



Maintaining Your Financial Edge in the Chauffeur Driven Industry

June 24, 2015

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Example Chauffeured Driven Company
Income Statements
For the Three Months Calendar Year to Date January 1 to March 31, 2015 and 2014

	/-----January 1 to March 31, 2015-----/				January 1 to March 31, 2014		/-----January 1 to March 31, 2015-----/			
	<u>Actual</u>	<u>Pct</u>	<u>Budget</u>	<u>Pct</u>	<u>Actual</u>	<u>Pct</u>	<u>Budget</u>	<u>Pct</u>	<u>Prior Year</u>	<u>Pct</u>
Sales Revenue	\$ 1,435,000	100.00%	\$ 1,400,000	100.00%	\$ 1,200,000	100.00%	\$ 35,000	2.50%	\$ 235,000	19.58%
Variable Operating Expenses	939,080	65.44%	886,300	63.31%	742,640	61.89%	(52,780)	-5.96%	(196,440)	-26.45%
Gross Margin	495,920	34.56%	513,700	36.69%	457,360	38.11%	(17,780)	-3.46%	38,560	8.43%
Fixed Operating Expenses										
Vehicle Depreciation	36,000	2.51%	36,000	2.57%	27,000	2.25%	-	0.00%	(9,000)	-33.33%
Interest Expense	30,000	2.09%	28,000	2.00%	20,000	1.67%	(2,000)	-7.14%	(10,000)	-50.00%
Employee Benefits	16,000	1.11%	18,000	1.29%	9,000	0.75%	2,000	11.11%	(7,000)	-77.78%
Office Expenses	34,550	2.41%	34,260	2.45%	29,400	2.45%	(290)	-0.85%	(5,150)	-17.52%
Professional Services	6,800	0.47%	4,600	0.33%	2,800	0.23%	(2,200)	-47.83%	(4,000)	-142.86%
Administrative Salaries & Wages	166,500	11.60%	155,400	11.10%	133,200	11.10%	(11,100)	-7.14%	(33,300)	-25.00%
Other Administrative Expenses	11,200	0.78%	9,150	0.65%	10,400	0.87%	(2,050)	-22.40%	(800)	-7.69%
Sales & Marketing	58,100	4.05%	55,715	3.98%	46,115	3.84%	(2,385)	-4.28%	(11,985)	-25.99%
Total Operating Expenses	359,150	25.03%	341,125	24.37%	277,915	23.16%	(18,025)	-5.28%	(81,235)	-29.23%
Net Operating Income	136,770	9.53%	172,575	12.33%	179,445	14.95%	(35,805)	-20.75%	(42,675)	-23.78%
Other Expense										
Taxes	(2,200)	-0.15%	(3,000)	-0.21%	(1,800)	-0.15%	800	26.67%	(400)	-22.22%
Officer Salaries	(68,820)	-4.80%	(55,500)	-3.96%	(53,280)	-4.44%	(13,320)	-24.00%	(15,540)	-29.17%
Total Other Expense	(71,020)	-4.95%	(58,500)	-4.18%	(55,080)	-4.59%	(12,520)	-21.40%	(15,940)	-28.94%
Net Income	<u>\$ 65,750</u>	4.58%	<u>\$ 114,075</u>	8.15%	<u>\$ 124,365</u>	10.36%	<u>\$ (48,325)</u>	-42.36%	<u>\$ (58,615)</u>	-47.13%
Memo: EBITDA										
Net Income	\$ 65,750		\$ 114,075		\$ 124,365					
Add Interest Expense	30,000		28,000		20,000					
Add Taxes	2,200		3,000		1,800					
Add Depreciation - Vehicles	36,000		36,000		27,000					
Add Depreciation - Other Equipment	3,000		4,500		6,576					
Add Amortization	-		-		-					
Equals EBITDA	<u>\$ 136,950</u>		<u>\$ 185,575</u>		<u>\$ 179,741</u>					

Example Chauffeured Driven Company
Detailed Income Statements
For the Calendar Year-to-Date Ended March 31, 2015 and 2014

