**Eagle Services**

**Student Instructions**

1. Prepare budgeted income statements, cash budgets, balance sheets, and key financial ratios for each quarter of 2024.
2. Prepare a 1-page memorandum outlining and rationalizing the financial decisions made in each quarter of 2024. Divide your memorandum into four sections, one for each quarter. Be sure to thoroughly discuss the purchase of the new plane in Quarter 4.

The Excel workbook and memorandum will be evaluated using the rubric in Exhibit 2.

**Submit a Word file containing the memo and an Excel file containing the spreadsheet through Moodle. Only make one submission per group.**

**Exhibit 1: Pro forma Templates**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Income Statement** | | | | | |
|  | **Q1** | **Q2** | **Q3** | **Q4** | **Year** |
| |  | | --- | | Sales | | Aerial Spraying | | Instruction | | Flight School | | Total Sales | | Expenses | | Wages | | Rent | | Fuel | | Maintenance | | Depreciation | | Chemicals | | Other | | Total Expenses | | Operating Income | | Interest Income | | Interest Expense | | Income Before Tax | | Income Tax | | Net Income | |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Cash Budget** | | | | | |
|  | **Q1** | **Q2** | **Q3** | **Q4** | **Year** |
| |  | | --- | | Cash Balance, Beginning | | Cash Receipts | | Aerial Spraying | | Last Quarter | | This Quarter | | Flying Instructions | | Flight School | | Interest Income | | Tax Refund | | Total Cash Receipts | | Cash Disbursements | | Wages | | Rent | | Fuel | | Maintenance | | Last Quarter | | This Quarter | | Chemicals | | Last Quarter | | This Quarter | | Other | | Interest Expense | | Income Tax | | Capital Purchases | | Total Cash Disbursements | | Sub-total | | Financing | | Borrowing | | Line-of-Credit | | Term Loan | | Repayment | | Line-of-Credit | | Term Loan | | Special Dividends | | Issuance/Repurchase of Shares | | Total Financing | | Temporary Investment | | Cash Balance, Ending | |  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Balance Sheet** | | | | |
|  | **Q1** | **Q2** | **Q3** | **Q4** |
| |  | | --- | | Current Assets | | Cash | | Temporary Investments | | Accounts Receivable | | Chemical Supplies | | Total Current Assets | | Capital Assets | | Equipment, Net | | Total Assets | |  | | Current Liabilities | | A/P - Maintenance | | A/P - Chemicals | | Line of Credit | | Current Portion of LT Debt | | Total Current Liabilities | | Long-term Liabilities | | Term Loan | | Shareholders' Equity | | Share Capital | | Retained Earnings | | Total Liabilities and Equities | |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Ratio Table** | | | | |
|  | **Q1** | **Q2** | **Q3** | **Q4** |
| |  | | --- | | Current Ratio | | LOC/(A/R + Inventory) | | LOC Financing | | Debt Ratio | | Times Interest Earned | |  |  |  |  |

**Eagle Services Ltd.**

**Evaluation Form**

**Total: \_\_\_\_\_\_\_\_\_ / 100**

**Letter Grade: \_\_\_\_\_\_\_\_\_**

**Quality of Spreadsheet – 35%**

|  |  |
| --- | --- |
| Physical Appearance | /5 |
| Input Section | /10 |
| Automation | /10 |
| Accuracy of Output | /10 |

# **Thoroughness of Analysis – 40%**

|  |  |
| --- | --- |
| Quarter 1 | /10 |
| Quarter 2 | /10 |
| Quarter 3 | /10 |
| Quarter 4 | /10 |

# **Memo Layout and Writing Quality – 25%**

|  |  |
| --- | --- |
| Layout | /5 |
| Grammatical and Spelling Errors | /10 |
| Writing Style | /10 |

# **Comments**