648,000 | 294,800 | 294,800 | 589,600 | 589,600 | 589,600 | 1,179,200 | 1,179,200 | 1,179,200 | 1,179,200 | 1,179,200 | 1,179,200 | 1,179,200 | \$ 10,612,800 | 89.3% | 13.2% |
| Training Transition Military | | | | | | | | | | | | | | | | |
| 1 Sold | 600 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 660 | | 10.2% |
| Total Sales \$ | 12,000,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | \$ 13,200,000 | 100.0% | 9.5% |
| Total COGS \$ | 1,920,000 | 176,000 | 176,000 | 176,000 | 176,000 | 176,000 | 176,000 | 176,000 | 176,000 | 176,000 | 176,000 | 176,000 | 176,000 | \$ 2,112,000 | 16.0% | 3.6% |
| Margin \$ | 10,080,000 | 924,000 | 924,000 | 924,000 | 924,000 | 924,000 | 924,000 | 924,000 | 924,000 | 924,000 | 924,000 | 924,000 | 924,000 | \$ 11,088,000 | 84.0% | 13.8% |
| ATP/IATPL-EU | | | | | | | | | | | | | | | | |
| 20 Sold | 480 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 528 | | 8.2% |
| Total Sales \$ | 36,240,000 | 3,322,000 | 3,322,000 | 3,322,000 | 3,322,000 | 3,322,000 | 3,322,000 | 3,322,000 | 3,322,000 | 3,322,000 | 3,322,000 | 3,322,000 | 3,322,000 | \$ 39,864,000 | 100.0% | 28.7% |
| Total COGS \$ | 17,520,000 | 1,606,000 | 1,606,000 | 1,606,000 | 1,606,000 | 1,606,000 | 1,606,000 | 1,606,000 | 1,606,000 | 1,606,000 | 1,606,000 | 1,606,000 | 1,606,000 | \$ 19,272,000 | 48.3% | 32.9% |
| Margin \$ | 18,720,000 | 1,716,000 | 1,716,000 | 1,716,000 | 1,716,000 | 1,716,000 | 1,716,000 | 1,716,000 | 1,716,000 | 1,716,000 | 1,716,000 | 1,716,000 | 1,716,000 | \$ 20,592,000 | 51.7% | 25.6% |
| VA & Military Training | | | | | | | | | | | | | | | | |
| 1 Sold | 584 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 55 | 55 | 55 | 642 | | 9.9% |
| Total Sales \$ | 33,872,000 | 3,062,400 | 3,062,400 | 3,062,400 | 3,062,400 | 3,062,400 | 3,062,400 | 3,062,400 | 3,062,400 | 3,062,400 | 3,190,000 | 3,190,000 | 3,190,000 | \$ 37,259,200 | 100.0% | 26.8% |
| Total COGS \$ | 21,316,000 | 1,927,200 | 1,927,200 | 1,927,200 | 1,927,200 | 1,927,200 | 1,927,200 | 1,927,200 | 1,927,200 | 1,927,200 | 2,007,500 | 2,007,500 | 2,007,500 | \$ 23,447,600 | 62.9% | 40.1% |
| Margin \$ | 12,556,000 | 1,135,200 | 1,135,200 | 1,135,200 | 1,135,200 | 1,135,200 | 1,135,200 | 1,135,200 | 1,135,200 | 1,135,200 | 1,182,500 | 1,182,500 | 1,182,500 | \$ 13,811,600 | 37.1% | 17.2% |
| Total Units Sold | 5884 | 394 | 399 | 504 | 531 | 542 | 575 | 586 | 586 | 589 | 589 | 589 | 589 | 6,472 | | |
| Total Sales \$ | 126,260,000 | \$ 9,935,200 | \$ 9,962,700 | \$ 11,001,650 | \$ 11,187,440 | \$ 11,290,730 | \$ 12,054,020 | \$ 12,157,310 | \$ 12,157,310 | \$ 12,284,910 | \$ 12,284,910 | \$ 12,284,910 | \$ 12,284,910 | \$ 138,886,000 | | |
| Total Cost of Goods Sold \$ | 53,198,500 | \$ 4,420,075 | \$ 4,436,163 | \$ 4,744,850 | \$ 4,825,288 | \$ 4,857,463 | \$ 4,960,038 | \$ 4,992,213 | \$ 4,992,213 | \$ 5,072,513 | \$ 5,072,513 | \$ 5,072,513 | \$ 5,072,513 | \$ 58,518,350 | | |
| Total Margin \$ | 73,061,500 | \$ 5,515,125 | \$ 5,526,538 | \$ 6,256,800 | \$ 6,362,153 | \$ 6,433,268 | \$ 7,093,983 | \$ 7,165,098 | \$ 7,165,098 | \$ 7,212,398 | \$ 7,212,398 | \$ 7,212,398 | \$ 7,212,398 | \$ 80,367,650 | | |

