

EARLY ANALYSIS OF A CHAPTER 11 DEBTOR'S PROSPECTS:



Can This Dog Hunt???





Most Important Decisions- To File or Not to File and What to File

- Type of Debtor
- Type of Problem
- Financial Structure
- Debtor's Objectives
- Alternatives to Chapter 11



Type of Debtor

- Hotel
- Auto Maker
- Retail Chain
- Home Builder
- Trucking Co.



Type of Problem

- One Time Catastrophic Loss
- Unprofitable Locations/Product Lines
- Too Rapid Expansion
- Competition
- Too Much Secured Debt
- Poor Management/Lack of Financial Controls

Financial Structure

- **Balance Sheet**
- **Cash Flow Pro Forma**



ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
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ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
Cash			
A/R's			
Inventory			
Rolling Stk (net of dep.)			

ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
Cash		\$ -	
A/R's		\$ 500,000.00	
Inventory		\$ 1,250,000.00	
Rolling Stk (net of dep.)		\$ 150,000.00	

ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
Cash		\$ -	\$ -
A/R's		\$ 500,000.00	\$ 250,000.00
Inventory		\$ 1,250,000.00	\$ 375,000.00
Rolling Stk (net of dep.)		\$ 150,000.00	\$ 75,000.00

ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
Cash		\$ -	\$ -
A/R's		\$ 500,000.00	\$ 250,000.00
Inventory		\$ 1,250,000.00	\$ 375,000.00
Rolling Stk (net of dep.)		\$ 150,000.00	\$ 75,000.00
<u>Liabilities:</u>			
BankTrust LOC	1		
Footnotes:			
1. BankTrust LOC secured by 1st lien on A/R's, Inv. and FF&E			

ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
Cash		\$ -	\$ -
A/R's		\$ 500,000.00	\$ 250,000.00
Inventory		\$ 1,250,000.00	\$ 375,000.00
Rolling Stk (net of dep.)		\$ 150,000.00	\$ 75,000.00
<u>Liabilities:</u>			
BankTrust LOC	1	\$ 750,000.00	
Footnotes:			
1. BankTrust LOC secured by 1st lien on A/R's, Inv. and FF&E			

ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
Cash		\$ -	\$ -
A/R's		\$ 500,000.00	\$ 250,000.00
Inventory		\$ 1,250,000.00	\$ 375,000.00
Rolling Stk (net of dep.)		\$ 150,000.00	\$ 75,000.00
<u>Liabilities:</u>			
BankTrust LOC	1	\$ 750,000.00	\$ 750,000.00
Footnotes:			
1. BankTrust LOC secured by 1st lien on A/R's, Inv. and FF&E			

ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
Cash		\$ -	\$ -
A/R's		\$ 500,000.00	\$ 250,000.00
Inventory		\$ 1,250,000.00	\$ 375,000.00
FF&E (net of dep.)			
Rolling Stk (net of dep.)		\$ 150,000.00	\$ 75,000.00
<u>Liabilities:</u>			
BankTrust LOC	1	\$ 750,000.00	\$ 750,000.00
Personal Prop. Leases	2		
Footnotes:			
1. BankTrust LOC secured by 1st lien on A/R's, Inv. and FF&E			
2. Leases of manufacturing equipment. D. obligated to purchase.			

ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
Cash		\$ -	\$ -
A/R's		\$ 500,000.00	\$ 250,000.00
Inventory		\$ 1,250,000.00	\$ 375,000.00
FF&E (net of dep.)		\$ 700,000.00	
Rolling Stk (net of dep.)		\$ 150,000.00	\$ 75,000.00
<u>Liabilities:</u>			
BankTrust LOC	1	\$ 750,000.00	\$ 750,000.00
Personal Prop. Leases	2	\$ -	
Footnotes:			
1. BankTrust LOC secured by 1st lien on A/R's, Inv. and FF&E			
2. Leases of manufacturing equipment. D. obligated to purchase.			

ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
Cash		\$ -	\$ -
A/R's		\$ 500,000.00	\$ 250,000.00
Inventory		\$ 1,250,000.00	\$ 375,000.00
FF&E (net of dep.)		\$ 700,000.00	\$ 350,000.00
Rolling Stk (net of dep.)		\$ 150,000.00	\$ 75,000.00
<u>Liabilities:</u>			
BankTrust LOC	1	\$ 750,000.00	\$ 750,000.00
Personal Prop. Leases	2	\$ -	\$ 500,000.00
Footnotes:			
1. BankTrust LOC secured by 1st lien on A/R's, Inv. and FF&E			
2. Leases of manufacturing equipment. D. obligated to purchase.			

ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
Cash		\$ -	\$ -
A/R's		\$ 500,000.00	\$ 250,000.00
Inventory		\$ 1,250,000.00	\$ 375,000.00
FF&E (net of dep.)		\$ 700,000.00	\$ 350,000.00
Rolling Stk (net of dep.)		\$ 150,000.00	\$ 75,000.00
Real Estate			
<u>Liabilities:</u>			
BankTrust LOC	1	\$ 750,000.00	\$ 750,000.00
Personal Prop. Leases	2	\$ -	\$ 500,000.00
First Fed. R.E. Mort.	3		
Footnotes:			
1. BankTrust LOC secured by 1st lien on A/R's, Inv. and FF&E			
2. Leases of manufacturing equipment. D. obligated to purchase.			
3. First Fed. Mort. secured by 1st mortgage on Real Estate			

ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
Cash		\$ -	\$ -
A/R's		\$ 500,000.00	\$ 250,000.00
Inventory		\$ 1,250,000.00	\$ 375,000.00
FF&E (net of dep.)		\$ 700,000.00	\$ 350,000.00
Rolling Stk (net of dep.)		\$ 150,000.00	\$ 75,000.00
Real Estate		<u>\$ 1,500,000.00</u>	
<u>Liabilities:</u>			
BankTrust LOC	1	\$ 750,000.00	\$ 750,000.00
Personal Prop. Leases	2	\$ -	\$ 500,000.00
First Fed. R.E. Mort.	3	<u>\$ 900,000.00</u>	
Footnotes:			
1. BankTrust LOC secured by 1st lien on A/R's, Inv. and FF&E			
2. Leases of manufacturing equipment. D. obligated to purchase.			
3. First Fed. Mort. secured by 1st mortgage on Real Estate			

ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
Cash		\$ -	\$ -
A/R's		\$ 500,000.00	\$ 250,000.00
Inventory		\$ 1,250,000.00	\$ 375,000.00
FF&E (net of dep.)		\$ 700,000.00	\$ 350,000.00
Rolling Stk (net of dep.)		\$ 150,000.00	\$ 75,000.00
Real Estate		<u>\$ 1,500,000.00</u>	<u>\$ 2,000,000.00</u>
<u>Liabilities:</u>			
BankTrust LOC	1	\$ 750,000.00	\$ 750,000.00
Personal Prop. Leases	2	\$ -	\$ 500,000.00
First Fed. R.E. Mort.	3	<u>\$ 900,000.00</u>	<u>\$ 900,000.00</u>
Footnotes:			
1. BankTrust LOC secured by 1st lien on A/R's, Inv. and FF&E			
2. Leases of manufacturing equipment. D. obligated to purchase.			
3. First Fed. Mort. secured by 1st mortgage on Real Estate			

ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
Cash		\$ -	\$ -
A/R's		\$ 500,000.00	\$ 250,000.00
Inventory		\$ 1,250,000.00	\$ 375,000.00
FF&E (net of dep.)		\$ 700,000.00	\$ 350,000.00
Rolling Stk (net of dep.)		\$ 150,000.00	\$ 75,000.00
Real Estate		<u>\$ 1,500,000.00</u>	<u>\$ 2,000,000.00</u>
Total:		\$ 4,100,000.00	\$ 3,050,000.00
<u>Liabilities:</u>			
BankTrust LOC	1	\$ 750,000.00	\$ 750,000.00
Trade Payables		\$ 900,000.00	\$ 900,000.00
Personal Prop. Leases	2	\$ -	\$ 500,000.00
Taxes		\$ 75,000.00	\$ 75,000.00
First Fed. R.E. Mort.	3	<u>\$ 900,000.00</u>	<u>\$ 900,000.00</u>
Footnotes:			
1. BankTrust LOC secured by 1st lien on A/R's, Inv. and FF&E			
2. Leases of manufacturing equipment. D. obligated to purchase.			
3. First Fed. Mort. secured by 1st mortgage on Real Estate			

