

**PROFORMA Adjustment Details and Explanation:**

**Advertizing and Promotion:**

\$7,000 additional funds for advertising for Spokane and Chelan routes.

Including radio ads, coupon books, and mailing flyers to homes in all territories.

**Insurance expense:**

\$7,000 For adding our new vehicles to insurance. This is the additional amount to our policy this year due to acquiring vehicles #7, #8, #9, Bus 1 and Bus 2 this year. Van 7 was the first vehicle purchase this year in July, and was only on insurance for half the year. Vehicles 8 and 9 were only on insurance for October through December of 2016., the other busses have only been on Insurance for January.

Year Make Model VIN Premium

Van 1 2010 CHEVY EXPRESS 1GA2GZDG2A1118507 \$1,622

Bus 3 2003 FORD BUS 1FDXE45S93HB33391 \$1,920

Van 5 2008 Ford E350 1FBSS31L88DA83893 \$1,566

Van 6 2009 Ford E350 1FBSS31LX9DA20800 \$1,592

Bus 1 1997 Bluebird CQSE 1BAGKB7A1VF074240 \$1,867

Van 7 2016 Ford Transit 1FBVU4XG6GKB21753 \$2,042

Van 8 2016 Ford Transit 1FBVU4XG2GKB24455 \$2,657

Vehicle 9 2013 Ford C-Max 1FADP5AU5DL536030 \$1,080

2003 MCI Bus 2 BMKHM2AX3S090153 \$3,019

**Office Supplies:**

\$5,000 We are building a new office this spring and will be purchasing a large conference table, desks, chairs for waiting room and offices, copier, computer, printer, fax machine, kitchen items, décor, etc....

**Officer Compensation:**

\$6,500 My payroll increase. I (Monique) currently receive a salary of only \$18,000 a year and work 70 hour weeks during summer and winter and almost full time Spring and fall.

### **Payroll Expenses:**

\$22,785 This increase is two part.

First, \$10,000 is for our manager positions salary. It was at 40,000 and is going to \$50,000.

Second, is for the wage increases for our employees. It is as follows(please see payroll summary by routes sheet):

Seatac route hours for 2016 (10,481.75) In addition Spokane Route Hours for 2016 (only half the year, started in July, 1,152) = 11,633 + 1,152 additional to account for the full year of Spokane = 12,785 hours at an additional \$1.00/hr raise since January 2017, an additional \$12,785 in payroll. We also have to keep raising wages every six months for the next few years due to state Minimum wage laws.

\$10,000 additional for Manager position and \$12,785 for employee payroll increase=

\$22,785 additional payroll expense. Plus another \$11,633 in six months, when wage increases again.

### **Repairs and Maintenance:**

\$40,000 Regulated repairs and maintenance for 2016 was \$97,825. This amount included just over half of our fleet as follows: van 1, van 4, van 5, van 6, bus 1 and bus 3. As previously stated van 7 was purchased in July, Van 8 and 9 were purchased in October and at the end of December we purchased Bus 2. From our four new vehicles, Only one was in operation more than two months last year. So here is our break down of calculations:

\$97,825 regulated repairs and maintenance amount.

6 vehicles were used last year and the 7<sup>th</sup> vehicle for half the year, so we rounded up to 7 vehicles.

$\$97,825 / 7 \text{ vehicles} = \$13,975$  average per vehicle a year for maintenance and repair costs.

$\$13,975 \times 3 \text{ new vehicles} = \$41,925$  in additional repair and maintenance costs. We rounded down just to be conservative.

### **Depreciation list:**

A list of our depreciation from our accountant is attached. It is not straight line depreciation so I also broke it down below. It also does not include our new vehicles I mentioned above.

Depreciation List (expense associated sheet attached):

Van 1 \$30,000

Van 4 \$15,000

Van 5 \$15,000

Van 6 \$15,000

Van 7 \$46,000 + \$3,182

Van 8 \$45,000 + \$4,115

CMAX 9 \$10,800 + \$499.30

Bluebird Bus 1 \$15,000 + \$12,851.39

MCI Bus 2 \$28,000 + \$2,000

FORD Bus 3 \$30,000

Trailer 1 \$3500

Trailer 2 \$3500

Trailer 3 \$3500

Office equipment \$8500