Sales Forecast Years I-3

| Product Lines | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Year 3 Totals | Category Breakdown | Category / Total |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|--------------------|------------------|
| Training Private Pilot | | | | | | | | | | | | | | | |
| 45 Sold | 242 | 242 | 303 | 315 | 327 | 339 | 351 | 351 | 351 | 351 | 351 | 351 | 3,872 | | 0.0% |
| Total Sales | 2,272,380 | 2,272,380 | 2,840,475 | 2,954,094 | 3,067,713 | 3,181,332 | 3,294,951 | 3,294,951 | 3,294,951 | 3,294,951 | 3,294,951 | 3,294,951 | \$ 36,358,080 | 100.0% | 0.0% |
| Total COGS | 707,850 | 707,850 | 884,813 | 920,205 | 955,598 | 990,990 | 1,026,383 | 1,026,383 | 1,026,383 | 1,026,383 | 1,026,383 | 1,026,383 | \$ 11,325,600 | 31.2% | 0.0% |
| Total Margin | 1,564,530 | 1,564,530 | 1,955,663 | 2,033,889 | 2,112,116 | 2,190,342 | 2,268,569 | 2,268,569 | 2,268,569 | 2,268,569 | 2,268,569 | 2,268,569 | \$ 25,032,480 | 68.8% | 0.0% |
| Training Commercial | | | | | | | | | | | | | | | |
| 45 Sold | 12 | 18 | 61 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 799 | | 0.0% |
| Total Sales | 60,500 | 90,750 | 302,500 | 393,250 | 393,250 | 393,250 | 393,250 | 393,250 | 393,250 | 393,250 | 393,250 | 393,250 | \$ 3,993,000 | 100.0% | 0.0% |
| Total COGS | 35,393 | 53,089 | 176,963 | 230,051 | 230,051 | 230,051 | 230,051 | 230,051 | 230,051 | 230,051 | 230,051 | 230,051 | \$ 2,335,905 | 58.5% | 0.0% |
| Margin | 25,108 | 37,661 | 125,538 | 163,199 | 163,199 | 163,199 | 163,199 | 163,199 | 163,199 | 163,199 | 163,199 | 163,199 | \$ 1,657,095 | 41.5% | 0.0% |
| Training PIC/SIC | | | | | | | | | | | | | | | |
| 1 Sold | 12 | 12 | 24 | 24 | 24 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 436 | | 0.0% |
| Total Sales | 363,000 | 363,000 | 726,000 | 726,000 | 726,000 | 1,452,000 | 1,452,000 | 1,452,000 | 1,452,000 | 1,452,000 | 1,452,000 | 1,452,000 | \$ 13,068,000 | 100.0% | 0.0% |
| Total COGS | 38,720 | 38,720 | 77,440 | 77,440 | 77,440 | 154,880 | 154,880 | 154,880 | 154,880 | 154,880 | 154,880 | 154,880 | \$ 1,393,920 | 10.7% | 0.0% |
| Margin | 324,280 | 324,280 | 648,560 | 648,560 | 648,560 | 1,297,120 | 1,297,120 | 1,297,120 | 1,297,120 | 1,297,120 | 1,297,120 | 1,297,120 | \$ 11,674,080 | 89.3% | 0.0% |
| Training Transition Military | | | | | | | | | | | | | | | |
| 1 Sold | 61 | 61 | 61 | 61 | 61 | 61 | 61 | 61 | 61 | 61 | 61 | 61 | 726 | | 0.0% |
| Total Sales | 1,210,000 | 1,210,000 | 1,210,000 | 1,210,000 | 1,210,000 | 1,210,000 | 1,210,000 | 1,210,000 | 1,210,000 | 1,210,000 | 1,210,000 | 1,210,000 | \$ 14,520,000 | 100.0% | 0.0% |
| Total COGS | 193,600 | 193,600 | 193,600 | 193,600 | 193,600 | 193,600 | 193,600 | 193,600 | 193,600 | 193,600 | 193,600 | 193,600 | \$ 2,323,200 | 16.0% | 0.0% |
| Margin | 1,016,400 | 1,016,400 | 1,016,400 | 1,016,400 | 1,016,400 | 1,016,400 | 1,016,400 | 1,016,400 | 1,016,400 | 1,016,400 | 1,016,400 | 1,016,400 | \$ 12,196,800 | 84.0% | 0.0% |
| ATP/ATPL-EU | | | | | | | | | | | | | | | |
| 20 Sold | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 581 | | 0.0% |
| Total Sales | 3,654,200 | 3,654,200 | 3,654,200 | 3,654,200 | 3,654,200 | 3,654,200 | 3,654,200 | 3,654,200 | 3,654,200 | 3,654,200 | 3,654,200 | 3,654,200 | \$ 43,850,400 | 100.0% | 0.0% |
| Total COGS | 1,766,600 | 1,766,600 | 1,766,600 | 1,766,600 | 1,766,600 | 1,766,600 | 1,766,600 | 1,766,600 | 1,766,600 | 1,766,600 | 1,766,600 | 1,766,600 | \$ 21,199,200 | 48.3% | 0.0% |
| Margin | 1,887,600 | 1,887,600 | 1,887,600 | 1,887,600 | 1,887,600 | 1,887,600 | 1,887,600 | 1,887,600 | 1,887,600 | 1,887,600 | 1,887,600 | 1,887,600 | \$ 22,651,200 | 51.7% | 0.0% |
| VA & Military Training | | | | | | | | | | | | | | | |
| 1 Sold | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 61 | 61 | 61 | 61 | 707 | | 0.0% |
| Total Sales | 3,368,640 | 3,368,640 | 3,368,640 | 3,368,640 | 3,368,640 | 3,368,640 | 3,368,640 | 3,368,640 | 3,509,000 | 3,509,000 | 3,509,000 | 3,509,000 | \$ 40,985,120 | 100.0% | 0.0% |
| Total COGS | 2,119,920 | 2,119,920 | 2,119,920 | 2,119,920 | 2,119,920 | 2,119,920 | 2,119,920 | 2,119,920 | 2,208,250 | 2,208,250 | 2,208,250 | 2,208,250 | \$ 25,792,360 | 62.9% | 0.0% |
| Margin | 1,248,720 | 1,248,720 | 1,248,720 | 1,248,720 | 1,248,720 | 1,248,720 | 1,248,720 | 1,248,720 | 1,300,750 | 1,300,750 | 1,300,750 | 1,300,750 | \$ 15,192,760 | 37.1% | 0.0% |
| Total Units Sold | 433 | 439 | 554 | 584 | 597 | 633 | 645 | 645 | 647 | 647 | 647 | 647 | 7,120 | | |
| Total Sales | \$ 10,928,720 | \$ 10,958,970 | \$ 12,101,815 | \$ 12,306,184 | \$ 12,419,803 | \$ 13,259,422 | \$ 13,373,041 | \$ 13,373,041 | \$ 13,513,401 | \$ 13,513,401 | \$ 13,513,401 | \$ 13,513,401 | \$ 152,774,600 | | |
| Total Cost of Goods Sold | \$ 4,862,083 | \$ 4,879,779 | \$ 5,219,335 | \$ 5,307,816 | \$ 5,343,209 | \$ 5,456,041 | \$ 5,491,434 | \$ 5,491,434 | \$ 5,579,764 | \$ 5,579,764 | \$ 5,579,764 | \$ 5,579,764 | \$ 64,370,185 | | |
| Total Margin | \$ 6,066,638 | \$ 6,079,191 | \$ 6,882,480 | \$ 6,998,368 | \$ 7,076,594 | \$ 7,803,381 | \$ 7,881,607 | \$ 7,881,607 | \$ 7,933,637 | \$ 7,933,637 | \$ 7,933,637 | \$ 7,933,637 | \$ 88,404,415 | | |

Additional Inputs

Prepared By:
Sam Miller

Company Name:
Aviation Flight Academy-Pensacola

| Accounts Receivable (A/R) Days Sales Outstanding | | | |
|--|-------------|-------------|-------------|
| Percent of Collections | Year 1 | Year 2 | Year 3 |
| Paid within 30 days | 80% | 80% | 80% |
| Paid between 30 and 60 days | 20% | 20% | 20% |
| Paid in more than 60 days | 0% | 0% | 0% |
| Allowance for bad debt | 0% | 0% | 0% |
| This should equal 100% ----> | 100% | 100% | 100% |

| Accounts Payable (A/P) | | | |
|--|-------------|-------------|-------------|
| Percent of Disbursements | Year 1 | Year 2 | Year 3 |
| Paid within 30 days | 100% | 100% | 100% |
| Paid between 30 and 60 days | 0% | 0% | 0% |
| Paid in more than 60 days | 0% | 0% | 0% |
| This should equal 100% ----> | 100% | 100% | 100% |

| Line of Credit Assumptions | |
|------------------------------|--------|
| Desired Minimum Cash Balance | 0 |
| Line of Credit Interest Rate | 13.00% |

| Additional Fixed Assets Purchases | | | | | | | | | | | | | | | | |
|--------------------------------------|----------------------|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------------|--------------|--------------|
| Fixed Assets | Depreciation (years) | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Year 1 Totals | Year 2 Total | Year 3 Total |
| Real Estate | 20 | \$ 22,000,000 | | | | | | | | | | | | \$ 22,000,000 | | |
| Leasehold Improvements | 7 | \$ 1,400,000 | | | | | | | | | | | | \$ 1,400,000 | | |
| Equipment | 7 | \$ 1,250,000 | | | | | | | | | | | | \$ 1,250,000 | | |
| Furniture and Fixtures | 5 | \$ 300,000 | | | | | | | | | | | | \$ 300,000 | | |
| Vehicles | 5 | \$ 300,000 | | | | | | | | | | | | \$ 300,000 | | |
| Other Fixed Assets | 5 | \$ 1,250,000 | | | | | | | | | | | | \$ 1,250,000 | \$ - | \$ - |
| Total Additional Fixed Assets | | \$ 26,500,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 26,500,000 | \$ - | \$ - |

| Income Tax Assumptions | |
|------------------------------------|------|
| Effective Income Tax Rate - Year 1 | 8.5% |
| Effective Income Tax Rate - Year 2 | 8.5% |
| Effective Income Tax Rate - Year 3 | 8.5% |

| Amortization of Start-Up Costs | |
|--------------------------------|---|
| Amortization Period in Years | 3 |

