

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In Re. AeroCentury Corp.

Case No. 21-10636

Debtor(s)

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§
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§

Lead Case No. 21-10636

Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 09/30/2021

Petition Date: 03/29/2021

Months Pending: 6

Industry Classification: 5 3 2 4

Reporting Method: Accrual Basis

Cash Basis

Debtor's Full-Time Employees (current):

0

Debtor's Full-Time Employees (as of date of order for relief):

0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- Statement of cash receipts and disbursements
Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
Statement of operations (profit or loss statement)
Accounts receivable aging
Postpetition liabilities aging
Statement of capital assets
Schedule of payments to professionals
Schedule of payments to insiders
All bank statements and bank reconciliations for the reporting period
Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Joseph M. Mulvihill

Signature of Responsible Party

10/29/2021

Date

Joseph M. Mulvihill, Young Conaway Stargatt & Taylor

Printed Name of Responsible Party

1000 North King Street, Wilmington, DE 19801

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore § 1320.4(a)(2) applies.



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Debtor's Name AeroCentury Corp.

Case No. 21-10636

Part 1: Cash Receipts and Disbursements		Current Month	Cumulative
a.	Cash balance beginning of month	\$1,290,528	
b.	Total receipts (net of transfers between accounts)	\$9,894,081	\$0
c.	Total disbursements (net of transfers between accounts)	\$3,046,561	\$9,981,489
d.	Cash balance end of month (a+b-c)	\$8,138,048	
e.	Disbursements made by third party for the benefit of the estate	\$-2,200,000	\$-3,260,000
f.	Total disbursements for quarterly fee calculation (c+e)	\$846,561	\$6,721,489
Part 2: Asset and Liability Status		Current Month	
(Not generally applicable to Individual Debtors. See Instructions.)			
a.	Accounts receivable (total net of allowance)	\$1,615,000	
b.	Accounts receivable over 90 days outstanding (net of allowance)	\$53,738	
c.	Inventory (Book <input type="radio"/> Market <input type="radio"/> Other <input checked="" type="radio"/> (attach explanation))	\$0	
d.	Total current assets	\$8,322,171	
e.	Total assets	\$62,492,741	
f.	Postpetition payables (excluding taxes)	\$1,515,610	
g.	Postpetition payables past due (excluding taxes)	\$0	
h.	Postpetition taxes payable	\$17,724,680	
i.	Postpetition taxes past due	\$0	
j.	Total postpetition debt (f+h)	\$19,240,290	
k.	Prepetition secured debt	\$38,616,935	
l.	Prepetition priority debt	\$0	
m.	Prepetition unsecured debt	\$3,158,297	
n.	Total liabilities (debt) (j+k+l+m)	\$61,015,522	
o.	Ending equity/net worth (e-n)	\$1,477,219	
Part 3: Assets Sold or Transferred		Current Month	Cumulative
a.	Total cash sales price for assets sold/transferred outside the ordinary course of business	\$0	\$0
b.	Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$0	\$0
c.	Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$0	\$0
Part 4: Income Statement (Statement of Operations)		Current Month	Cumulative
(Not generally applicable to Individual Debtors. See Instructions.)			
a.	Gross income/sales (net of returns and allowances)	\$392,114	
b.	Cost of goods sold (inclusive of depreciation, if applicable)	\$0	
c.	Gross profit (a-b)	\$392,114	
d.	Selling expenses	\$0	
e.	General and administrative expenses	\$430,879	
f.	Other expenses	\$31	
g.	Depreciation and/or amortization (not included in 4b)	\$0	
h.	Interest	\$85	
i.	Taxes (local, state, and federal)	\$0	
j.	Reorganization items	\$742,903	
k.	Profit (loss)	\$-781,784	\$13,508,595

Debtor's Name AeroCentury Corp.