	/-----January 1 to March 31, 2015-----/				January 1 to March 31, 2014		/-----January 1 to March 31, 2015-----/			
	B/(W) than		B/(W) than							
	Actual	Pct	Budget	Pct	Actual	Pct	Budget	Pct	Prior Year	Pct
Sales										
Farm out sales	625,000	43.6%	600,000	42.9%	500,000	41.7%	25,000	4.2%	125,000	25.0%
Local sales	810,000	56.4%	800,000	57.1%	700,000	58.3%	10,000	1.3%	110,000	15.7%
Total Sales	1,435,000	100.0%	1,400,000	100.0%	1,200,000	100.0%	35,000	2.5%	235,000	19.6%
Variable Operating Expenses										
Administrative Fees										
Airport Fees	4,000		3,700		3,200		(300)		(800)	
Special Access Fees	500		600		520		100		20	
License Fees	1,500		1,400		1,100		(100)		(400)	
Regulatory	850		650		420		(200)		(430)	
Compliance	1,000		900		710		(100)		(290)	
Total Administrative Fees	7,850	0.5%	7,250	0.5%	5,950	0.5%	(600)	-8.0%	(1,900)	-31.9%
Credit Card Service Fees	40,000	2.8%	33,000	2.4%	27,000	2.3%	(7,000)	-21.0%	(13,000)	-48.1%
On-line Reservation System	5,800	0.4%	6,500	0.5%	4,800	0.4%	700	11.0%	(1,000)	-20.8%
Chauffeurs and Greeters										
Greeters	7,000		4,200		3,400		(2,800)		(3,600)	
Uniforms	1,200		500		800		(700)		(400)	
Commissions	10,000		5,000		5,000		(5,000)		(5,000)	
Chauffeur Wages	225,000		250,000		220,000		25,000		(5,000)	
Payroll Taxes	22,500		25,000		22,000		2,500		(500)	
Workers Compensation	9,500		9,000		8,000		(500)		(1,500)	
Total Chauffeurs and Greeters	275,200	19.2%	284,700	20.3%	251,200	20.9%	9,500	3.0%	(24,000)	-9.6%
Vehicles										
Insurance	17,000		17,000		14,200		-		(2,800)	
Engine Repairs	9,200		7,200		7,350		(2,000)		(1,850)	
Towing	800		650		290		(150)		(510)	
Body repairs	8,000		500		800		(7,500)		(7,200)	
Vehicle Prep/Cleaning	5,850		4,000		5,000		(1,850)		(850)	
Fuel	55,080		54,400		47,600		(680)		(7,480)	
Tolls/Parking	10,000		7,500		6,300		(2,500)		(3,700)	
Vehicle phones	2,200		3,100		2,800		900		600	
Vehicle Supplies	2,600		1,500		1,350		(1,100)		(1,250)	
Total Vehicles	110,730	7.7%	95,850	6.8%	85,690	7.1%	(14,880)	-16.0%	(25,040)	-29.2%
Affiliate Fees	490,000	34.1%	450,000	32.1%	360,000	30.0%	(40,000)	-9.0%	(130,000)	-36.1%
Total Variable Operating Expenses	939,080	65.4%	886,300	63.3%	742,640	61.9%	(52,780)	-6.0%	(196,440)	-26.5%
Gross Margin	495,920	34.6%	513,700	36.7%	457,360	38.1%	(17,780)	-3.0%	38,560	8.4%

Example Chauffeured Driven Company
Detailed Income Statements
For the Calendar Year-to-Date Ended March 31, 2015 and 2014
(Continued)