Operating Expenses Year I

Prepared By:
Sam Miller

Company Name:
Aviation Flight Academy-Pensacola

| | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Annual Totals |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|---------------|
| Expenses | | | | | | | | | | | | | |
| Advertising | 150,000 | 501,375 | 502,413 | 568,800 | 578,378 | 584,843 | 644,908 | 651,373 | 651,373 | 655,673 | 655,673 | 655,673 | \$ 6,800,478 |
| Car and Truck Expenses | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | \$ 30,000 |
| Commissions and Fees | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | \$ 180,000 |
| Contract Labor (Not included in payroll) | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | \$ 30,000 |
| Insurance (other than health) | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | \$ 66,000 |
| Legal and Professional Services | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | \$ 96,000 |
| Licenses | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | \$ 18,000 |
| Office Expense | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | \$ 60,000 |
| Rent or Lease -- Vehicles, Machinery, Equipment | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | \$ 42,000 |
| Rent or Lease -- Other Business Property | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | \$ 60,000 |
| Repairs and Maintenance | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | \$ 60,000 |
| Supplies | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | \$ 60,000 |
| Travel, Meals and Entertainment | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | \$ 144,000 |
| Utilities | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | \$ 240,000 |
| Miscellaneous | | | | | | | | | | | | | \$ - |
| Total Expenses | \$ 240,500 | \$ 591,875 | \$ 592,913 | \$ 659,300 | \$ 668,878 | \$ 675,343 | \$ 735,408 | \$ 741,873 | \$ 741,873 | \$ 746,173 | \$ 746,173 | \$ 746,173 | \$ 7,886,478 |
| Other Expenses | | | | | | | | | | | | | |
| Depreciation | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | \$ 1,848,571 |
| Interest | | | | | | | | | | | | | |
| Commercial Loan | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Commercial Mortgage | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Credit Card Debt | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Vehicle Loans | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Other Bank Debt | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Line of Credit | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Bad Debt Expense | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Total Other Expenses | \$ 154,048 | \$ 154,048 | \$ 154,048 | \$ 154,048 | \$ 154,048 | \$ 154,048 | \$ 154,048 | \$ 154,048 | \$ 154,048 | \$ 154,048 | \$ 154,048 | \$ 154,048 | \$ 1,848,571 |
| Total Fixed Operating Expenses | \$ 394,548 | \$ 745,923 | \$ 746,960 | \$ 813,348 | \$ 822,925 | \$ 829,390 | \$ 889,455 | \$ 895,920 | \$ 895,920 | \$ 900,220 | \$ 900,220 | \$ 900,220 | \$ 9,735,049 |

Operating Expenses Years 1-3

Prepared By:

Sam Miller

Company Name:

Aviation Flight Academy-Pensacola

| Line Item | 2019 | Growth Rate 1 to 2 | 2020 | Growth Rate 2 to 3 | 2021 |
|---|---------------------|--------------------|---------------------|--------------------|----------------------|
| Advertising | 6,800,478 | 3.0% | 7,004,492 | 3.0% | 7,214,627 |
| Car and Truck Expenses | 30,000 | 3.0% | 30,900 | 3.0% | 31,827 |
| Commissions and Fees | 180,000 | 5.0% | 189,000 | 5.0% | 198,450 |
| Contract Labor (Not included in payroll) | 30,000 | 3.0% | 30,900 | 3.0% | 31,827 |
| Insurance (other than health) | 66,000 | 3.0% | 67,980 | 3.0% | 70,019 |
| Legal and Professional Services | 96,000 | 3.0% | 98,880 | 3.0% | 101,846 |
| Licenses | 18,000 | 5.0% | 18,900 | 5.0% | 19,845 |
| Office Expense | 60,000 | 3.0% | 61,800 | 3.0% | 63,654 |
| Rent or Lease -- Vehicles, Machinery, Equipment | 42,000 | 3.0% | 43,260 | 3.0% | 44,558 |
| Rent or Lease -- Other Business Property | 60,000 | 3.0% | 61,800 | 3.0% | 63,654 |
| Repairs and Maintenance | 60,000 | 5.0% | 63,000 | 5.0% | 66,150 |
| Supplies | 60,000 | 3.0% | 61,800 | 3.0% | 63,654 |
| Travel, Meals and Entertainment | 144,000 | 3.0% | 148,320 | 3.0% | 152,770 |
| Utilities | 240,000 | 3.0% | 247,200 | 3.0% | 254,616 |
| Miscellaneous | - | 3.0% | - | 3.0% | - |
| Total Expenses | \$ 7,886,478 | | \$ 8,128,232 | | \$ 8,377,497 |
| Other Expenses | | | | | |
| Depreciation | 1,848,571 | | 1,848,571 | | 1,848,571 |
| Interest | | | | | |
| Commercial Loan | - | | - | | - |
| Commercial Mortgage | - | | - | | - |
| Credit Card Debt | - | | - | | - |
| Vehicle Loans | - | | - | | - |
| Other Bank Debt | - | | - | | - |
| Line of Credit | - | | - | | - |
| Bad Debt Expense | - | | - | | - |
| Total Other Expenses | \$ 1,848,571 | | \$ 1,848,571 | | \$ 1,848,571 |
| Total Operating Expenses | \$ 9,735,049 | | \$ 9,976,803 | | \$ 10,226,068 |

