



1 DAY PAINTING

Business Plan for a Painting Franchise



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Mission Statement

Our mission is to provide quality paint jobs with quick turnarounds at a reasonable price.

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Executive Summary

Overview: Company ABC LLC (also referred to as “Company ABC” and “the Company”) is a new company that will be a franchisee of Franchisor 123 (also referred to as “the franchisor”), a painting company that provides interior and exterior painting for residential and commercial buildings. Franchisor 123 was launched in 2000 and began franchising in 2005. The franchisor has proprietary systems that enable its franchisees to provide quality painting jobs to their customers on budget and with quick turnarounds. Company ABC will be opening its Franchisor 123 location in the Denver, CO metro area and will be the first Franchisor 123 franchise in the area, receiving a non-exclusive but protected territory.



Company ABC is registered in the state of Colorado and headquartered in Denver. Ownership is held by Mr. John Doe.

Market Size: According to market research firm IBISWorld, the Painting & Decorating Franchises industry experienced a compound annual growth rate (CAGR) of 6.8% over the five years to 2014, positioning industry revenue to be around \$946.9 million in 2014. The industry endured difficult conditions following the housing market collapse. After the residential construction market bottomed out in 2009, it did not demonstrate marked improvements until 2012, when housing starts surged 28.2%. Similarly, the value of nonresidential construction continued to plummet through 2010, and projects did not gain much ground until 2012. As housing starts and commercial building projects increased, demand for painting services began to grow. Over the next several years, strong recovery in the housing market and increased construction activity on nonresidential buildings such as office buildings, factories, power plants, and other structures will drive demand for painting services. Additionally, lower unemployment and growing disposable income will increase demand from consumers for home improvement projects. The Painting & Decorating Franchises industry is projected to see a CAGR of 4.3% over the next several years, placing industry revenue at \$1.2 billion in 2019.¹

Marketing: The Franchisor requires its franchise owners to contribute to its Advertising Fund, also referred to as “the Fund.” According to the Franchise Disclosure Document (FDD), franchise owners are required to contribute 4.0% of their Gross Revenue toward the Fund. The Franchisor has sole discretion as to how these funds are used, which may include traditional media (e.g., print, radio, and television), Internet advertising, direct mail, public relations, and/or the development of marketing materials. In addition to paying into the Fund, the Franchisor requires franchise owners to spend \$500 per month on local advertising. Pending franchisor approval, the Company’s advertising will include a social media presence via Facebook, Instagram, and Twitter, attending trade shows and conventions, and joining local organizations to increase brand awareness.

Target Market: Company ABC anticipates that its primary customer base will be homeowners within the metro area. Accounting for about 55.7% of industry revenue, owners of residential properties have a greater propensity to purchase industry services as a means of increasing the value of their properties. Company ABC’s target market also includes owners of commercial buildings, which make up the second-largest market segment at 26.5%.

Competition and Competitive Advantages: Company ABC faces competition from various local painting companies, with the most notable being Denver Painters and Colorado Painters. Denver Painters is a local brand established in 1980

¹ “Painting & Decorating Franchises in the US.” IBISWorld. 2015. Obtained at www.ibisworld.com.

that generates annual revenue of approximately \$5MM. Colorado Painters was established in 1990 and earns annual revenue of approximately \$10MM.² Despite a highly competitive field, Company ABC has a significant advantage over other painting companies in the market. These competitive advantages include:

- Leveraging the highly renowned Franchisor 123 brand
- Quick turnaround times
- Affordability of services

Management: John Doe is the founder of Company ABC. John is a seasoned business professional who is well connected and attuned to the needs of his targeted market. His business acumen, along with the Franchisor’s brand recognition, will propel this venture into a position of lasting success.

Financial Overview: The Company expects steady growth over the first five years of operation and projects the following revenue to be generated. The financial projections are explained throughout this document.

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$581,000	\$931,000	\$1,157,000	\$1,305,000	\$1,457,000

Objective

The purpose of this plan is to provide financial institutions with the information necessary to evaluate the scope and future growth of Company ABC in the marketplace. In addition to serving as a roadmap for management, the plan will show that 1) a significant market opportunity exists when analyzing the current market demands and competitive landscape; 2) the management team set in place is qualified to execute on a well-thought-out operational, marketing, and sales strategy; and 3) the correct capital structure will allow for a long-lasting, profitable business.

To achieve its objectives, the Company is seeking a loan of \$160,000. The funding will be allocated in a variety of ways including covering all initial franchise costs, equipment, inventory, and operations. Company ABC’ financial model shows consistent growth for the brand over the next five years. By year five, plans call for the Company to achieve \$1,457,000 in annual gross revenue with a net profit of \$120,408 or approximately 8%.

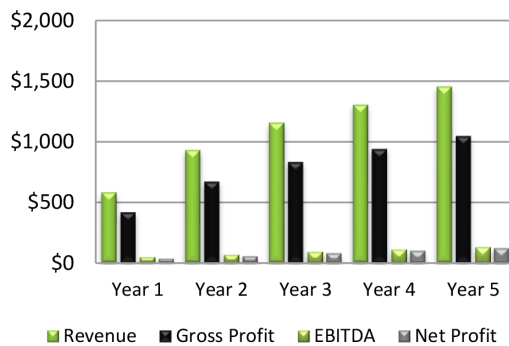
² Revenue figures for competitors are estimates, as they are privately held companies that do not disclose financial data.