	<u>/-----January 1 to March 31, 2015-----/</u>				<u>January 1 to March 31, 2014</u>		<u>/-----January 1 to March 31, 2015-----/</u>			
	<u>Actual</u>	<u>Pct</u>	<u>Budget</u>	<u>Pct</u>	<u>Actual</u>	<u>Pct</u>	B/(W) than <u>Budget</u>	<u>Pct</u>	B/(W) than <u>Prior Year</u>	<u>Pct</u>
Fixed Operating Expenses										
Vehicle Depreciation	36,000	2.5%	36,000	2.6%	27,000	2.3%	-	0.0%	(9,000)	-33.3%
Interest Expense	30,000	2.1%	28,000	2.0%	20,000	1.7%	(2,000)	-7.0%	(10,000)	-50.0%
Employee Benefits	16,000	1.1%	18,000	1.3%	9,000	0.8%	2,000	11.0%	(7,000)	-77.8%
Office Expenses										
Office Rent	20,000		24,900		22,000		4,900		2,000	
Office Repairs & Maintenance	1,500		660		300		(840)		(1,200)	
Internet Fees	50		-		100		(50)		50	
Telephone	13,000		8,700		7,000		(4,300)		(6,000)	
Total Office Expenses	34,550	2.4%	34,260	2.4%	29,400	2.5%	(290)	-1.0%	(5,150)	-17.5%
Professional Services										
Accounting	1,100		1,200		800		100		(300)	
Call center services	-		-		400		-		400	
Computer Service	2,000		1,350		-		(650)		(2,000)	
Consultants	2,000		900		500		(1,100)		(1,500)	
Legal Fees	1,500		1,000		1,000		(500)		(500)	
Web Site maintenance	200		150		100		(50)		(100)	
Total Professional Services	6,800	0.5%	4,600	0.3%	2,800	0.2%	(2,200)	-48.0%	(4,000)	-142.9%
Administrative Salaries and Wages										
Office Wages	150,000		140,000		120,000		(10,000)		(30,000)	
P/R taxes - Admin	16,500		15,400		13,200		(1,100)		(3,300)	
Total Administrative Salaries and Wages	166,500	11.6%	155,400	11.1%	133,200	11.1%	(11,100)	-7.0%	(33,300)	-25.0%
Other Administrative Expenses										
Bank Fees	1,800		1,125		1,125		(675)		(675)	
Dues/Memberships/Subscriptions	1,000		225		225		(775)		(775)	
Business Insurance	-		300		250		300		250	
Depreciation - other equipment	3,000		4,500		4,500		1,500		1,500	
Office Equipment	1,500		600		500		(900)		(1,000)	
Payroll Processing Fees	3,000		1,875		1,800		(1,125)		(1,200)	
Office Supplies	200				1,000		(200)		800	
Postage	600		525		800		(75)		200	
Miscellaneous	100		-		200		(100)		100	
Total Other Administrative Expenses	11,200	0.8%	9,150	0.7%	10,400	0.9%	(2,050)	-22.0%	(800)	-7.7%

Example Chauffeured Driven Company
Detailed Income Statements
For the Calendar Year-to-Date Ended March 31, 2015 and 2014
(Continued)

	/-----January 1 to March 31, 2015-----/				January 1 to March 31, 2014		/-----January 1 to March 31, 2015-----/			
	Actual	Pct	Budget	Pct	Actual	Pct	B/(W) than Budget	Pct	B/(W) than Prior Year	Pct
Sales and Marketing Expenses										
Sales Wages	20,000		18,000		16,000		(2,000)		(4,000)	
Sales P/R taxes	2,200		1,980		1,760		(220)		(440)	
Meals & Entertainment	7,000		10,000		8,000		3,000		1,000	
Advertising	1,500		1,350		700		(150)		(800)	
Associations	3,500		4,410		3,700		910		200	
Internet Marketing	1,700		1,650		1,500		(50)		(200)	
Marketing Materials	2,000		1,700		1,800		(300)		(200)	
Trade Shows	1,500		1,500		1,000		-		(500)	
Marketing - Other	1,500		-		-		(1,500)		(1,500)	
Airfare	4,000		3,550		3,000		(450)		(1,000)	
Car Rental	500		825		775		325		275	
Lodging	6,500		5,000		4,200		(1,500)		(2,300)	
Meals - Out of Town	6,000		5,000		3,200		(1,000)		(2,800)	
Parking	200		750		480		550		280	
Total Sales and Marketing Expenses	<u>58,100</u>	4.0%	<u>55,715</u>	4.0%	<u>46,115</u>	3.8%	<u>(2,385)</u>	-4.0%	<u>(11,985)</u>	-26.0%
Total Fixed Operating Expenses	<u>359,150</u>	25.0%	<u>341,125</u>	24.4%	<u>277,915</u>	23.2%	<u>(18,025)</u>	-5.0%	<u>(81,235)</u>	-29.2%
Net Operating Income	136,770	9.5%	172,575	12.3%	179,445	15.0%	(35,805)	-21.0%	(42,675)	-23.8%
Other Expenses										
Taxes	2,200		3,000		1,800		800		(400)	
Officer Salaries	62,000		50,000		48,000		(12,000)		(14,000)	
Officer Payroll Taxes-G&A	6,820		5,500		5,280		(1,320)		(1,540)	
Total Other Expense	<u>71,020</u>	4.9%	<u>58,500</u>	4.2%	<u>55,080</u>	4.6%	<u>(12,520)</u>	-21.0%	<u>(15,940)</u>	-28.9%
Net Income	<u><u>65,750</u></u>	4.6%	<u><u>114,075</u></u>	8.1%	<u><u>124,365</u></u>	10.4%	<u><u>(48,325)</u></u>	-42.0%	<u><u>(58,615)</u></u>	-47.1%