ACME TRUSS MANUFACTURING CORPORATION

Balance Sheet

<u>Assets:</u>	<u>Fn.</u>	<u>Book</u>	<u>Liquidation</u>
Cash		\$ -	\$ -
A/R's		\$ 500,000.00	\$ 250,000.00
Inventory		\$ 1,250,000.00	\$ 375,000.00
FF&E (net of dep.)		\$ 700,000.00	\$ 350,000.00
Rolling Stk (net of dep.)		\$ 150,000.00	\$ 75,000.00
Real Estate		<u>\$ 1,500,000.00</u>	<u>\$ 2,000,000.00</u>
Total:		\$ 4,100,000.00	\$ 3,050,000.00
<u>Liabilities:</u>			
BankTrust LOC	1	\$ 750,000.00	\$ 750,000.00
Trade Payables		\$ 900,000.00	\$ 900,000.00
Personal Prop. Leases	2	\$ -	\$ 500,000.00
Taxes		\$ 75,000.00	\$ 75,000.00
First Fed. R.E. Mort.	3	<u>\$ 900,000.00</u>	<u>\$ 900,000.00</u>
Total:		\$ 2,625,000.00	\$ 3,125,000.00
Footnotes:			
1. BankTrust LOC secured by 1st lien on A/R's, Inv. and FF&E			
2. Leases of manufacturing equipment. D. obligated to purchase.			
3. First Fed. Mort. secured by 1st mortgage on Real Estate			

ACME TRUSS MANUFACTURING CORPORATION

Cash Flow Pro Forma

	<u>Apr-00</u>	<u>May-00</u>	<u>Jun-00</u>	<u>Jul-00</u>
Income from Operations:	\$ 550,000	\$ 625,000	\$ 675,000	\$ 675,000
Disbursements:				
Materials Cost	\$ 195,000	\$ 215,000	\$ 260,000	\$ 249,100
Labor Cost	\$ 210,000	\$ 237,500	\$ 262,000	\$ 265,000
Supplies	\$ 13,500	\$ 19,250	\$ 21,000	\$ 21,000
Advertising	\$ 14,726	\$ 24,650	\$ 22,285	\$ 10,445
Depreciation	\$ 16,666	\$ 16,666	\$ 16,666	\$ 16,666
Licensing Fee	\$ 18,375	\$ 20,985	\$ 24,381	\$ 23,607
Accounting	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600
Legal	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Insurance	\$ 8,950	\$ 7,000	\$ 8,950	\$ 7,000
Repairs and Maint.	\$ 10,506	\$ 22,395	\$ 18,225	\$ 13,990
R.E. Taxes	\$ 8,535	\$ 8,535	\$ 8,535	\$ 8,535
Utilities	\$ 28,022	\$ 40,177	\$ 35,900	\$ 39,625
BankTrust Interest	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
First Federal Mort. Payment	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Personal Property Leases	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Total Disbursements	\$ 587,880	\$ 675,758	\$ 741,542	\$ 718,568
Cash Surplus/Deficit	\$ (37,880.00)	\$ (50,758.00)	\$ (66,542.00)	\$ (43,568.39)
Cash at Beginning Of Period	\$ -	\$ (37,880.00)	\$ (88,638.00)	\$ (155,180.00)
Cash at End of Period	\$ (37,880.00)	\$ (88,638.00)	\$ (155,180.00)	\$ (198,748.39)