Financial Objectives

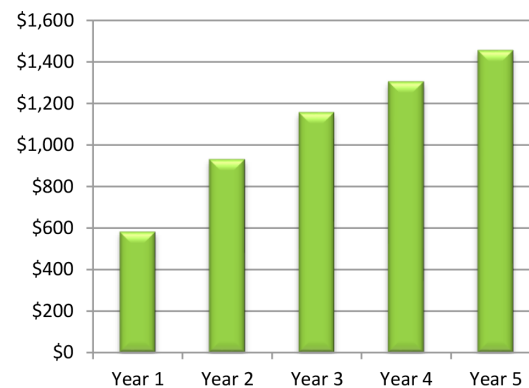
The following table and graphs illustrate the financial goals of Company ABC during the next five years. The financials are explained in detail throughout the duration of the plan.

Financial Highlights (\$1,000's)																	
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3	Y4	Y5
Revenue	12	31	35	43	55	47	47	47	66	66	66	66	581	931	1,157	1,305	1,457
Gross Profit	9	22	25	31	40	34	34	34	48	48	48	48	418	670	833	940	1,049
Operating Expenses	23	24	25	29	31	30	34	34	35	35	35	35	372	604	743	830	920
EBITDA	(14)	(2)	1	2	9	4	0	0	12	12	12	12	50	70	94	113	132
Net Profit	(16)	(3)	(1)	0	8	3	(1)	(1)	11	11	11	11	34	55	80	100	120
Gross Margin/Revenue	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%	72%
EBITDA/Revenue	-118%	-6%	2%	4%	17%	9%	1%	1%	19%	19%	19%	19%	9%	7%	8%	9%	9%
Net Margin/Revenue	-129%	-10%	-2%	1%	15%	6%	-2%	-2%	17%	17%	17%	17%	6%	6%	7%	8%	8%
Net Cash Flow	71	3	0	4	12	(1)	(1)	(2)	17	10	10	10	136	56	79	96	115
Cash Balance - Ending	71	74	74	78	90	89	89	87	104	115	125	136	136	191	270	366	481

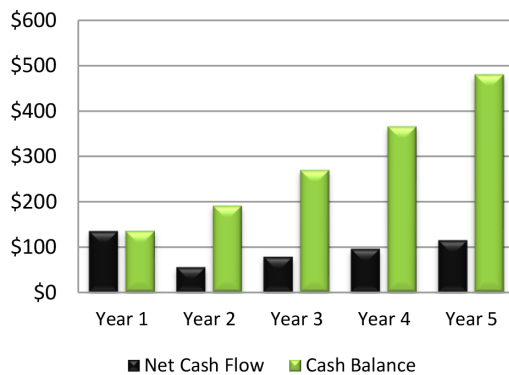
Projected Operating Highlights By Year (\$1,000's)



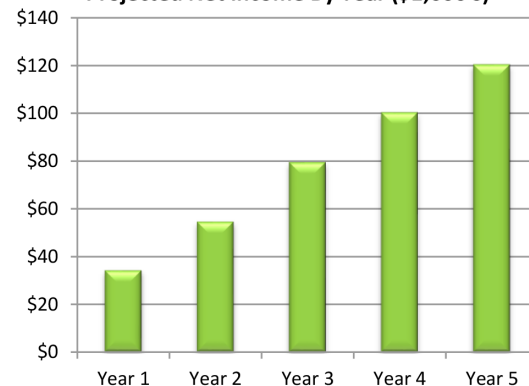
Projected Revenue By Year (\$1,000's)



Projected Cash Flow By Year (\$1,000's)



Projected Net Income By Year (\$1,000's)



Start-Up Summary

The following tables and graphs detail the funding the business will need to bring the vision to reality. Start-up funding includes all the expenditures, both start-up assets and start-up expenses, incurred before the Company starts earning revenue. The working capital element of the asset table represents the balance of cash at the beginning of Month 1 of the financial projections.

Use of Start-up Funding	
Expenses	
Initial Franchise Fee	\$50,000
Grand Opening	\$25,000
Professional Fees	\$5,000
Travel & Training	\$5,000
Miscellaneous	\$3,000
Total Start-up Expenses	\$88,000

Long-term Assets	
Car Purchase	\$30,000
Office Equipment	\$5,000
Total Long-Term Assets	\$35,000

Short-Term Assets	
Working Capital	\$72,000
Inventory	\$5,000
Total Short-Term Assets	\$77,000

Total Expenses & Assets	
Total Start-up Expenses	\$88,000
Total Start-up Assets	\$112,000
Total Funding Requirements	\$200,000

Total Start-up Funding	
Total Amount Being Requested	\$160,000
Total Funds Already Received	\$40,000
Total Funding	\$200,000