Example Chauffeured Driven Company
Balance Sheets
March 31, 2015 and 2014

	<u>March 31, 2015</u>	<u>March 31, 2014</u>	<u>March 31, 2015</u> <u>Incr/(Decr)</u> <u>March 31, 2014</u>	<u>Pct</u>
ASSETS				
Current Assets				
Checking/Savings	\$ 120,000	\$ 85,000	\$ 35,000	41.18%
Accounts Receivable	320,000	290,000	30,000	10.35%
Investments	<u>200,000</u>	<u>180,000</u>	<u>20,000</u>	11.00%
Total Current Assets	<u>640,000</u>	<u>555,000</u>	<u>85,000</u>	15.00%
Property, Plant and Equipment				
Vehicles net of depreciation	1,200,000	1,100,000	100,000	9.09%
Office Equipment	<u>125,000</u>	<u>100,000</u>	<u>25,000</u>	25.00%
Total Property, Plant and Equipment	<u>1,325,000</u>	<u>1,200,000</u>	<u>125,000</u>	10.42%
TOTAL ASSETS	<u><u>\$ 1,965,000</u></u>	<u><u>\$ 1,755,000</u></u>	<u><u>\$ 210,000</u></u>	11.97%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	220,000	180,000	40,000	22.22%
Credit Cards	25,000	18,000	7,000	38.89%
Accrued Liabilities	120,000	60,000	60,000	100.00%
Current Portion of Long Term Debt	<u>290,000</u>	<u>274,400</u>	<u>15,600</u>	5.69%
Total Current Liabilities	<u>655,000</u>	<u>532,400</u>	<u>122,600</u>	23.03%
Long Term Liabilities				
Vehicle Loans	800,000	680,000	120,000	17.65%
Bank Note Payable	650,000	625,000	25,000	4.00%
Less Current Portion of LT Debt	<u>(290,000)</u>	<u>(274,400)</u>	<u>(15,600)</u>	-5.69%
Total Long Term Liabilities	<u>1,160,000</u>	<u>1,030,600</u>	<u>129,400</u>	12.56%
Total Liabilities	<u>1,815,000</u>	<u>1,563,000</u>	<u>252,000</u>	16.12%
Equity				
Common Stock	50,000	50,000	-	0.00%
Retained Earnings	34,250	17,635	16,615	94.22%
Year to date Income	<u>65,750</u>	<u>124,365</u>	<u>(58,615)</u>	-47.13%
Total Equity	<u>150,000</u>	<u>192,000</u>	<u>(42,000)</u>	-21.88%
TOTAL LIABILITIES & EQUITY	<u><u>\$ 1,965,000</u></u>	<u><u>\$ 1,755,000</u></u>	<u><u>\$ 210,000</u></u>	11.97%