Case No. 21-10636

Part 5: Professional Fees and Expenses

			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative	
a.	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>				\$354,021	\$1,260,269	
	<i>Itemized Breakdown by Firm</i>						
		Firm Name	Role				
	i	Morrison & Foerster	Co-Counsel			\$36,974	\$198,001
	ii	Young Conaway Stargatt & Taylor	Co-Counsel			\$121,382	\$410,610
	iii	Kurtzman Carson Consultants	Financial Professional			\$195,665	\$443,608
	iv	B. Riley Securities, Inc.	Financial Professional			\$0	\$208,050

			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative	
b.	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>				\$18,655	\$70,793	
	<i>Itemized Breakdown by Firm</i>						
		Firm Name	Role				
	i	Chamberlain, Hrdlicka, White, & Wood	Special Counsel			\$14,090	\$48,159
	ii	Miller Advertising Agency	Financial Professional			\$0	\$17,498
	iii	McAfee & Taft	Other			\$4,565	\$5,136
	c.	All professional fees and expenses (debtor & committees)		\$0			

Part 6: Postpetition Taxes

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$0	\$0
b. Postpetition income taxes paid (local, state, and federal)	\$0	\$0
c. Postpetition employer payroll taxes accrued	\$0	\$0
d. Postpetition employer payroll taxes paid	\$0	\$0
e. Postpetition property taxes paid	\$0	\$0
f. Postpetition other taxes accrued (local, state, and federal)	\$8,518	\$51,108
g. Postpetition other taxes paid (local, state, and federal)	\$0	\$61,299

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes No
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes No
- c. Were any payments made to or on behalf of insiders? Yes No
- d. Are you current on postpetition tax return filings? Yes No
- e. Are you current on postpetition estimated tax payments? Yes No
- f. Were all trust fund taxes remitted on a current basis? Yes No
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes No
- h. Were all payments made to or on behalf of professionals approved by the court? Yes No N/A

Debtor's Name AeroCentury Corp.

Case No. 21-10636

- i. Do you have:
 - Worker's compensation insurance? Yes No
 - If yes, are your premiums current? Yes No N/A (if no, see Instructions)
 - Casualty/property insurance? Yes No
 - If yes, are your premiums current? Yes No N/A (if no, see Instructions)
 - General liability insurance? Yes No
 - If yes, are your premiums current? Yes No N/A (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes No
- k. Has a disclosure statement been filed with the court? Yes No
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes No

Part 8: Individual Chapter 11 Debtors (Only)

- a. Gross income (receipts) from salary and wages _____ \$0
- b. Gross income (receipts) from self-employment _____ \$0
- c. Gross income from all other sources _____ \$0
- d. Total income in the reporting period (a+b+c) _____ \$0
- e. Payroll deductions _____ \$0
- f. Self-employment related expenses _____ \$0
- g. Living expenses _____ \$0
- h. All other expenses _____ \$0
- i. Total expenses in the reporting period (e+f+g+h) _____ \$0
- j. Difference between total income and total expenses (d-i) _____ \$0
- k. List the total amount of all postpetition debts that are past due _____ \$0
- l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)? Yes No
- m. If yes, have you made all Domestic Support Obligation payments? Yes No N/A

Debtor's Name AeroCentury Corp.