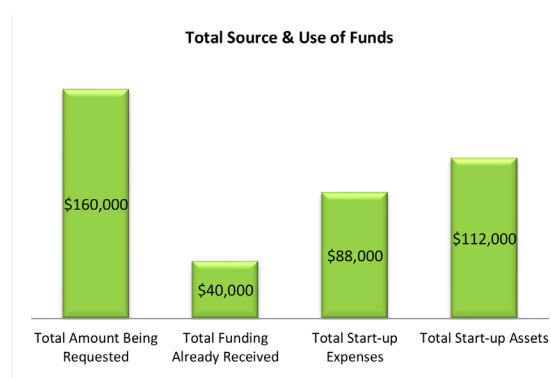
New Start-up Funding Being Requested	
Bank Amount Being Requested	\$160,000
Line-of-Credit (LOC) Requested	\$0
Investor Amount Being Requested	\$0
Total Amount Being Requested	\$160,000

Start-up Funding Already Received	
Owner Contribution	\$40,000
Friends & Family Contribution	\$0
Total Funding Already Received	\$40,000

Start-up Capital and Liabilities	
Loss at Starting Date (Start-up Expenses)	(\$88,000)
Total Funds Received & Requested	\$200,000
Cash Balance on Starting Date	\$77,000

As shown in the charts above and the graph below, the total start-up funding needed to successfully implement this venture is \$200,000. As depicted above, \$88,000 will be used for start-up expenses, \$35,000 will be used to purchase long-term assets, and \$5,000 will be used for purchasing inventory. The remaining balance of \$72,000 will be used for working capital.

Total Funds Allocated

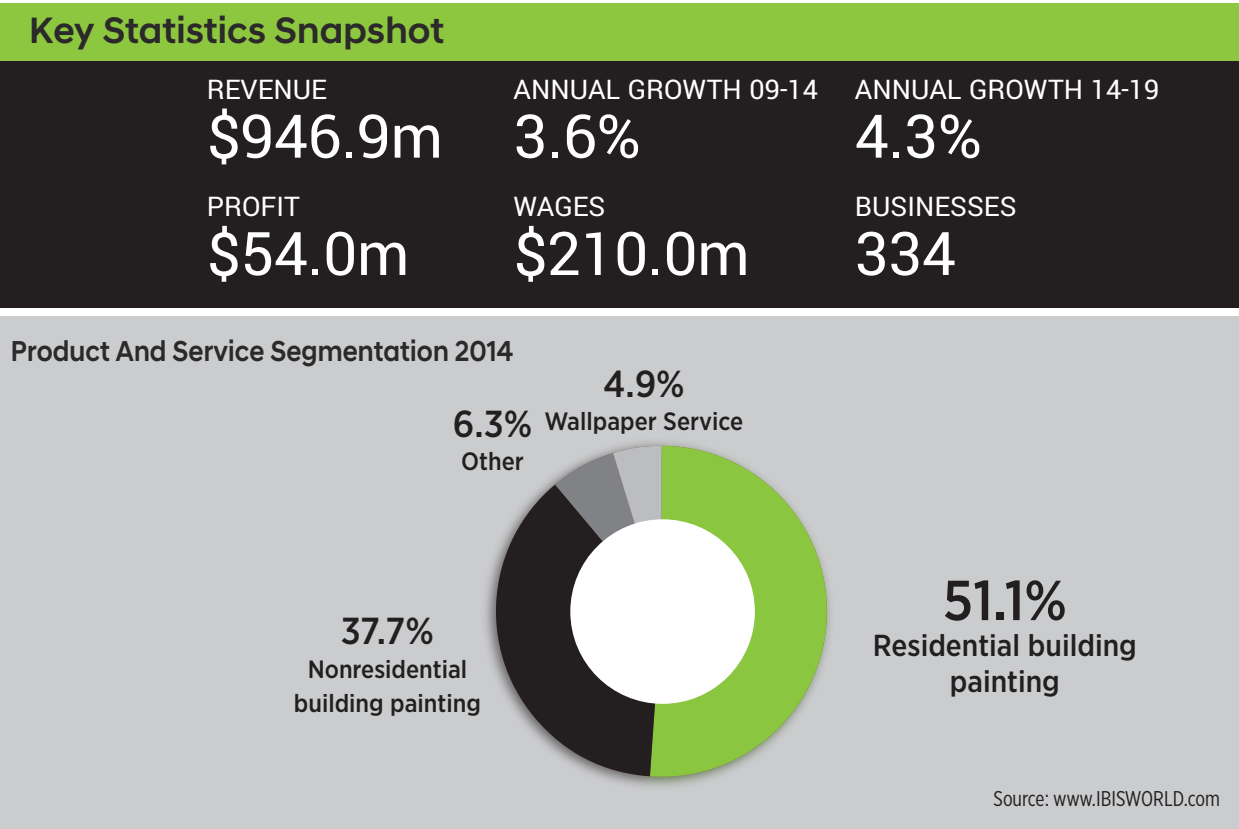


Products And Services

Company ABC will be a franchise of Franchisor 123, a company that provides interior and exterior residential and commercial painting services, all at competitive rates and with quick turnarounds. The Company's painters complete the quality painting that clients expect in an extraordinarily quick timeline without paying a premium. Additionally, Franchisor 123's zero VOC and low VOC paints minimize the impact on the environment and the health of the clients its franchise owners serve. Franchisor 123's proprietary systems enable its franchise owners to provide their customers with personalized, detailed proposals that clearly outline the specific services rendered and the total costs, rather than a vague quote or estimate. These prices quote, along with the quick turnarounds and clean paints used, will enable Company ABC to further build on the Franchisor 123 brand.