Cash Flow Forecast Year I

Prepared By:
Sam Miller

Company Name:
Aviation Flight Academy-Pensacola

| | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Totals |
|--------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|----------------|
| Beginning Balance | \$ 350,000 | \$ 2,526,486 | \$ 3,963,372 | \$ 3,254,471 | \$ 7,554,802 | \$ 11,925,206 | \$ 14,249,010 | \$ 19,218,184 | \$ 24,199,672 | \$ 27,965,759 | \$ 32,985,947 | \$ 7,006,136 | |
| Cash Inflows | | | | | | | | | | | | | |
| Cash Sales | 7,225,600 | 7,245,600 | 8,001,200 | 8,136,320 | 8,211,440 | 8,766,560 | 8,841,680 | 8,841,680 | 8,934,480 | 8,934,480 | 8,934,480 | 8,934,480 | \$ 101,008,000 |
| Accounts Receivable | - | 1,806,400 | 1,811,400 | 2,000,300 | 2,034,080 | 2,052,860 | 2,191,640 | 2,210,420 | 2,210,420 | 2,233,620 | 2,233,620 | 2,233,620 | \$ 23,018,380 |
| Total Cash Inflows | \$ 7,225,600 | \$ 9,052,000 | \$ 9,812,600 | \$ 10,136,620 | \$ 10,245,520 | \$ 10,819,420 | \$ 11,033,320 | \$ 11,052,100 | \$ 11,144,900 | \$ 11,168,100 | \$ 11,168,100 | \$ 11,168,100 | \$ 124,026,380 |
| Cash Outflows | | | | | | | | | | | | | |
| Investing Activities | | | | | | | | | | | | | |
| New Fixed Asset Purchases | | | | | | | | - | - | - | - | - | \$ - |
| Additional Inventory | | 2,200,000 | 3,850,000 | | | | | | | | | | \$ 6,050,000 |
| Cost of Goods Sold | 4,018,250 | 4,032,875 | 4,313,500 | 4,386,625 | 4,415,875 | 4,509,125 | 4,538,375 | 4,538,375 | 4,611,375 | 4,611,375 | 4,611,375 | 4,611,375 | \$ 53,198,500 |
| Operating Activities | | | | | | | | | | | | | |
| Operating Expenses | 240,500 | 591,875 | 592,913 | 659,300 | 668,878 | 675,343 | 735,408 | 741,873 | 741,873 | 746,173 | 746,173 | 746,173 | \$ 7,886,478 |
| Payroll | 790,364 | 790,364 | 790,364 | 790,364 | 790,364 | 790,364 | 790,364 | 790,364 | 790,364 | 790,364 | 790,364 | 790,364 | \$ 9,484,367 |
| Taxes | - | - | 974,725 | - | - | 1,125,784 | - | - | 1,235,202 | - | - | - | \$ 1,240,866 |
| Financing Activities | | | | | | | | | | | | | |
| Loan Payments | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Owners Distribution | | | | | | | | | | | | 3,000,000 | \$ 3,000,000 |
| Line of Credit Interest | | | | | | | | | | | | | \$ - |
| Line of Credit Repayments | | | | | | | | | | | | | \$ - |
| Dividends Paid | | | | | | 1,395,000 | | | | | 31,000,000 | 1,395,000 | \$ 33,790,000 |
| Total Cash Outflows | \$ 5,049,114 | \$ 7,615,114 | \$ 10,521,501 | \$ 5,836,289 | \$ 5,875,116 | \$ 8,495,616 | \$ 6,064,146 | \$ 6,070,611 | \$ 7,378,813 | \$ 6,147,911 | \$ 37,147,911 | \$ 11,783,777 | \$ 117,985,921 |
| Net Cash Flows | \$ 2,176,486 | \$ 1,436,886 | \$ (708,901) | \$ 4,300,331 | \$ 4,370,404 | \$ 2,323,804 | \$ 4,969,174 | \$ 4,981,489 | \$ 3,766,087 | \$ 5,020,189 | \$ (25,979,811) | \$ (615,677) | \$ 6,040,459 |
| Operating Cash Balance | \$ 2,526,486 | \$ 3,963,372 | \$ 3,254,471 | \$ 7,554,802 | \$ 11,925,206 | \$ 14,249,010 | \$ 19,218,184 | \$ 24,199,672 | \$ 27,965,759 | \$ 32,985,947 | \$ 7,006,136 | \$ 6,390,459 | |
| Line of Credit Drawdown | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Cash Balance | \$ 2,526,486 | \$ 3,963,372 | \$ 3,254,471 | \$ 7,554,802 | \$ 11,925,206 | \$ 14,249,010 | \$ 19,218,184 | \$ 24,199,672 | \$ 27,965,759 | \$ 32,985,947 | \$ 7,006,136 | \$ 6,390,459 | |
| Line of Credit Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Cash Flow Forecast Years 1-3

Prepared By:

Company Name:

Sam Miller

Aviation Flight Academy-Pensacola

| | Year 1 Totals | Jan | Feb | Mar | Apr | May | June | July |
|--------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Beginning Balance | | \$ 6,390,459 | \$ 10,063,193 | \$ 14,099,306 | \$ 17,610,960 | \$ 22,451,029 | \$ 27,378,714 | \$ 31,562,453 |
| Cash Inflows | | | | | | | | |
| Cash Sales | \$ 101,008,000 | 7,948,160 | 7,970,160 | 8,801,320 | 8,949,952 | 9,032,584 | 9,643,216 | 9,725,848 |
| Accounts Receivable | \$ 23,018,380 | 2,233,620 | 1,987,040 | 1,992,540 | 2,200,330 | 2,237,488 | 2,258,146 | 2,410,804 |
| Total Cash Inflows | \$ 124,026,380 | \$ 10,181,780 | \$ 9,957,200 | \$ 10,793,860 | \$ 11,150,282 | \$ 11,270,072 | \$ 11,901,362 | \$ 12,136,652 |
| Cash Outflows | | | | | | | | |
| Investing Activities | | | | | | | | |
| New Fixed Asset Purchases | \$ - | - | - | - | - | - | - | - |
| Additional Inventory | \$ 6,050,000 | | | | | | | |
| Cost of Goods Sold | \$ 53,198,500 | 4,420,075 | 4,436,163 | 4,744,850 | 4,825,288 | 4,857,463 | 4,960,038 | 4,992,213 |
| Operating Activities | | | | | | | | |
| Operating Expenses | \$ 7,886,478 | 677,353 | 677,353 | 677,353 | 677,353 | 677,353 | 677,353 | 677,353 |
| Payroll | \$ 9,484,367 | 807,572 | 807,572 | 807,572 | 807,572 | 807,572 | 807,572 | 807,572 |
| Taxes | \$ 4,576,577 | - | - | 1,052,431 | - | - | 1,272,661 | - |
| Financing Activities | | | | | | | | |
| Loan Payments | \$ - | - | - | - | - | - | - | - |
| Owners Distribution | \$ 3,000,000 | 302,023 | | | | | | |
| Line of Credit Interest | \$ - | - | - | - | - | - | - | - |
| Line of Credit Repayments | \$ - | | | | | | | |
| Dividends Paid | \$ 33,790,000 | 302,023 | | | | | | |
| Total Cash Outflows | \$ 117,985,921 | \$ 6,509,046 | \$ 5,921,087 | \$ 7,282,206 | \$ 6,310,212 | \$ 6,342,387 | \$ 7,717,624 | \$ 6,477,137 |
| Net Cash Flows | \$ 6,040,459 | \$ 3,672,734 | \$ 4,036,113 | \$ 3,511,654 | \$ 4,840,070 | \$ 4,927,685 | \$ 4,183,738 | \$ 5,659,515 |
| Operating Cash Balance | | \$ 10,063,193 | \$ 14,099,306 | \$ 17,610,960 | \$ 22,451,029 | \$ 27,378,714 | \$ 31,562,453 | \$ 37,221,967 |
| Line of Credit Drawdown | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Cash Balance | | \$ 10,063,193 | \$ 14,099,306 | \$ 17,610,960 | \$ 22,451,029 | \$ 27,378,714 | \$ 31,562,453 | \$ 37,221,967 |
| Line of Credit Balance | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Cash Flow Forecast Years 1-3