Example Chauffeured Driven Company
March 31, 2015 and 2014
Ratio Analysis

Liquidity Ratios	<u>March 31, 2015</u>	<u>March 31, 2014</u>	<u>General Rule</u>
<u>Working Capital</u>			
Current Assets minus Current Liabilities	(15,000)	22,600	Positive number
<u>Working Capital Ratio</u>			
Current Assets divided by Current Liabilities	1 to 1	1 to 1	2 to 1
Leverage Ratio			
<u>Debt to Equity Ratio</u>			
Total Debt divided by Total Equity	12.1 to 1	8.1 to 1	Less than 4 to 1
<u>Debt Service Coverage Ratio</u>			
Net Income plus depreciation and interest divided by debt payment	1.9 to 1	2.9 to 1	Greater than 1.2 to 1
Profitability Ratios			
<u>Return on Equity (ROE)</u>			
Net Income divided by Common Stock plus Retained Earnings	78.04%	183.88%	Depends on Risk
<u>Return on Assets</u>			
Net Income divided by Total Assets	3.35%	7.09%	Depends on Risk

Model that helps predict the risk of Company Failure

	<u>/-----March 31, 2015-----/</u>		<u>/-----March 31, 2014-----/</u>	
<u>Altman Z-Score Model B estimate for General Companies</u>				
	<u>Formula</u>	<u>Financial</u>	<u>Formula</u>	<u>Financial</u>
	<u>Constant (Z2)</u>	<u>Factors (T)</u>	<u>Values</u>	<u>Factors (T)</u>
				<u>Values</u>
T1 = (Current Assets – Current Liabilities) / Total Assets	6.56	(0.00763)	(0.05008)	0.01288
T2 = Retained Earnings / Total Assets	3.26	0.07634	0.24885	0.10940
T3 = Earnings Before Interest and Taxes / Total Assets	6.72	0.04985	0.33497	0.08328
T4 = Book Value of Equity / Total Liabilities	1.05	0.08264	<u>0.08678</u>	<u>0.12284</u>

Z-Score bankruptcy model: $(Z = 6.56 \cdot T1 + 3.26 \cdot T2 + 6.72 \cdot T3 + 1.05 \cdot T4)$:

Z > 2.6 -"Safe" Zone

1.1 < Z < 2.6 -"Grey" Zone

Z < 1.1 -"Distress" Zone

0.62053

1.12978

Example Chauffeured Driven Company
Income Statements
For the Three Months Calendar Year to Date Ending March 31, 2015 and 2014

	/-----January 1 to March 31, 2015-----/				January 1 to March 31, 2014		/-----January 1 to March 31, 2015-----/			
	<u>Actual</u>	<u>Pct</u>	<u>Budget</u>	<u>Pct</u>	<u>Actual</u>	<u>Pct</u>	B/(W) than <u>Budget</u>	<u>Pct</u>	B/(W) than <u>Prior Year</u>	<u>Pct</u>
Sales Revenue	\$ 1,325,000	100.00%	\$ 1,400,000	100.00%	\$ 1,200,000	100.00%	\$ (75,000)	-5.36%	\$ 125,000	10.42%
Variable Operating Expenses	874,500	66.00%	886,300	63.31%	742,640	61.89%	11,800	1.33%	(131,860)	-17.76%
Gross Margin	450,500	34.00%	513,700	36.69%	457,360	38.11%	(63,200)	-12.30%	(6,860)	-1.50%
Fixed Operating Expenses										
Vehicle Depreciation	36,000	2.72%	36,000	2.57%	27,000	2.25%	-	0.00%	(9,000)	-33.33%
Interest Expense	30,000	2.26%	28,000	2.00%	20,000	1.67%	(2,000)	-7.14%	(10,000)	-50.00%
Employee Benefits	18,000	1.36%	18,000	1.29%	9,000	0.75%	-	0.00%	(9,000)	-100.00%
Office Expenses	39,000	2.94%	34,260	2.45%	29,400	2.45%	(4,740)	-13.84%	(9,600)	-32.65%
Professional Services	6,800	0.51%	4,600	0.33%	2,800	0.23%	(2,200)	-47.83%	(4,000)	-142.86%
Administrative Salaries & Wages	175,000	13.21%	155,400	11.10%	133,200	11.10%	(19,600)	-12.61%	(41,800)	-31.38%
Other Administrative Expenses	16,500	1.25%	9,150	0.65%	10,400	0.87%	(7,350)	-80.33%	(6,100)	-58.65%
Sales & Marketing	66,200	5.00%	55,715	3.98%	46,115	3.84%	(10,485)	-18.82%	(20,085)	-43.55%
Total Operating Expenses	387,500	29.25%	341,125	24.37%	277,915	23.16%	(46,375)	-13.59%	(109,585)	-39.43%
Net Operating Income	63,000	4.75%	172,575	12.33%	179,445	14.95%	(109,575)	-63.49%	(116,445)	-64.89%
Other Expense										
Taxes	(2,200)	-0.17%	(3,000)	-0.21%	(1,800)	-0.15%	800	26.67%	(400)	-22.22%
Officer Salaries	(68,820)	-5.19%	(55,500)	-3.96%	(53,280)	-4.44%	(13,320)	-24.00%	(15,540)	-29.17%
Total Other Expense	(71,020)	-5.36%	(58,500)	-4.18%	(55,080)	-4.59%	(12,520)	-21.40%	(15,940)	-28.94%
Net Income	<u>\$ (8,020)</u>	-0.61%	<u>\$ 114,075</u>	8.15%	<u>\$ 124,365</u>	10.36%	<u>\$ (122,095)</u>	-107.03%	<u>\$ (132,385)</u>	-106.45%
Memo: EBITDA										
Net Income	\$ (8,020)		\$ 114,075		\$ 124,365					
Add Interest Expense	30,000		28,000		20,000					
Add Taxes	2,200		3,000		1,800					
Add Depreciation - Vehicles	36,000		36,000		27,000					
Add Depreciation - Other Equipment	3,000		4,500		6,576					
Add Amortization	-		-		-					
Equals EBITDA	<u>\$ 63,180</u>		<u>\$ 185,575</u>		<u>\$ 179,741</u>					