Market Analysis Summary: Painting & Decorating Franchises ³



Over the five years to 2014, the Painting and Decorating Franchises industry suffered from the aftereffects of the subprime mortgage crisis, including contracting construction activity and consumer spending on home improvements. Following years of declines as the housing market collapsed, weakened demand from residential and commercial construction markets and lower disposable incomes for many consumers led revenue to drop another 5.2% in 2010. However, as the economy began to rebound and demand for new homes and commercial spaces started to regain ground, industry revenue began an uphill climb.

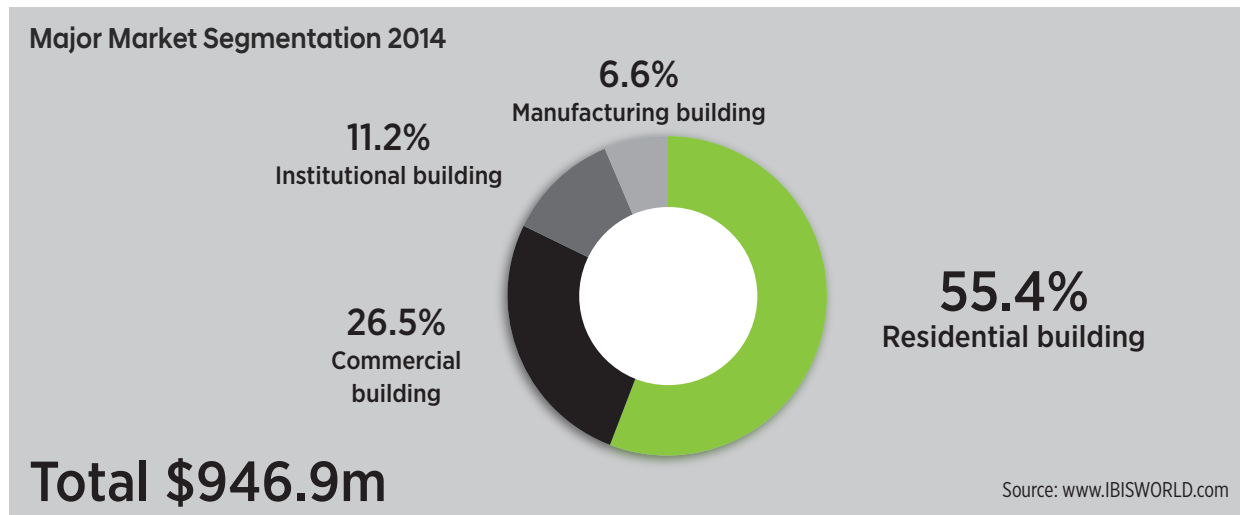
In addition to tepid demand from the industry’s two largest markets, many painting franchises have suffered rising pressure from external competition and shifting construction trends. After the recession, many homeowners took to do-it-yourself (DIY) methods for home improvement needs as a less-expensive alternative to hiring a professional painting service provider. Moreover, many new construction projects are incorporating materials such as concrete and glass, which require less painting. Both of these factors have forced a number of unprofitable companies out of the industry. However, as demand for professional painting services started to recover along with construction activity and disposable incomes, higher revenue and declining internal competition bolstered industry profitability.

Over the next several years, the industry is poised for stronger growth. A more robust recovery in the housing market and increased construction activity on nonresidential buildings such as offices, factories, and power plants will drive demand for painting services. In addition, homeowners returning to work and increasing their disposable income will likely substitute DIY home improvement projects in favor of professional painting services. For these reasons, industry revenue is forecast to grow at an annualized rate of 4.3% to \$1.2 billion. Moreover, with newly restored demand for painting services from residential and commercial markets, many opportunities for potential new franchisees to enter the industry will attract more competitors to the market.

³ “Painting & Decorating Franchises in the US,” IBISWorld.

Market Segmentation⁴

The following information from IBISWorld describes each of the industry's major market segments.



Residential building

The residential building market generates the largest share of revenue for the industry. This market is estimated to account for 55.7% of industry revenue, using services such as painting interior and exterior walls and surfaces for homes, apartment buildings, dormitories, and other forms of housing. This includes work on new construction, additions and alterations, and maintenance and repair. Additionally, this market uses the industry's wallpaper services.

Over the past five years, this market segment has increased as a share of revenue as a result of recovering housing construction activity and rising per capita disposable income. During this time, more homes were being built, and consumers had more income to spend on residential renovations and maintenance. Over the five years to 2019, the residential building market is expected to grow as a share of revenue, as the housing market continues to rebound along with a recovering economy.

Commercial building

The commercial building market accounts for an estimated 26.5% of industry revenue. Buildings in this market include hotels and motels, office buildings, stores, restaurants, automobile service stations, commercial warehouses, and social and recreational buildings, among many others. Maintenance and repair work is generally more stable in the commercial building market, which benefits the industry. Since retail stores, office buildings, and other commercial spaces depend on their appearance to attract potential customers, property owners and managers in this market are less likely to postpone maintenance and repair work, despite declining income levels. Over the past five years, continued demand for this type of work has helped offset the overall reduced demand from lower commercial construction activity.