Case No. 21-10636

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Carol Wang

Signature of Responsible Party

Authorized Signatory

Title

Carol Wang

Printed Name of Responsible Party

10/29/2021

Date

AeroCentury Corp.
1440 Chapin Ave. Suite 310
Burlingame, CA. 94010

Balance Sheet

As of September 2021

10/29/2021
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Assets		
Cash		
CB&T checking	\$8,138,049.22	
Total Cash		\$8,138,049.22
Receivables		
Accounts Receivable	\$1,615,000.00	
Total Receivables		\$1,615,000.00
Investment in subsidiaries		
Investment in JHC	\$3,686,214.83	
Total Investment in subsidiaries		\$3,686,214.83
Assets held for sale		\$31,096,464.00
Prepaid Expenses		
Prepaid insurance-D&O	\$112,500.00	
Prepaid expenses-other	\$19,583.19	
Prepaid expenses-restructuring	\$52,038.75	
Total Prepaid Expenses		\$184,121.94
Other Assets		
Deferred taxes	\$26,249,791.00	
Deferred tax valuation allow.	(\$8,476,900.00)	
Total Other Assets		\$17,772,891.00
Total Assets		<u>\$62,492,740.99</u>
Liabilities		
Accounts payable		\$1,478,759.49
Senior debt notes payable		\$38,504,342.09
Equipment security deposits		\$466,000.00
Prepaid rents		\$780,499.42
Maintenance Reserves		
Reserves-Croatia #4205	\$989,961.86	
Reserves-Croatia #4211	\$1,068,199.25	
Total Maintenance Reserves		\$2,058,161.11
Interest payable-reserves		\$3,080.00
Deferred taxes		\$17,722,528.61
Taxes payable-U.S.		\$2,151.00
Total Liabilities		\$61,015,521.72
Equity		
Common stock		\$4,629.72
Paid in capital		\$26,874,145.96
Paid in capital - warrants		\$958,875.00
Treasury stock		(\$3,037,257.81)
Retained earnings		(\$31,419,272.06)
Current earnings		\$8,096,098.46
Total Equity		\$1,477,219.27
Total Liability & Equity		<u>\$62,492,740.99</u>

**AeroCentury Corp,
Bank Account Report
9/30/21**

<u>Name on account</u>	<u>Bank</u>	<u>Type</u>	<u>Account no.</u>	<u>Balance</u>
AeroCentury Corp.	California Bank & Trust	Checking	xxxxxx0381	8,138,049

AeroCentury Corp.
1440 Chapin Ave. Suite 310
Burlingame, CA. 94010

Profit & Loss Statement

September 2021

10/29/2021
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Income		
Rent income	\$421,231.56	
Total Income	\$421,231.56	\$421,231.56
Expenses		
JMC G&A reimbursement	\$200,000.00	
Maintenance expense-reserves	\$31.29	
Interest exp.-other	\$85.00	
Bank fees-checking	\$925.56	
Accounting expense	\$58,000.00	
Legal expense	\$3,280.88	
Restructuring costs	\$742,902.75	
Public relations expense	\$1,649.60	
Transfer agent fees	\$800.00	
Exchange fees	\$4,166.67	
Franchise taxes	\$8,518.00	
Misc. expenses	\$984.31	
Rent	\$114,576.00	
Insurance - D&O	\$37,500.00	
Insurance - aircraft	\$477.47	
Total Expenses	\$1,173,897.53	\$1,173,897.53
Operating Profit		(\$752,665.97)
Other Income		
Equity in ACY 19002	(\$482.94)	
Equity in ACY 19003	(\$16,700.89)	
Equity in JHC	(\$11,933.88)	
Total Other Income	(\$29,117.71)	(\$29,117.71)
Other Expenses		
Net Profit/(Loss)		(\$781,783.68)

AeroCentury Corp., JetFleet Holding Corp., JetFleet Management Corp.
Consolidated Balance Sheet
September 30, 2021