ACME TRUSS MANUFACTURING CORPORATION

Cash Flow Pro Forma

	<u>Apr-00</u>	<u>May-00</u>	<u>Jun-00</u>	<u>Jul-00</u>
<u>Income from Operations:</u>	\$ 550,000	\$ 625,000	\$ 675,000	\$ 675,000
<u>Disbursements:</u>				
Materials Cost	\$ 195,000	\$ 215,000	\$ 260,000	\$ 249,100
Labor Cost	\$ 210,000	\$ 237,500	\$ 262,000	\$ 265,000
Supplies	\$ 13,500	\$ 19,250	\$ 21,000	\$ 21,000
Advertising	\$ 14,726	\$ 24,650	\$ 22,285	\$ 10,445
Depreciation	\$ -	\$ -	\$ -	\$ -
Licensing Fee	\$ 18,375	\$ 20,985	\$ 24,381	\$ 23,607
Accounting	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600
Legal	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Insurance	\$ 8,950	\$ 7,000	\$ 8,950	\$ 7,000
Repairs and Maint.	\$ 10,506	\$ 22,395	\$ 18,225	\$ 13,990
R.E. Taxes	\$ 8,535	\$ 8,535	\$ 8,535	\$ 8,535
Utilities	\$ 28,022	\$ 40,177	\$ 35,900	\$ 39,625
BankTrust Interest	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
First Federal Mort. Payment	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Personal Property Leases	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Total Disbursements	\$ 571,214	\$ 659,092	\$ 724,876	\$ 701,902
Cash Surplus/Deficit	\$ (21,214.00)	\$ (34,092.00)	\$ (49,876.00)	\$ (26,902.39)
Cash at Beginning Of Period	\$ -	\$ (21,214.00)	\$ (55,306.00)	\$ (105,182.00)
Cash at End of Period	\$ (21,214.00)	\$ (55,306.00)	\$ (105,182.00)	\$ (132,084.39)

ACME TRUSS MANUFACTURING CORPORATION

Cash Flow Pro Forma

	<u>Apr-00</u>	<u>May-00</u>	<u>Jun-00</u>	<u>Jul-00</u>
Income from Operations:	\$ 550,000	\$ 625,000	\$ 675,000	\$ 675,000
Disbursements:				
Materials Cost	\$ 195,000	\$ 215,000	\$ 260,000	\$ 249,100
Labor Cost	\$ 210,000	\$ 237,500	\$ 262,000	\$ 265,000
Supplies	\$ 13,500	\$ 19,250	\$ 21,000	\$ 21,000
Advertising	\$ 14,726	\$ 24,650	\$ 22,285	\$ 10,445
Depreciation	\$ -	\$ -	\$ -	\$ -
Licensing Fee	\$ 18,375	\$ 20,985	\$ 24,381	\$ 23,607
Accounting	\$ -	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 8,950	\$ 7,000	\$ 8,950	\$ 7,000
Repairs and Maint.	\$ 10,506	\$ 22,395	\$ 18,225	\$ 13,990
R.E. Taxes	\$ 8,535	\$ 8,535	\$ 8,535	\$ 8,535
Utilities	\$ 28,022	\$ 40,177	\$ 35,900	\$ 39,625
BankTrust Interest	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
First Federal Mort. Payment	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Personal Property Leases	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Total Disbursements	\$ 557,614	\$ 645,492	\$ 711,276	\$ 688,302
Cash Surplus/Deficit	\$ (7,614.00)	\$ (20,492.00)	\$ (36,276.00)	\$ (13,302.39)
Cash at Beginning Of Period	\$ -	\$ (7,614.00)	\$ (28,106.00)	\$ (64,382.00)
Cash at End of Period	\$ (7,614.00)	\$ (28,106.00)	\$ (64,382.00)	\$ (77,684.39)

ACME TRUSS MANUFACTURING CORPORATION

Cash Flow Pro Forma

	<u>Apr-00</u>	<u>May-00</u>	<u>Jun-00</u>	<u>Jul-00</u>
Income from Operations:	\$ 550,000	\$ 625,000	\$ 675,000	\$ 675,000
<u>Disbursements:</u>				
Materials Cost	\$ 195,000	\$ 215,000	\$ 260,000	\$ 249,100
Labor Cost	\$ 210,000	\$ 237,500	\$ 262,000	\$ 265,000
Supplies	\$ 13,500	\$ 19,250	\$ 21,000	\$ 21,000
Advertising	\$ 14,726	\$ 24,650	\$ 22,285	\$ 10,445
Depreciation	\$ -	\$ -	\$ -	\$ -
Licensing Fee	\$ 18,375	\$ 20,985	\$ 24,381	\$ 23,607
Accounting	\$ -	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 8,950	\$ 7,000	\$ 8,950	\$ 7,000
Repairs and Maint.	\$ 10,506	\$ 22,395	\$ 18,225	\$ 13,990
R.E. Taxes	\$ -	\$ -	\$ -	\$ -
Utilities	\$ 28,022	\$ 40,177	\$ 35,900	\$ 39,625
BankTrust Interest	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
First Federal Mort. Payment	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Personal Property Leases	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Total Disbursements	\$ 549,079	\$ 636,957	\$ 702,741	\$ 679,767
Cash Surplus/Deficit	\$ 921.00	\$ (11,957.00)	\$ (27,741.00)	\$ (4,767.39)
Cash at Beginning Of Period	\$ -	\$ 921.00	\$ (11,036.00)	\$ (38,777.00)
Cash at End of Period	\$ 921.00	\$ (11,036.00)	\$ (38,777.00)	\$ (43,544.39)