Institutional building

Painting and decorating franchises also work on schools, churches, hospitals, prisons, police facilities, firehouses, and other government buildings. The institutional building market is expected to account for 11.2% of industry revenue. This market has decreased as a share of revenue due to concerns about local government deficits. For instance, the construction of healthcare and education structures depends more on trends in population growth and government spending, rather than general economic conditions. Decreased tax revenue across many government jurisdictions is expected to cause lower demand for industry services from this market.

³ Ibid.

#Manufacturing building

Work performed on factories, assembly plants, research facilities, and manufacturing and industrial warehouses accounts for 6.6% of industry revenue. This market has remained fairly unchanged as a share of revenue over the past five years. However, this segment is expected to expand slightly as government efforts attempt to bring manufacturing operations back to the United States.

Target Market

The primary target market for the painting services that are being offered by Company ABC will be homeowners within the metro area. Residential buildings accounted for about 55.7% of industry revenue in 2014, indicating a great propensity among owners of residential buildings to purchase industry services. While the residential buildings segment will be the primary target, the secondary target will be commercial buildings, which account for about 26.5% of industry revenue. By prioritizing its marketing efforts, Company ABC will be able to effectively establish the Franchisor 123 brand in the marketplace.

Market Needs

The market is in need of the services that are being offered by Company ABC. Most painting companies only provide general estimates rather than specific proposals. Additionally, some of them use lower quality paints that emit more chemicals into the air as the paint dries. With the industry projected to grow over the course of the next several years, the need for quality painting services with clean paints will rise exponentially. This is precisely the area that Company ABC will address, enabling the Company to remain relevant well into the future.



Branding And Marketing

Company ABC recognizes that maintaining a sterling, well-regarded brand is essential for propagating a strong standing in the Painting & Decorating Franchises industry. By upholding a positive corporate image in addition to providing its top-quality painting services, Company ABC will



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increase its market share, stand out among its competitors, and become a dominant player in the market. The Company will also fervently track any direct or indirect competition in the marketplace to ensure it stays on top of cutting-edge industry trends and opportunities. Moving forward, Company ABC will strive to meet the following objectives as it accomplishes specific keys to success:

Objectives

- Become a recognized market leader in the Painting & Decorating Franchises industry
- Develop a strong customer service model
- Remain attuned to the marketplace and integrate services into the business mix that meet the needs of the targeted audience

Keys To Success ⁵

IBISWorld identifies 250 Key Success Factors for a business. The most important for the Painting & Decorating Franchises industry are:

- Ability to compete on tender: Much of the work done in the Painting and Decorating Franchises industry is performed on a tender basis, and successful franchises look to win tenders based on competitive pricing and an established reputation for quality.
- Having a good reputation: It is important for operators to build a reputation for high-quality workmanship, timeliness, cleanliness, and completing jobs within budget.
- Ability to change which market the firm operates in: Successful companies in the industry are able to operate across a wide range of markets (e.g. housing, commercial, and new construction) and shift the focus of the business toward specific markets.
- Having a loyal customer base: Franchises that are successful generally have a loyal customer base. Maintaining a high quality of workmanship and developing word-of-mouth referrals strengthens a loyal customer base.
- Development of new products: Franchises in the industry must be aware of advancements, changes and trends in painting, decorating products, and application techniques to provide customers with a diverse range of services and keep pace with changing consumer preferences.

⁵ "Painting & Decorating Franchises in the US," IBISWorld.

Local Competitive Analysis

Company ABC is keenly aware that it must consistently analyze the local competitive landscape to accelerate its position in the marketplace. As the Company builds its position and competitive advantages, it will continue to execute a marketing plan that highlights the benefits of its services. Any business that operates with a similar model serves as a direct or indirect competitor. A couple identified competitors are described below.

	Denver Painters	Colorado Painters
Year Founded	1980	1990
Owner/CEO	John Johnson	Smith Smithson
Headquarters	2000 W. Colorado Rd. Denver, CO 88888	2001 N. Santa Fe Blvd. Denver, CO 88888
Contact Info	(800) 800-8001	(800) 801-8002
Annual Sales	\$5MM	\$10MM
Entity Type	Corporation	Corporation
Services Offered	Interior and Exterior Residential and Commercial Painting	Interior and Exterior Residential and Commercial Painting
Target Market	Homeowners and business owners	Homeowners and business owners
Strengths	Well-established local brand	Offers a franchise model
Weaknesses	Limited awareness outside local market	Efforts are spread thin

Competitive Advantages

The following is a listing of the primary competitive advantages of the Company upon entering the market.

•	Leveraging the highly renowned Franchisor 123 brand
•	Quick turnaround times
•	Affordability of services

Swot Analysis

The following is a listing of the key strengths and weaknesses of Company ABC, as well as the opportunities and threats that exist within the marketplace.