| | Aug | Sept | Oct | Nov | Dec | Year 2 Totals |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Beginning Balance | \$ 37,221,967 | \$ 42,902,140 | \$ 47,190,910 | \$ 52,918,383 | \$ 58,645,856 | |
| Cash Inflows | | | | | | |
| Cash Sales | 9,725,848 | 9,827,928 | 9,827,928 | 9,827,928 | 9,827,928 | \$ 111,108,800 |
| Accounts Receivable | 2,431,462 | 2,431,462 | 2,456,982 | 2,456,982 | 2,456,982 | \$ 27,553,838 |
| Total Cash Inflows | \$ 12,157,310 | \$ 12,259,390 | \$ 12,284,910 | \$ 12,284,910 | \$ 12,284,910 | \$ 138,662,638 |
| Cash Outflows | | | | | | |
| Investing Activities | | | | | | |
| New Fixed Asset Purchases | - | - | - | - | - | \$ - |
| Additional Inventory | | | | | | \$ - |
| Cost of Goods Sold | 4,992,213 | 5,072,513 | 5,072,513 | 5,072,513 | 5,072,513 | \$ 58,518,350 |
| Operating Activities | | | | | | |
| Operating Expenses | 677,353 | 677,353 | 677,353 | 677,353 | 677,353 | \$ 8,128,232 |
| Payroll | 807,572 | 807,572 | 807,572 | 807,572 | 807,572 | \$ 9,690,866 |
| Taxes | - | 1,413,182 | - | - | 1,421,223 | |
| Financing Activities | | | | | | |
| Loan Payments | - | - | - | - | - | \$ - |
| Owners Distribution | | | | | | \$ 302,023 |
| Line of Credit Interest | - | - | - | - | - | \$ - |
| Line of Credit Repayments | | | | | | \$ - |
| Dividends Paid | | | | | | \$ 302,023 |
| Total Cash Outflows | \$ 6,477,137 | \$ 7,970,620 | \$ 6,557,437 | \$ 6,557,437 | \$ 7,978,661 | \$ 76,941,493 |
| Net Cash Flows | \$ 5,680,173 | \$ 4,288,770 | \$ 5,727,473 | \$ 5,727,473 | \$ 4,306,249 | \$ 61,721,145 |
| Operating Cash Balance | \$ 42,902,140 | \$ 47,190,910 | \$ 52,918,383 | \$ 58,645,856 | \$ 62,952,105 | |
| Line of Credit Drawdown | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Cash Balance | \$ 42,902,140 | \$ 47,190,910 | \$ 52,918,383 | \$ 58,645,856 | \$ 62,952,105 | |
| Line of Credit Balance | \$ - | \$ - | \$ - | \$ - | \$ - | |

Cash Flow Forecast Years 1-3

| | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept |
|--------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Beginning Balance | \$ 62,952,105 | \$ 58,594,582 | \$ 63,144,440 | \$ 67,085,380 | \$ 72,519,591 | \$ 78,050,177 | \$ 82,730,411 | \$ 89,066,011 | \$ 95,424,334 |
| Cash Inflows | | | | | | | | | |
| Cash Sales | 8,742,976 | 8,767,176 | 9,681,452 | 9,844,947 | 9,935,842 | 10,607,538 | 10,698,433 | 10,698,433 | 10,810,721 |
| Accounts Receivable | 2,456,982 | 2,185,744 | 2,191,794 | 2,420,363 | 2,461,237 | 2,483,961 | 2,651,884 | 2,674,608 | 2,674,608 |
| Total Cash Inflows | 11,199,958 | 10,952,920 | 11,873,246 | 12,265,310 | 12,397,079 | 13,091,498 | 13,350,317 | 13,373,041 | 13,485,329 |
| Cash Outflows | | | | | | | | | |
| Investing Activities | | | | | | | | | |
| New Fixed Asset Purchases | - | - | - | - | - | - | - | - | - |
| Additional Inventory | 3,000,000 | | | | | | | | |
| Cost of Goods Sold | 4,862,083 | 4,879,779 | 5,219,335 | 5,307,816 | 5,343,209 | 5,456,041 | 5,491,434 | 5,491,434 | 5,579,764 |
| Operating Activities | | | | | | | | | |
| Operating Expenses | 698,125 | 698,125 | 698,125 | 698,125 | 698,125 | 698,125 | 698,125 | 698,125 | 698,125 |
| Payroll | 825,159 | 825,159 | 825,159 | 825,159 | 825,159 | 825,159 | 825,159 | 825,159 | 825,159 |
| Taxes | - | - | 1,189,687 | - | - | 1,431,940 | - | - | 1,586,513 |
| Financing Activities | | | | | | | | | |
| Loan Payments | - | - | - | - | - | - | - | - | - |
| Owners Distribution | 3,086,057 | | | | | | | | |
| Line of Credit Interest | - | - | - | - | - | - | - | - | - |
| Line of Credit Repayments | | | | | | | | | |
| Dividends Paid | 3,086,057 | | | | | | | | |
| Total Cash Outflows | \$ 15,557,481 | \$ 6,403,062 | \$ 7,932,305 | \$ 6,831,100 | \$ 6,866,492 | \$ 8,411,265 | \$ 7,014,717 | \$ 7,014,717 | \$ 8,689,560 |
| Net Cash Flows | \$ (4,357,523) | \$ 4,549,858 | \$ 3,940,941 | \$ 5,434,210 | \$ 5,530,587 | \$ 4,680,234 | \$ 6,335,600 | \$ 6,358,324 | \$ 4,795,769 |
| Operating Cash Balance | \$ 58,594,582 | \$ 63,144,440 | \$ 67,085,380 | \$ 72,519,591 | \$ 78,050,177 | \$ 82,730,411 | \$ 89,066,011 | \$ 95,424,334 | \$ 100,220,103 |
| Line of Credit Drawdown | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Cash Balance | \$ 58,594,582 | \$ 63,144,440 | \$ 67,085,380 | \$ 72,519,591 | \$ 78,050,177 | \$ 82,730,411 | \$ 89,066,011 | \$ 95,424,334 | \$ 100,220,103 |
| Line of Credit Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Cash Flow Forecast Years 1-3

| | Oct | Nov | Dec | Year 3 Totals |
|--------------------------------|----------------|----------------|----------------|----------------|
| Beginning Balance | \$ 100,220,103 | \$ 106,630,456 | \$ 113,040,810 | |
| Cash Inflows | | | | |
| Cash Sales | 10,810,721 | 10,810,721 | 10,810,721 | \$ 122,219,680 |
| Accounts Receivable | 2,702,680 | 2,702,680 | 2,702,680 | \$ 30,309,222 |
| Total Cash Inflows | 13,513,401 | 13,513,401 | 13,513,401 | \$ 152,528,902 |
| Cash Outflows | | | | |
| Investing Activities | | | | |
| New Fixed Asset Purchases | - | - | - | \$ - |
| Additional Inventory | | | | \$ 3,000,000 |
| Cost of Goods Sold | 5,579,764 | 5,579,764 | 5,579,764 | \$ 64,370,185 |
| Operating Activities | | | | |
| Operating Expenses | 698,125 | 698,125 | 698,125 | \$ 8,377,497 |
| Payroll | 825,159 | 825,159 | 825,159 | \$ 9,901,908 |
| Taxes | - | - | 1,595,358 | \$ 5,803,497 |
| Financing Activities | | | | |
| Loan Payments | - | - | - | \$ - |
| Owners Distribution | | | | \$ 3,086,057 |
| Line of Credit Interest | - | - | - | \$ - |
| Line of Credit Repayments | | | | \$ - |
| Dividends Paid | | | | \$ 3,086,057 |
| Total Cash Outflows | \$ 7,103,047 | \$ 7,103,047 | \$ 8,698,405 | \$ 97,625,201 |
| Net Cash Flows | \$ 6,410,354 | \$ 6,410,354 | \$ 4,814,996 | \$ 54,903,701 |
| Operating Cash Balance | \$ 106,630,456 | \$ 113,040,810 | \$ 117,855,806 | |
| Line of Credit Drawdown | \$ - | \$ - | \$ - | \$ - |
| Ending Cash Balance | \$ 106,630,456 | \$ 113,040,810 | \$ 117,855,806 | |
| Line of Credit Balance | \$ - | \$ - | \$ - | |

Income Statement Year I

Prepared By:

Sam Miller

Company Name:

Aviation Flight Academy-Pensacola

| | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Annual Totals |
|---|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Revenue | | | | | | | | | | | | | |
| Training Private Pilot | 1,878,000 | 1,878,000 | 2,347,500 | 2,441,400 | 2,535,300 | 2,629,200 | 2,723,100 | 2,723,100 | 2,723,100 | 2,723,100 | 2,723,100 | 2,723,100 | \$ 30,048,000 |
| Training Commercial | 50,000 | 75,000 | 250,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | \$ 3,300,000 |
| Training PIC/SIC | 300,000 | 300,000 | 600,000 | 600,000 | 600,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | \$ 10,800,000 |
| Training Transition Military | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | \$ 12,000,000 |
| ATP/ATPL-EU | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | 3,020,000 | \$ 36,240,000 |
| VA & Military Training | 2,784,000 | 2,784,000 | 2,784,000 | 2,784,000 | 2,784,000 | 2,784,000 | 2,784,000 | 2,784,000 | 2,900,000 | 2,900,000 | 2,900,000 | 2,900,000 | \$ 33,872,000 |
| Total Revenue | \$ 9,032,000 | \$ 9,057,000 | \$ 10,001,500 | \$ 10,170,400 | \$ 10,264,300 | \$ 10,958,200 | \$ 11,052,100 | \$ 11,052,100 | \$ 11,168,100 | \$ 11,168,100 | \$ 11,168,100 | \$ 11,168,100 | \$ 126,260,000 |
| Cost of Goods Sold | | | | | | | | | | | | | |
| Training Private Pilot | 585,000 | 585,000 | 731,250 | 760,500 | 789,750 | 819,000 | 848,250 | 848,250 | 848,250 | 848,250 | 848,250 | 848,250 | \$ 9,360,000 |
| Training Commercial | 29,250 | 43,875 | 146,250 | 190,125 | 190,125 | 190,125 | 190,125 | 190,125 | 190,125 | 190,125 | 190,125 | 190,125 | \$ 1,930,500 |
| Training PIC/SIC | 32,000 | 32,000 | 64,000 | 64,000 | 64,000 | 128,000 | 128,000 | 128,000 | 128,000 | 128,000 | 128,000 | 128,000 | \$ 1,152,000 |
| Training Transition Military | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | 160,000 | \$ 1,920,000 |
| ATP/ATPL-EU | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | 1,460,000 | \$ 17,520,000 |
| VA & Military Training | 1,752,000 | 1,752,000 | 1,752,000 | 1,752,000 | 1,752,000 | 1,752,000 | 1,752,000 | 1,752,000 | 1,825,000 | 1,825,000 | 1,825,000 | 1,825,000 | \$ 21,316,000 |
| Total Cost of Goods Sold | \$ 4,018,250 | \$ 4,032,875 | \$ 4,313,500 | \$ 4,386,625 | \$ 4,415,875 | \$ 4,509,125 | \$ 4,538,375 | \$ 4,538,375 | \$ 4,611,375 | \$ 4,611,375 | \$ 4,611,375 | \$ 4,611,375 | \$ 53,198,500 |
| Gross Margin | \$ 5,013,750 | \$ 5,024,125 | \$ 5,688,000 | \$ 5,783,775 | \$ 5,848,425 | \$ 6,449,075 | \$ 6,513,725 | \$ 6,513,725 | \$ 6,556,725 | \$ 6,556,725 | \$ 6,556,725 | \$ 6,556,725 | \$ 73,061,500 |
| Payroll | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 790,364 | \$ 9,484,367 |
| Operating Expenses | | | | | | | | | | | | | |
| Advertising | 150,000 | 501,375 | 502,413 | 568,800 | 578,378 | 584,843 | 644,908 | 651,373 | 651,373 | 655,673 | 655,673 | 655,673 | \$ 6,800,478 |
| Car and Truck Expenses | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | \$ 30,000 |
| Commissions and Fees | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | \$ 180,000 |
| Contract Labor (Not included in payroll) | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | \$ 30,000 |
| Insurance (other than health) | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 | \$ 66,000 |
| Legal and Professional Services | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | \$ 96,000 |
| Licenses | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | \$ 18,000 |
| Office Expense | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | \$ 60,000 |
| Rent or Lease -- Vehicles, Machinery, Equipment | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | \$ 42,000 |
| Rent or Lease -- Other Business Property | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | \$ 60,000 |
| Repairs and Maintenance | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | \$ 60,000 |
| Supplies | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | \$ 60,000 |
| Travel, Meals and Entertainment | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | \$ 144,000 |
| Utilities | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | \$ 240,000 |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Other Expense 1 | | | | | | | | | | | | | |
| Other Expense 2 | | | | | | | | | | | | | |
| Total Operating Expenses | \$ 240,500 | \$ 591,875 | \$ 592,913 | \$ 659,300 | \$ 668,878 | \$ 675,343 | \$ 735,408 | \$ 741,873 | \$ 741,873 | \$ 746,173 | \$ 746,173 | \$ 746,173 | \$ 7,886,478 |
| Income (Before Other Expenses) | \$ 3,982,886 | \$ 3,641,886 | \$ 4,304,724 | \$ 4,334,111 | \$ 4,389,184 | \$ 4,983,369 | \$ 4,987,954 | \$ 4,981,489 | \$ 5,024,489 | \$ 5,020,189 | \$ 5,020,189 | \$ 5,020,189 | \$ 55,690,656 |
| Other Expenses | | | | | | | | | | | | | |
| Amortized Start-up Expenses | 114,167 | 114,167 | 114,167 | 114,167 | 114,167 | 114,167 | 114,167 | 114,167 | 114,167 | 114,167 | 114,167 | 114,167 | \$ 1,370,000 |
| Depreciation | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | \$ 1,848,571 |
| Interest | | | | | | | | | | | | | |
| Commercial Loan | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Commercial Mortgage | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Credit Card Debt | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Vehicle Loans | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Other Bank Debt | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Line of Credit | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Bad Debt Expense | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |

Income Statement Year I

| | | | | | | | | | | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Total Other Expenses | 268,214 | 268,214 | 268,214 | 268,214 | 268,214 | 268,214 | 268,214 | 268,214 | 268,214 | 268,214 | 268,214 | 268,214 | 268,214 | \$ 3,218,571 |
| Net Income Before Income Tax | \$ 3,714,672 | \$ 3,373,672 | \$ 4,036,509 | \$ 4,065,897 | \$ 4,120,969 | \$ 4,715,154 | \$ 4,719,739 | \$ 4,713,274 | \$ 4,756,274 | \$ 4,751,974 | \$ 4,751,974 | \$ 4,751,974 | \$ 4,751,974 | \$ 52,472,084 |
| Income Tax | \$ 325,451 | \$ 296,466 | \$ 352,807 | \$ 355,305 | \$ 359,987 | \$ 410,492 | \$ 410,882 | \$ 410,332 | \$ 413,987 | \$ 413,622 | \$ 413,622 | \$ 413,622 | \$ 413,622 | \$ 4,576,577 |
| Net Profit/Loss | \$ 3,389,221 | \$ 3,077,206 | \$ 3,683,702 | \$ 3,710,591 | \$ 3,760,983 | \$ 4,304,662 | \$ 4,308,857 | \$ 4,302,942 | \$ 4,342,287 | \$ 4,338,352 | \$ 4,338,352 | \$ 4,338,352 | \$ 4,338,352 | \$ 47,895,507 |

Income Statement Years I-3

Prepared By:

Company Name:

Sam Miller

Aviation Flight Academy-Pensacola

| Revenue | 2019 | | 2020 | | 2021 | |
|---|-----------------------|-------------|-----------------------|-------------|-----------------------|-------------|
| Training Private Pilot | 30,048,000 | | 33,052,800 | | 36,358,080 | |
| Training Commercial | 3,300,000 | | 3,630,000 | | 3,993,000 | |
| Training PIC/SIC | 10,800,000 | | 11,880,000 | | 13,068,000 | |
| Training Transition Military | 12,000,000 | | 13,200,000 | | 14,520,000 | |
| ATP/ATPL-EU | 36,240,000 | | 39,864,000 | | 43,850,400 | |
| VA & Military Training | 33,872,000 | | 37,259,200 | | 40,985,120 | |
| Total Revenue | \$ 126,260,000 | 100% | \$ 138,886,000 | 100% | \$ 152,774,600 | 100% |
| Cost of Goods Sold | | | | | | |
| Training Private Pilot | 9,360,000 | | 10,296,000 | | 11,325,600 | |
| Training Commercial | 1,930,500 | | 2,123,550 | | 2,335,905 | |
| Training PIC/SIC | 1,152,000 | | 1,267,200 | | 1,393,920 | |
| Training Transition Military | 1,920,000 | | 2,112,000 | | 2,323,200 | |
| ATP/ATPL-EU | 17,520,000 | | 19,272,000 | | 21,199,200 | |
| VA & Military Training | 21,316,000 | | 23,447,600 | | 25,792,360 | |
| Total Cost of Goods Sold | 53,198,500 | 42% | 58,518,350 | 42% | 64,370,185 | 42% |
| Gross Margin | 73,061,500 | 58% | 80,367,650 | 58% | 88,404,415 | 58% |
| Payroll | 9,484,367 | | 9,690,866 | | 9,901,908 | |
| Operating Expenses | | | | | | |
| Advertising | 6,800,478 | | 7,004,492 | | 7,214,627 | |
| Car and Truck Expenses | 30,000 | | 30,900 | | 31,827 | |
| Commissions and Fees | 180,000 | | 189,000 | | 198,450 | |
| Contract Labor (Not included in payroll) | 30,000 | | 30,900 | | 31,827 | |
| Insurance (other than health) | 66,000 | | 67,980 | | 70,019 | |
| Legal and Professional Services | 96,000 | | 98,880 | | 101,846 | |
| Licenses | 18,000 | | 18,900 | | 19,845 | |
| Office Expense | 60,000 | | 61,800 | | 63,654 | |
| Rent or Lease -- Vehicles, Machinery, Equipment | 42,000 | | 43,260 | | 44,558 | |
| Rent or Lease -- Other Business Property | 60,000 | | 61,800 | | 63,654 | |
| Repairs and Maintenance | 60,000 | | 63,000 | | 66,150 | |
| Supplies | 60,000 | | 61,800 | | 63,654 | |
| Travel, Meals and Entertainment | 144,000 | | 148,320 | | 152,770 | |
| Utilities | 240,000 | | 247,200 | | 254,616 | |
| Miscellaneous | - | | - | | - | |
| Other Expense 1 | | | | | | |
| Other Expense 2 | | | | | | |
| Total Operating Expenses | \$ 7,886,478 | 6% | \$ 8,128,232 | 6% | \$ 8,377,497 | 5% |
| Income (Before Other Expenses) | \$ 55,690,656 | 44% | \$ 62,548,553 | 45% | \$ 70,125,011 | 46% |
| Other Expenses | | | | | | |
| Amortized Start-up Expenses | 1,370,000 | | 1,370,000 | | 1,370,000 | |
| Depreciation | 1,848,571 | | 1,848,571 | | 1,848,571 | |
| Interest | | | | | | |
| Commercial Loan | - | | - | | - | |
| Commercial Mortgage | - | | - | | - | |
| Credit Card Debt | - | | - | | - | |
| Vehicle Loans | - | | - | | - | |
| Other Bank Debt | - | | - | | - | |
| Line of Credit | - | | - | | - | |
| Bad Debt Expense | - | | - | | - | |
| Total Other Expenses | \$ 3,218,571 | 3% | \$ 3,218,571 | 2% | \$ 3,218,571 | 2% |
| Net Income Before Income Tax | \$ 52,472,084 | | \$ 59,329,981 | | \$ 66,906,439 | |
| Income Tax | \$ 4,576,577 | | \$ 5,159,498 | | \$ 5,803,497 | |
| Net Income/Loss | \$ 47,895,507 | 38% | \$ 54,170,483 | 39% | \$ 61,102,942 | 40% |

Balance Sheet Years 1-3

Prepared By:

Sam Miller

Company Name:

Aviation Flight Academy-Pensacola

| ASSETS | 2019 | 2020 | 2021 |
|--|----------------------|----------------------|-----------------------|
| Current Assets | | | |
| Cash | 6,390,459 | 62,952,105 | 117,855,806 |
| Accounts Receivable | 2,233,620 | 2,456,982 | 2,702,680 |
| Inventory | 6,090,000 | 6,090,000 | 9,090,000 |
| Prepaid Expenses | 2,740,000 | 1,370,000 | - |
| Other Initial Costs | - | - | - |
| Total Current Assets | \$ 17,454,079 | \$ 72,869,087 | \$ 129,648,486 |
| Fixed Assets | | | |
| Real Estate -- Land | - | - | - |
| Real Estate -- Buildings | 22,000,000 | 22,000,000 | 22,000,000 |
| Leasehold Improvements | 1,400,000 | 1,400,000 | 1,400,000 |
| Equipment | 1,250,000 | 1,250,000 | 1,250,000 |
| Furniture and Fixtures | 300,000 | 300,000 | 300,000 |
| Vehicles | 300,000 | 300,000 | 300,000 |
| Other | 1,250,000 | 1,250,000 | 1,250,000 |
| Total Fixed Assets | \$ 26,500,000 | \$ 26,500,000 | \$ 26,500,000 |
| (Less Accumulated Depreciation) | \$ 1,848,571 | \$ 3,697,143 | \$ 5,545,714 |
| Total Assets | \$ 42,105,507 | \$ 95,671,944 | \$ 150,602,771 |
| LIABILITIES & EQUITY | | | |
| Liabilities | | | |
| Accounts Payable | - | - | - |
| Commercial Loan Balance | - | - | - |
| Commercial Mortgage Balance | - | - | - |
| Credit Card Debt Balance | - | - | - |
| Vehicle Loans Balance | - | - | - |
| Other Bank Debt Balance | - | - | - |
| Line of Credit Balance | - | - | - |
| Total Liabilities | \$ - | \$ - | \$ - |
| Equity | | | |
| Common Stock | 31,000,000 | 31,000,000 | 31,000,000 |
| Retained Earnings | 47,895,507 | 102,065,990 | 163,168,932 |
| Dividends Dispersed/Owners Draw | 36,790,000 | 37,394,046 | 43,566,160 |
| Total Equity | \$ 42,105,507 | \$ 95,671,944 | \$ 150,602,771 |
| Total Liabilities and Equity | \$ 42,105,507 | \$ 95,671,944 | \$ 150,602,771 |
| Balance sheet in or out of balance? | \$ - | \$ - | \$ - |
| | Balanced! | Balanced! | Balanced! |

Breakeven Analysis

Prepared By:
Sam Miller

Company Name:
Aviation Flight Academy-F

| Gross Margin % of Sales | |
|--|----------------------|
| Gross Margin | \$ 73,061,500 |
| Total Sales | \$ 126,260,000 |
| Gross Margin/Total Sales | 57.9% |
| Total Fixed Expenses | |
| Payroll | \$ 9,484,366.60 |
| Operating Expenses | \$ 9,735,048.93 |
| Operating + Payroll | \$ 19,219,416 |
| Breakeven Sales in Dollars (Annual) | |
| Gross Margin % of Sales | 57.9% |
| Total Fixed Expenses | \$ 19,219,416 |
| Yearly Breakeven Amount | \$ 33,213,709 |
| Monthly Breakeven Amount | \$ 2,767,809 |