Example Chauffeured Driven Company
Balance Sheets
March 31, 2015 and 2014

	<u>March 31, 2015</u>	<u>March 31, 2014</u>	<u>March 31, 2015</u> <u>Incr/(Decr)</u> <u>March 31, 2014</u>	<u>Pct</u>
ASSETS				
Current Assets				
Checking/Savings	\$ 46,230	\$ 85,000	\$ (38,770)	-45.61%
Accounts Receivable	320,000	290,000	30,000	10.35%
Investments	<u>200,000</u>	<u>180,000</u>	<u>20,000</u>	<u>11.00%</u>
Total Current Assets	566,230	555,000	11,230	2.00%
Property, Plant and Equipment				
Vehicles net of depreciation	1,200,000	1,100,000	100,000	9.09%
Office Equipment	<u>125,000</u>	<u>100,000</u>	<u>25,000</u>	<u>25.00%</u>
Total Property, Plant and Equipment	<u>1,325,000</u>	<u>1,200,000</u>	<u>125,000</u>	<u>10.42%</u>
TOTAL ASSETS	<u>\$ 1,891,230</u>	<u>\$ 1,755,000</u>	<u>\$ 136,230</u>	<u>7.76%</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	220,000	180,000	40,000	22.22%
Credit Cards	25,000	18,000	7,000	38.89%
Accrued Liabilities	120,000	60,000	60,000	100.00%
Current Portion of Long Term Debt	<u>290,000</u>	<u>274,400</u>	<u>15,600</u>	<u>5.69%</u>
Total Current Liabilities	655,000	532,400	122,600	23.03%
Long Term Liabilities				
Vehicle Loans	800,000	680,000	120,000	17.65%
Bank Note Payable	650,000	625,000	25,000	
Less Current Portion of LT Debt	<u>(290,000)</u>	<u>(274,400)</u>	<u>(15,600)</u>	<u>-5.69%</u>
Total Long Term Liabilities	<u>1,160,000</u>	<u>1,030,600</u>	<u>129,400</u>	<u>12.56%</u>
Total Liabilities	1,815,000	1,563,000	252,000	
Equity				
Common Stock	50,000	50,000	-	0.00%
Retained Earnings	34,250	17,635	16,615	94.22%
Year to date Income	<u>(8,020)</u>	<u>124,365</u>	<u>(132,385)</u>	<u>-106.45%</u>
Total Equity	<u>76,230</u>	<u>192,000</u>	<u>(115,770)</u>	<u>-60.30%</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 1,891,230</u>	<u>\$ 1,755,000</u>	<u>\$ 136,230</u>	<u>7.76%</u>