Strengths

- Knowledge and business acumen of the founder
- Franchise brand strongly focused on customer service commitment and professionalism
- Quick turnarounds
- Competitive pricing



Weaknesses

- Company needs funding and working capital for a successful launch
- As a new franchise, the Company must build its credibility



Opportunities

- Increasing per capita disposable income among homeowners
- Increasing corporate profit among businesses
- Opening additional locations in the future



Threats

- Instability of the US economy leads to unpredictable market activity
- Larger companies that have more resources and the ability to reach deeper into the market

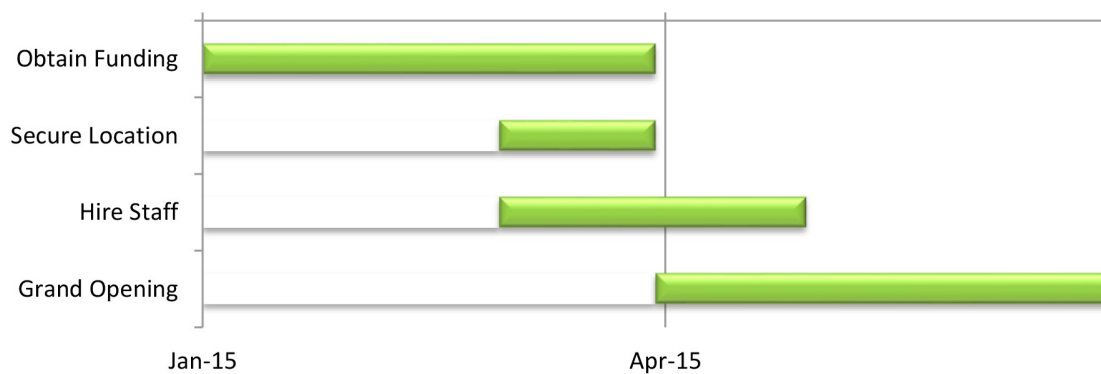
Risk Analysis

Company ABC' operational risk will be low. Aside from initial franchise costs, the Company will operate with low overhead while leveraging the growing Franchisor 123 brand, factors that bode well for long-term sustainability and a durable business model. However, low barriers to entry have fostered a competitive landscape with a vast range of available painting services. In order to face the risks as a new franchise in the marketplace, the Company must implement a highly effective marketing campaign, build industry connections, and communicate its value to potential customers while focusing on how it uniquely fills a market need. With that being said, Company ABC stands as a viable business opportunity that has the potential to deliver significant returns to any investor or lending institution.

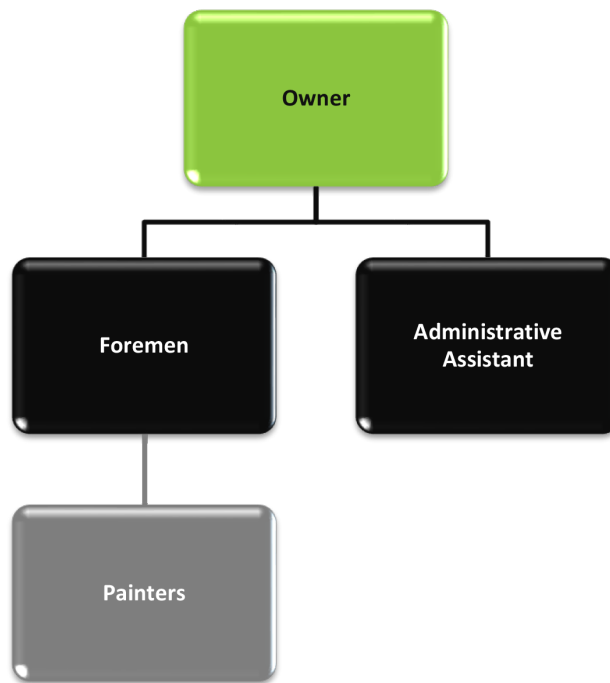
Milestones

The tentative milestones are shown below. Management reserves the right to make changes to this schedule as needed.

Milestones			
	Start Date	Duration (days)	Manager
Obtain Funding	1/1/2015	90.00	John Doe
Secure Location	3/1/2015	31.00	John Doe
Hire Staff	3/1/2015	61.00	John Doe
Grand Opening	4/1/2015	91.00	John Doe



Organizational Chart



Personnel Forecast

The personnel forecast below shows the staffing needs for the next five years.

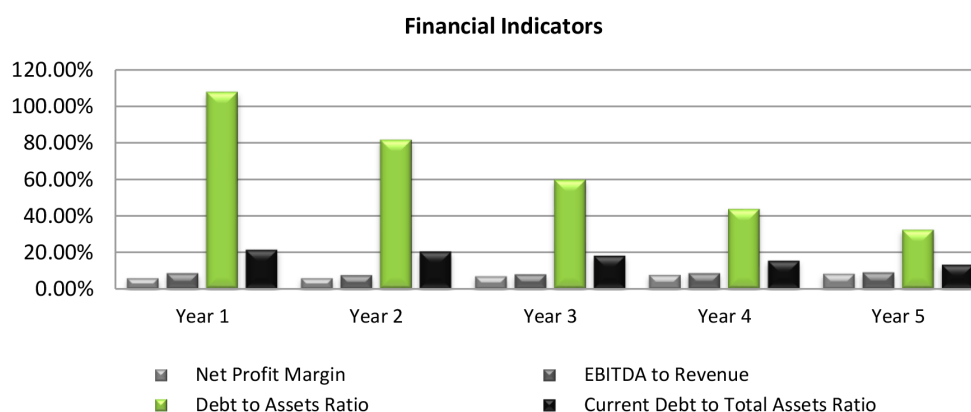
Personnel Forecast					
	Year 1	Year 2	Year 3	Year 4	Year 5
Personnel Count					
Owner	1	1	1	1	1
Foremen	0	1	1	1	1
Painters	4	6	8	9	10
Administrative Assistant	1	1	1	1	1
Total Personnel	6	9	11	12	13
Personnel Wage					
Owner	\$40,000	\$45,000	\$50,000	\$55,000	\$60,000
Foremen	\$0	\$42,000	\$43,260	\$44,558	\$45,895
Painters	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518
Administrative Assistant	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765
Personnel Costs					
Owner	\$40,000	\$45,000	\$50,000	\$55,000	\$60,000
Foremen	\$0	\$42,000	\$43,260	\$44,558	\$45,895
Painters	\$117,000	\$222,480	\$305,539	\$354,044	\$405,183
Administrative Assistant	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765
Total Payroll	\$187,000	\$340,380	\$430,626	\$486,383	\$544,843