	AeroCentury Corp.	JetFleet Holding Corp.	JetFleet Management Corp.	Total before eliminations	Eliminations/ adjustments	Total after eliminations
Assets						
Cash	8,138,000	-	2,020,300	10,158,300		10,158,300
Accounts receivable	1,615,000	35,000	-	1,650,000		1,650,000
Receivable-ACY 19002	-	-	-	-		-
Receivable-ACY 19003	-	-	-	-		-
Receivable-JMC	-	2,000,000	-	2,000,000	(2,000,000)	-
Receivable-ACY	-	-	-	-		-
Finance leases receivable	-	450,000	-	450,000		450,000
Allowance for doubtful accounts	-	-	-	-		-
Assets held for sale	31,096,500	53,000	-	31,149,500		31,149,500
Off lease right of use	-	-	-	-		-
Equipment	-	-	24,035	24,035		24,035
Accumulated depreciation-equipment	-	-	(24,035)	(24,035)		(24,035)
Prepaid insurance	112,500	-	-	112,500		112,500
Prepaid expenses	71,600	-	47,600	119,200		119,200
Leasehold improvements	-	-	10,500	10,500		10,500
Accum amort-leasehold improvements	-	-	(10,500)	(10,500)		(10,500)
Investment in ACY 19002	-	873,400	-	873,400		873,400
Investment in ACY 19003	-	820,800	-	820,800		820,800
Investment in JHC	3,733,300	-	-	3,733,300	(3,733,300)	-
Investment in JMC	-	(403,100)	-	(403,100)	403,100	-
Investment in JFC	-	-	9,700	9,700		9,700
Deferred taxes	17,772,900	200	(200)	17,772,900		17,772,900
Total assets	62,539,800	3,829,300	2,077,400	68,446,500	(5,330,200)	63,116,300
Liabilities						
Accounts payable	1,478,800	-	2,400	1,481,200	(46,100)	1,435,100
Payable ACY 19002	-	-	-	-		-
Payable ACY 19003	-	-	-	-		-
Payable JHC	-	-	2,000,000	2,000,000		2,000,000
Payable JMC	-	-	-	-		-
Accrued vacation	-	-	216,200	216,200		216,200
Payable-parent	-	-	-	-	(2,000,000)	(2,000,000)
Intercompany payable	-	-	90,800	90,800		90,800
Notes payable	38,504,300	-	170,000	38,674,300		38,674,300
Interest payable on notes	-	-	1,100	1,100		1,100
Swap termination liability	-	-	-	-		-
Office lease liability	-	-	-	-		-
Equipment security deposits	466,000	-	-	466,000		466,000
Prepaid rent	780,500	-	-	780,500		780,500
Maintenance reserves	2,061,200	-	-	2,061,200		2,061,200
ACY maintenance payable/first events	-	-	-	-	46,100	46,100
Deferred taxes	17,722,500	118,700	-	17,841,200		17,841,200
Taxes payable	2,200	-	-	2,200		2,200
Total liabilities	61,015,500	118,700	2,480,500	63,614,700	(2,000,000)	61,614,700
Equity						
Common stock	4,600	35,000	1,000	40,600	(1,000)	39,600
Preferred stock	-	2,000,000	-	2,000,000	(2,000,000)	-
Paid in capital	26,874,200	2,706,500	1,454,700	31,035,400	(4,161,200)	26,874,200
Paid in capital-warrants	958,900	-	-	958,900	-	958,900
Retained earnings/(deficit)	(23,276,100)	(1,030,900)	(1,858,800)	(26,165,800)	2,832,000	(23,333,800)
Treasury stock	4,561,600 (3,037,300)	3,710,600 -	(403,100) -	7,869,100 (3,037,300)	(3,330,200) -	4,538,900 (3,037,300)
Total equity	1,524,300	3,710,600	(403,100)	4,831,800	(3,330,200)	1,501,600
Total liabilities and equity	62,539,800	3,829,300	2,077,400	68,446,500	(5,330,200)	63,116,300

AeroCentury Corp., JetFleet Holding Corp., JetFleet Management Corp.
Consolidated Statement of Operations
September 30, 2021

