

Docket TC-141436,

Application

BML Investements, LLC Review by Mike Young 8/5/14

Conclusion

Staff has reviewed the company's financial information submitted in Docket TC-141436 and concludes the company has made reasonable efforts to estimate its finances under the proposed operations. The company already holds a certificate from the Commission and is currently providing regulated transportation service. This application is for an extension to add additional stops on existing routes. Based on the company's projections operations due to the extension would result in a net profit. The company's Annual Report to the Commission for 2013 indicated a net loss of \$21,600 but also showed positive retained earnings. In the event of a net annual loss, the company would not have enough liquid assets to maintain operations, but may have access to additional capital to continue operations. Therefore, staff concludes the company is financially fit to provide the applied for service.

The balance sheet review:

- Assets, \$41,600;
- Liabilities, \$12,300;
- Net Worth, \$29,300

Applicant has a positive net worth. \$5,000 of assets is cash and very liquid.

- The company currently owns several vehicles and is currently providing regulated service between Wenatchee and Sea Tac International Airport.
- The company indicates a current balance of \$7,000 owing on a long term note, indicating the company could access additional capital if necessary.

The Proforma Income Statement:

- The company projects \$5,500 additional annual revenue (122 passengers *Average Round Trip fare of \$45)
- The company did not project any additional operating expense as a result of the new service.

The company would incur some additional expense for increased reservations, but the increase in vehicle operating expense would be negligible.