Personnel Forecast Assumptions: (1) Personnel Wage assumes the average earnings per person in each position type; (2) Personnel Costs are based on the Personnel Wage for each position multiplied by the Personnel Count of each position; (3) Totals may have slight variances due to rounding.

Financial Indicators

The following table summarizes Company ABC' projected financial performance with standardized measurement indicators used to evaluate profitability, leverage, asset turnover, and liquidity. As with any long-range projection, accuracy is based on reasonable estimates of return on investment and past performance. The Company believes the following numbers are attainable and reasonable. However, actual results will vary.

Financial Indicators					
	Year 1	Year 2	Year 3	Year 4	Year 5
Profitability %'s:					
Gross Margin	72.00%	72.00%	72.00%	72.00%	72.00%
Net Profit Margin	5.87%	5.87%	6.87%	7.70%	8.26%
EBITDA to Revenue	8.61%	7.48%	8.09%	8.69%	9.08%
Return on Assets	19.82%	24.36%	26.56%	25.62%	23.90%
Return on Equity	-245.52%	134.12%	66.14%	45.51%	35.30%
Activity Ratios:					
Accounts Payable Turnover	4.42	5.66	5.93	6.02	6.09
Asset Turnover	3.38	4.15	3.86	3.33	2.89
Leverage Ratios:					
Debt to Equity	(13.39)	4.50	1.49	0.78	0.48
Debt to Assets Ratio	108.07%	81.83%	59.84%	43.72%	32.29%
Interest Coverage Ratio	4.03	6.05	8.89	11.98	15.90
Debt Service Coverage Ratio	2.15	2.99	4.02	4.87	5.68
Liquidity Ratios:					
Current Ratio	3.82	4.26	5.03	6.11	7.26
Current Debt to Total Assets Ratio	21.41%	20.56%	18.25%	15.48%	13.29%
Additional Indicators:					
Revenue to Equity Ratio	(41.82)	22.87	9.62	5.91	4.27

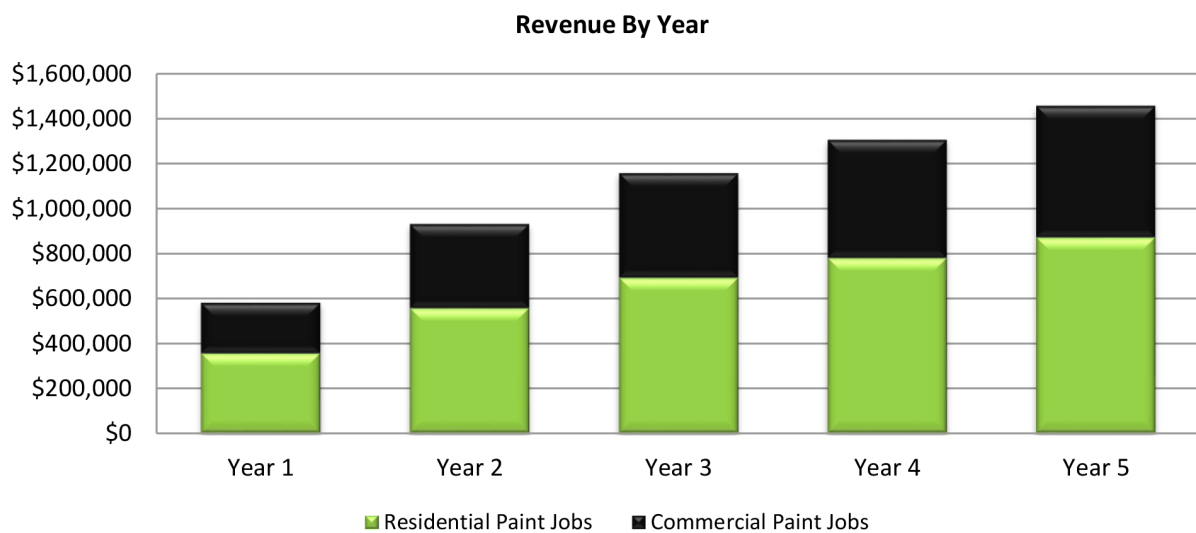
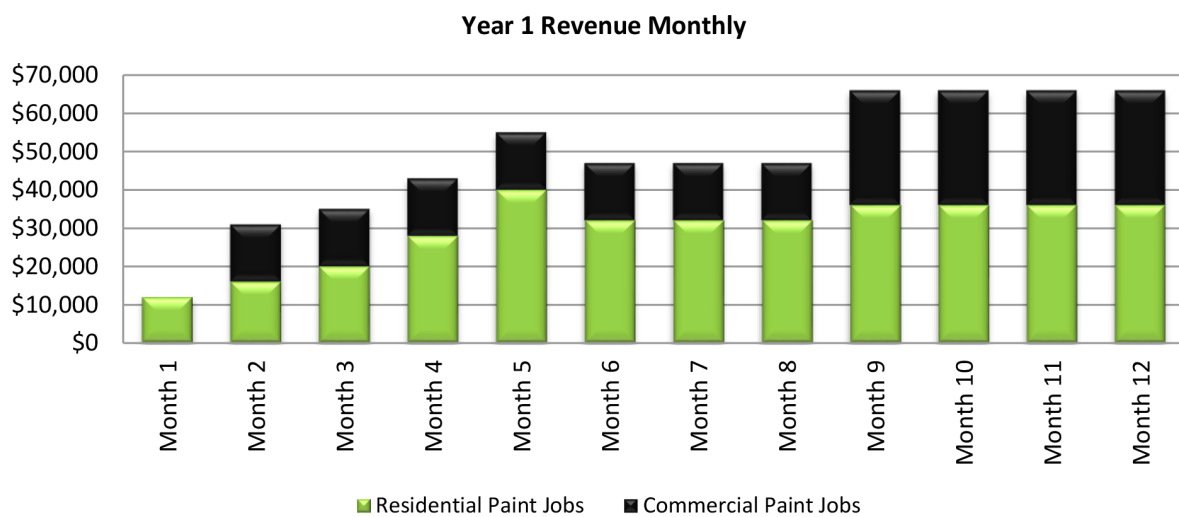