Financial Ratios - Year I

Prepared By:

Sam Miller

Company Name:

Aviation Flight Academy-Pensacola

| Ratios | Year One | Year Two | Year Three | Industry Norms | Notes |
|------------------------------------|----------|----------|------------|----------------|-------|
| Liquidity | | | | | |
| Current Ratio | 0.0 | 0.0 | 0.0 | | |
| Quick Ratio | 0.0 | 0.0 | 0.0 | | |
| Safety | | | | | |
| Debt to Equity Ratio | 0.0 | 0.0 | 0.0 | | |
| Debt-Service Coverage Ratio - DSCR | 0.0 | 0.0 | 0.0 | | |
| Profitability | | | | | |
| Sales Growth | 0.0% | 10.0% | 10.0% | | |
| COGS to Sales | 42.1% | 42.1% | 42.1% | | |
| Gross Profit Margin | 57.9% | 57.9% | 57.9% | | |
| SG&A to Sales | 13.8% | 12.8% | 12.0% | | |
| Net Profit Margin | 37.9% | 39.0% | 40.0% | | |
| Return on Equity (ROE) | 113.8% | 56.6% | 40.6% | | |
| Return on Assets | 113.8% | 56.6% | 40.6% | | |
| Owner's Compensation to Sales | 1.6% | 1.5% | 1.4% | | |
| Efficiency | | | | | |
| Days in Receivables | 6.4 | 6.4 | 6.4 | | |
| Accounts Receivable Turnover | 56.5 | 56.5 | 56.5 | | |
| Days in Inventory | 41.2 | 38.0 | 51.5 | | |
| Inventory Turnover | 8.7 | 9.6 | 7.1 | | |
| Sales to Total Assets | 3.0 | 1.5 | 1.0 | | |

Diagnostic Tools - Year I

Prepared By:

Sam Miller

Company Name:

Aviation Flight Academy-Pensacola

| General Financing Assumptions | Value | Findings |
|--|----------------------|--|
| Owner's Cash Injection into the Business | 0.0% | Owner's injection might be too low in relation to the amount of money needed |
| Cash Request as percent of Total Required Funds | 1.1% | Cash request seems reasonable with respect to total request |
| | | |
| Loan Assumptions | Value | Findings |
| Commercial Loan Interest rate | 9.0% | Interest rate seems reasonable |
| Commercial Loan Term in Months | 84 | Loan term seems within range for this type of loan |
| Commercial Mortgage Interest rate | 9.0% | Interest rate seems reasonable |
| Commercial Mortgage Term in Months | 240 | Loan term seems within range for this type of loan |
| Debt-Service Coverage | 0.0% | Calculated loan payments relative to operating profit seem reasonable |
| | | |
| Income Statement | Value | Findings |
| Gross Margin as a Percent of Sales | 57.9% | Gross margin percentage seems reasonable |
| Owner's Compensation Lower Limit Check | \$ 1,996,800 | An owner's compensation amount has been established |
| Owner's Compensation Upper Limit Check | 4.2% | Owner's compensation seems reasonable |
| Advertising Expense Levels as a Percent of Sales | 5.4% | Advertising as a percent of sales seems reasonable |
| Profitability Levels | \$ 47,895,507 | The business is showing a profit |
| Profitability as a Percent of Sales | 37.9% | The projection may be too aggressive in stating profitability |
| | | |
| Cash Flow Statement | Value | Findings |
| Desired Operating cash Flow Levels | \$ - | The financial projection provides the desired level of cash flow |
| Line of Credit Drawdowns | \$ - | The business doesn't seem to require a line of credit |
| Accounts Receivable Ratio to Sales | 1.8% | Accounts receivable amount as a percent of sales seems reasonable |
| | | |
| Balance Sheet | Value | Findings |
| Does the Year I Balance Sheet Balance? | \$ - | The balance sheet does balance |
| Debt to Equity Ratio | 0.0% | Very comfortable |
| | | |
| Breakeven Analysis | Value | Findings |
| Do Sales Exceed the Breakeven Level? | \$ 93,046,291 | The sales projection exceeds the projected break-even sales level |

COGS Calculator

Prepared By:

Sam Miller

Company Name:

Aviation Flight Academy-Pensacola

| Variable Costs of Products | |
|--|---------------------|
| Timeframe: | Month |
| Product Line: | Widget |
| Raw materials | 1,250,000 |
| Labor used to produce product | 195,000 |
| Costs associated with shipping and storing raw materials | 2,600 |
| Production facility expenses (use fraction of total if facility is used for other items) | 350 |
| Total Product Expenses | \$ 1,447,950 |
| Number Units Sold in timeframe used | 45 |
| Cost of Goods Sold Per Unit | \$ 32,177 |

| Variable Costs of Services | |
|---|-----------------|
| Timeframe: | Month |
| Product Line: | Project |
| Amount spent on labor during timeframe | 3,575 |
| Amount spent on materials during this timeframe | 500 |
| List any other variable costs associated with the delivery of your service during this timeframe. | |
| Total Service Expenses | \$ 4,075 |
| Number Units Sold During Timeframe | 1 |
| Cost of Goods Sold Per Unit | \$ 4,075 |

Amortization and Depreciation Schedule

| Other Bank Debt | | | | | | | | | | | | | |
|------------------------|-----|--------|-----|-----|-----|------|------|-----|------|-----|-----|-----|--------|
| Principal Amount | | \$0.00 | | | | | | | | | | | |
| Interest Rate | | 5.00% | | | | | | | | | | | |
| Loan Term in Months | | 36.00 | | | | | | | | | | | |
| Monthly Payment Amount | | \$0.00 | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Totals |
| Year One | | | | | | | | | | | | | |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Principal | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Loan Balance | - | - | - | - | - | - | - | - | - | - | - | - | |
| Year Two | | | | | | | | | | | | | |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Principal | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Loan Balance | - | - | - | - | - | - | - | - | - | - | - | - | |
| Year Three | | | | | | | | | | | | | |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Principal | - | - | - | - | - | - | - | - | - | - | - | - | \$ - |
| Loan Balance | - | - | - | - | - | - | - | - | - | - | - | - | |

| Depreciation | | | | | | | | | | | | | |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|
| Real Estate-Buildings | | 20 | | | | | | | | | | | |
| Leasehold Improvements | | 7 | | | | | | | | | | | |
| Equipment | | 7 | | | | | | | | | | | |
| Furniture and Fixtures | | 5 | | | | | | | | | | | |
| Vehicles | | 5 | | | | | | | | | | | |
| Other | | 5 | | | | | | | | | | | |
| | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Totals |
| Year One | | | | | | | | | | | | | |
| Starting Depreciation | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | \$ 1,848,571 |
| Additional Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | |
| Ending Depreciation | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | \$ 1,848,571 |
| Year Two | | | | | | | | | | | | | |
| Starting Depreciation | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | \$ 1,848,571 |
| Additional Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | |
| Ending Depreciation | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | \$ 1,848,571 |
| Year Three | | | | | | | | | | | | | |
| Starting Depreciation | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | \$ 1,848,571 |
| Additional Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | |
| Ending Depreciation | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | 154,048 | \$ 1,848,571 |