ACME TRUSS MANUFACTURING CORPORATION

Cash Flow Pro Forma

	<u>Apr-00</u>	<u>May-00</u>	<u>Jun-00</u>	<u>Jul-00</u>
Income from Operations:	\$ 550,000	\$ 625,000	\$ 675,000	\$ 675,000
<u>Disbursements:</u>				
Materials Cost	\$ 195,000	\$ 215,000	\$ 260,000	\$ 249,100
Labor Cost	\$ 210,000	\$ 237,500	\$ 262,000	\$ 265,000
Supplies	\$ 13,500	\$ 19,250	\$ 21,000	\$ 21,000
Advertising	\$ 14,726	\$ 24,650	\$ 22,285	\$ 10,445
Depreciation	\$ -	\$ -	\$ -	\$ -
Licensing Fee	\$ 18,375	\$ 20,985	\$ 24,381	\$ 23,607
Accounting	\$ -	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 8,950	\$ 7,000	\$ 8,950	\$ 7,000
Repairs and Maint.	\$ 10,506	\$ 22,395	\$ 18,225	\$ 13,990
R.E. Taxes	\$ -	\$ -	\$ -	\$ -
Utilities	\$ 28,022	\$ 40,177	\$ 35,900	\$ 39,625
BankTrust Interest	\$ -	\$ -	\$ -	\$ -
First Federal Mort. Payment	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Personal Property Leases	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Total Disbursements	\$ 539,079	\$ 626,957	\$ 692,741	\$ 669,767
Cash Surplus/Deficit	\$10,921.00	\$(1,957.00)	\$(17,741.00)	\$ 5,232.61
Cash at Beginning Of Period	\$ -	\$10,921.00	\$ 8,964.00	\$(8,777.00)
Cash at End of Period	\$10,921.00	\$ 8,964.00	\$ (8,777.00)	\$ (3,544.39)

ACME TRUSS MANUFACTURING CORPORATION

Cash Flow Pro Forma

	<u>Apr-00</u>	<u>May-00</u>	<u>Jun-00</u>	<u>Jul-00</u>
<u>Income from Operations:</u>	\$ 550,000	\$ 625,000	\$ 675,000	\$ 675,000
<u>Disbursements:</u>				
Materials Cost	\$ 195,000	\$ 215,000	\$ 260,000	\$ 249,100
Labor Cost	\$ 210,000	\$ 237,500	\$ 262,000	\$ 265,000
Supplies	\$ 13,500	\$ 19,250	\$ 21,000	\$ 21,000
Advertising	\$ 14,726	\$ 24,650	\$ 22,285	\$ 10,445
Depreciation	\$ -	\$ -	\$ -	\$ -
Licensing Fee	\$ 18,375	\$ 20,985	\$ 24,381	\$ 23,607
Accounting	\$ -	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 8,950	\$ 7,000	\$ 8,950	\$ 7,000
Repairs and Maint.	\$ 10,506	\$ 22,395	\$ 18,225	\$ 13,990
R.E. Taxes	\$ -	\$ -	\$ -	\$ -
Utilities	\$ 28,022	\$ 40,177	\$ 35,900	\$ 39,625
BankTrust Interest	\$ -	\$ -	\$ -	\$ -
First Federal Mort. Payment	\$ -	\$ -	\$ -	\$ -
Personal Property Leases	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Total Disbursements	\$ 519,079	\$ 606,957	\$ 672,741	\$ 649,767
Cash Surplus/Deficit	\$30,921.00	\$18,043.00	\$ 2,259.00	\$25,232.61
Cash at Beginning Of Period	\$ -	\$30,921.00	\$48,964.00	\$51,223.00
Cash at End of Period	\$30,921.00	\$48,964.00	\$51,223.00	\$76,455.61