Example Chauffeured Driven Company
March 31, 2015 and 2014
Ratio Analysis

Liquidity Ratios	<u>March 31, 2015</u>	<u>March 31, 2014</u>	<u>General Rule</u>
<u>Working Capital</u> Current Assets minus Current Liabilities	(88,770)	22,600	Positive number
<u>Working Capital Ratio</u> Current Assets divided by Current Liabilities	0.9 to 1	1 to 1	2 to 1
Leverage Ratio			
<u>Debt to Equity Ratio</u> Total Debt divided by Total Equity	23.8 to 1	8.1 to 1	Less than 4 to 1
<u>Debt Service Coverage Ratio</u> Net Income plus depreciation and interest divided by debt payment	0.8 to 1	2.9 to 1	Greater than 1.2 to 1
Profitability Ratios			
<u>Return on Equity (ROE)</u> Net Income divided by Common Stock plus Retained Earnings	-9.52%	183.88%	Depends on Risk
<u>Return on Assets</u> Net Income divided by Total Assets	-0.42%	7.09%	Depends on Risk

Model that helps predict the risk of Company Failure

Model that helps predict the risk of Company Failure	/-----March 31, 2015-----/		/-----March 31, 2014-----/		
<u>Altman Z-Score Model B estimate for General Companies</u>	Formula Constant (Z2)	Financial Factors (T)	Formula Values	Financial Factors (T)	Formula Values
T1 = (Current Assets – Current Liabilities) / Total Assets	6.56	(0.04694)	(0.30791)	0.01288	0.08448
T2 = Retained Earnings / Total Assets	3.26	0.04031	0.13140	0.10940	0.35665
T3 = Earnings Before Interest and Taxes / Total Assets	6.72	0.01279	0.08592	0.08328	0.55967
T4 = Book Value of Equity / Total Liabilities	1.05	0.04200	0.04410	0.12284	0.12898

Z-Score bankruptcy model: $(Z = 6.56 \cdot T1 + 3.26 \cdot T2 + 6.72 \cdot T3 + 1.05 \cdot T4)$:

Z > 2.6 -"Safe" Zone

1.1 < Z < 2.6 -"Grey" Zone

Z < 1.1 -"Distress" Zone

(0.04649)

1.12978

Breakeven Analysis

Enter The following from your latest monthly or year to date income statement:

	Input cells =		
			Percent
Local non-affiliate sales	810,000		100.0%
Variable Operating Expenses			
Administrative Fees			
Airport Fees	4,000		
Special Access Fees	500		
License Fees	1,500		
Regulatory	850		
Compliance	1,000		
Total Administrative Fees	7,850		
Credit Card Service Fees	40,000		
On-line Reservation System	5,800		
Chauffeurs and Greeters			
Greeters	7,000		
Uniforms	1,200		
Commissions	10,000		
Chauffeur Wages	225,000		
Payroll Taxes	22,500		
Workers Compensation	9,500		
Total Chauffeurs and Greeters	275,200		
Vehicles			
Insurance	17,000		
Engine Repairs	9,200		
Towing	800		
Body repairs	8,000		
Vehicle Prep/Cleaning	5,850		
Fuel	55,080		
Tolls/Parking	10,000		
Vehicle phones	2,200		
Vehicle Supplies	2,600		
Total Vehicles	110,730		
Total Variable Operating Expenses	439,580	54.3%	
Gross Margin	\$ 370,420	45.7%	

Sales required to break even on vehicle purchase:

Enter vehicle total purchase price	\$ 50,000
Total sales required to break even	\$ 109,335
Enter average revenue per trip	\$ 110
Trips required to break even	994

Local sales required to break even on new employee hire:

Enter employees total annual wages plus benefits	\$ 42,000
Enter other costs associated with new hire	\$ 5,000
Total sales required to break even	\$ 102,775
Enter average revenue per trip	\$ 110
Trips required to break even	934