	<u>ACY</u>	<u>JHC</u>	<u>JMC</u>	<u>Total before eliminations</u>	<u>Eliminations/ adjustments</u>	<u>Total after eliminations</u>
Income						
Operating lease revenue	421,200	-	-	421,200		421,200
Maintenance reserves revenue	-	-	-	-		-
Finance lease interest	-	-	-	-		-
Recovery of bad debt	-	-	-	-		-
Gain/(loss) on sale of aircraft	-	-	-	-		-
Gain/(loss) on finance leases	-	-	-	-		-
Dividends and interest income	-	-	-	-		-
Other income	-	-	-	-		-
PPP loan forgiveness	-	-	-	-		-
Cancellation of debt	-	-	-	-		-
G&A reimbursement	-	-	200,000	200,000	(200,000)	-
Fee income	-	-	-	-		-
Total income	421,200	-	200,000	621,200	(200,000)	421,200
Expenses						
JMC G&A reimbursement	200,000	-	-	200,000	(200,000)	-
Salaries and employee benefits	-	-	129,300	129,300		129,300
Depreciation	-	-	9,300	9,300		9,300
Provision for impairment	-	-	-	-		-
Interest	100	-	100	200		200
Debt costs amort	-	-	-	-		-
Interest-derivatives	-	-	-	-		-
Derivative MTM	-	-	-	-		-
Maintenance-ACY	-	-	-	-		-
Maintenance-reserves	-	-	-	-		-
Rent	114,600	-	(7,700)	106,900		106,900
Loss on lease amendment	-	-	-	-		-
Consulting fees	-	-	43,500	43,500		43,500
Travel, meals and entertainment	-	-	3,300	3,300		3,300
G&A	69,800	-	10,100	79,900		79,900
Restructuring costs	742,900	-	-	742,900		742,900
Other taxes	8,500	-	-	8,500		8,500
Insurance	38,000	-	24,900	62,900		62,900
Bad debt expense	-	-	-	-		-
Total expenses	1,173,900	-	212,800	1,386,700	(200,000)	1,186,700
Operating profit/(loss)	(752,700)	-	(12,800)	(765,500)	-	(765,500)
Equity in subsidiaries:						
Equity in ACY 19002	(500)	-	-	(500)		(500)
Equity in ACY 19003	(16,700)	-	-	(16,700)		(16,700)
Equity in JHC	(11,900)	-	-	(11,900)	11,900	-
Equity in JMC	-	(11,900)	-	(11,900)	11,900	-
Equity in JFC	-	-	900	900		900
Total equity in subsidiaries	(29,100)	(11,900)	900	(40,100)	23,800	(16,300)
Tax expense/(benefit)	-	-	-	-		-
Net income/(loss)	(781,800)	(11,900)	(11,900)	(805,600)	23,800	(781,800)

Consolidated Cash Flow 9/1/2021 To 9/30/2021	<u>AeroCentury</u> <u>Corp.</u>	<u>JetFleet</u> <u>Holding Corp.</u>	<u>JetFleet</u> <u>Management</u>	<u>Eliminations</u>	<u>Consolidated</u>
Rent	412,508	-			412,508
Reserves	43,490	-			43,490
Sale proceeds	-	-			-
Sale of stock	9,438,083	-	2,000,000	(2,000,000)	9,438,083
Payments from debtor	-	-	200,000	(200,000)	-
Adequate protection payments	(455,998)	-			(455,998)
Professional fees-bankruptcy	(354,020)	-			(354,020)
Professional fees-non bankruptcy	(19,006)	-			(19,006)
G&A	(16,833)	-	(31,570)		(48,403)
Maintenance	(704)	-			(704)
Payments to debtor	(200,000)	-		200,000	-
Net payroll	-	-	(103,565)		(103,565)
Payroll taxes	-	-	(45,427)		(45,427)
Secured/rental/leases	-	-	(9,548)		(9,548)
Insurance	-	-	(20,111)		(20,111)
Transfers to non-debtor affiliate	-	-	(14,400)		(14,400)
Postpetition other taxes	-	-			-
Trustee fees	-	-			-
Investment in JHC	(2,000,000)	-		2,000,000	-
Net cash flow	6,847,520	-	1,975,379	-	8,822,899
Total receipts	9,894,081	-	2,200,000	(2,200,000)	9,894,081
Total disbursements	(3,046,561)	-	(224,621)	2,200,000	(1,071,182)
	6,847,520	-	1,975,379	-	8,822,899