ACME TRUSS MANUFACTURING CORPORATION

Cash Flow Pro Forma

	<u>Apr-00</u>	<u>May-00</u>	<u>Jun-00</u>	<u>Jul-00</u>
<u>Income from Operations:</u>	\$ 550,000	\$ 625,000	\$ 675,000	\$ 675,000
<u>Disbursements:</u>				
Materials Cost	\$ 195,000	\$ 215,000	\$ 260,000	\$ 249,100
Labor Cost	\$ 210,000	\$ 237,500	\$ 262,000	\$ 265,000
Supplies	\$ 13,500	\$ 19,250	\$ 21,000	\$ 21,000
Advertising	\$ 14,726	\$ 24,650	\$ 22,285	\$ 10,445
Depreciation	\$ -	\$ -	\$ -	\$ -
Licensing Fee	\$ 18,375	\$ 20,985	\$ 24,381	\$ 23,607
Accounting	\$ -	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 8,950	\$ 7,000	\$ 8,950	\$ 7,000
Repairs and Maint.	\$ 10,506	\$ 22,395	\$ 18,225	\$ 13,990
R.E. Taxes	\$ -	\$ -	\$ -	\$ -
Utilities	\$ 28,022	\$ 40,177	\$ 35,900	\$ 39,625
BankTrust Interest	\$ -	\$ -	\$ -	\$ -
First Federal Mort. Payment	\$ -	\$ -	\$ -	\$ -
Personal Property Leases	\$ -	\$ -	\$ -	\$ -
Total Disbursements	\$ 499,079	\$ 586,957	\$ 652,741	\$ 629,767
Cash Surplus/Deficit	\$ 50,921.00	\$ 38,043.00	\$ 22,259.00	\$ 45,232.61
Cash at Beginning Of Period	\$ -	\$ 50,921.00	\$ 88,964.00	\$ 111,223.00
Cash at End of Period	\$ 50,921.00	\$ 88,964.00	\$ 111,223.00	\$ 156,455.61

ACME TRUSS MANUFACTURING CORPORATION

Cash Flow Pro Forma

	<u>Apr-00</u>	<u>May-00</u>	<u>Jun-00</u>	<u>Jul-00</u>
Income from Operations:	\$ 550,000	\$ 625,000	\$ 675,000	\$ 675,000
<u>Disbursements:</u>				
Materials Cost	\$ 195,000	\$ 215,000	\$ 260,000	\$ 249,100
Labor Cost	\$ 210,000	\$ 237,500	\$ 262,000	\$ 265,000
Supplies	\$ 13,500	\$ 19,250	\$ 21,000	\$ 21,000
Advertising	\$ 14,726	\$ 24,650	\$ 22,285	\$ 10,445
Depreciation	\$ -	\$ -	\$ -	\$ -
Licensing Fee	\$ 18,375	\$ 20,985	\$ 24,381	\$ 23,607
Accounting	\$ -	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 8,950	\$ 7,000	\$ 8,950	\$ 7,000
Repairs and Maint.	\$ 10,506	\$ 22,395	\$ 18,225	\$ 13,990
R.E. Taxes	\$ -	\$ -	\$ -	\$ -
Utilities	\$ 28,022	\$ 40,177	\$ 35,900	\$ 39,625
BankTrust Interest	\$ -	\$ -	\$ 7,500	\$ 7,500
First Federal Mort. Payment	\$ -	\$ -	\$ -	\$ -
Personal Property Leases	\$ -	\$ -	\$ 15,000	\$ 15,000
Total Disbursements	\$ 499,079	\$ 586,957	\$ 675,241	\$ 652,267
Cash Surplus/Deficit	\$50,921.00	\$38,043.00	\$ (241.00)	\$ 22,732.61
Cash at Beginning Of Period	\$ -	\$50,921.00	\$88,964.00	\$ 88,723.00
Cash at End of Period	\$50,921.00	\$88,964.00	\$88,723.00	\$111,455.61



Debtor's Objectives

- Maximize Liquidation Value?
- Save the business?



Alternatives to Chapter 11

- Friendly Repossession
- “ABC” (Assignment for the Benefit of Creditors)
- Chapter 7
- Sale of Business
- Out of Court Workout

THE END!!