Revenue Forecast

The following is a five-year revenue forecast. Direct costs include all costs which can be directly tied to revenue and include “cost of goods.”

Revenue Forecast					
	Year 1	Year 2	Year 3	Year 4	Year 5
Units Sold					
Residential Paint Jobs	86	139	173	195	218
Commercial Paint Jobs	15	25	31	35	39
Price					
Residential Paint Jobs	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00
Commercial Paint Jobs	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
Revenue					
Residential Paint Jobs	\$356,000	\$556,000	\$692,000	\$780,000	\$872,000
Commercial Paint Jobs	\$225,000	\$375,000	\$465,000	\$525,000	\$585,000
Total Revenue	\$581,000	\$931,000	\$1,157,000	\$1,305,000	\$1,457,000
Direct Cost					
Residential Paint Jobs	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Commercial Paint Jobs	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00
Direct Cost of Revenue					
Residential Paint Jobs	\$89,000	\$139,000	\$173,000	\$195,000	\$218,000
Commercial Paint Jobs	\$56,250	\$93,750	\$116,250	\$131,250	\$146,250
Subtotal Cost of Revenue	\$145,250	\$232,750	\$289,250	\$326,250	\$364,250

Revenue Forecast Assumptions: (1) Revenue and costs are based on averages; (2) Totals may have slight variances due to rounding.

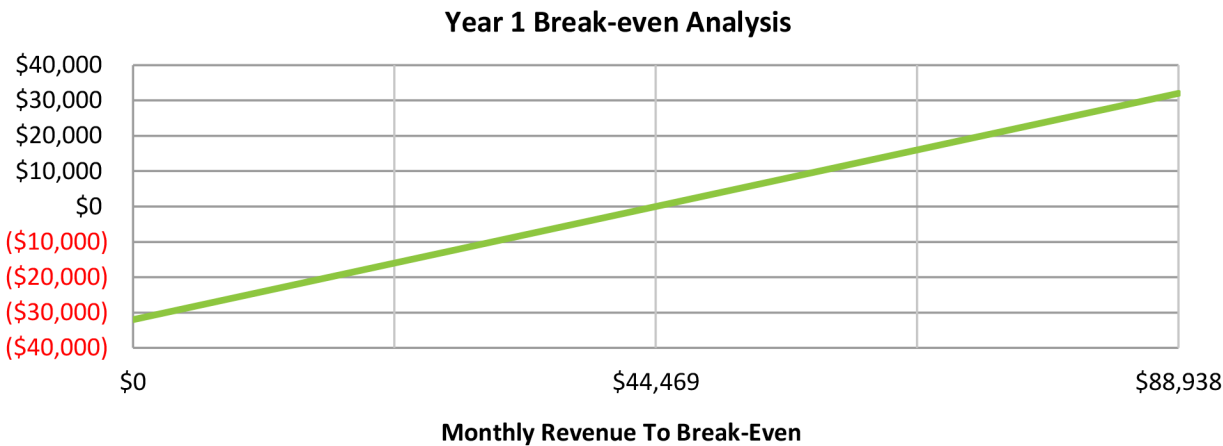


Breakeven Analysis

The following break-even analysis shows the revenue necessary to break-even in the first year of operation. This is where revenue equals expenses. As shown below, the Company is expected to incur average monthly fixed costs of \$32,018 in Year 1. To cover fixed costs and variable costs, which rise and fall with revenue, the Company must, on average, achieve revenue of \$44,469 per month to break-even.

Year 1 Break-even Analysis	
Monthly Revenue Break-even	\$44,469
Assumptions:	
Average Monthly Revenue	\$48,417
Average Monthly Variable Cost	\$13,557
Estimated Monthly Fixed Cost	\$32,018

Breakeven Analysis



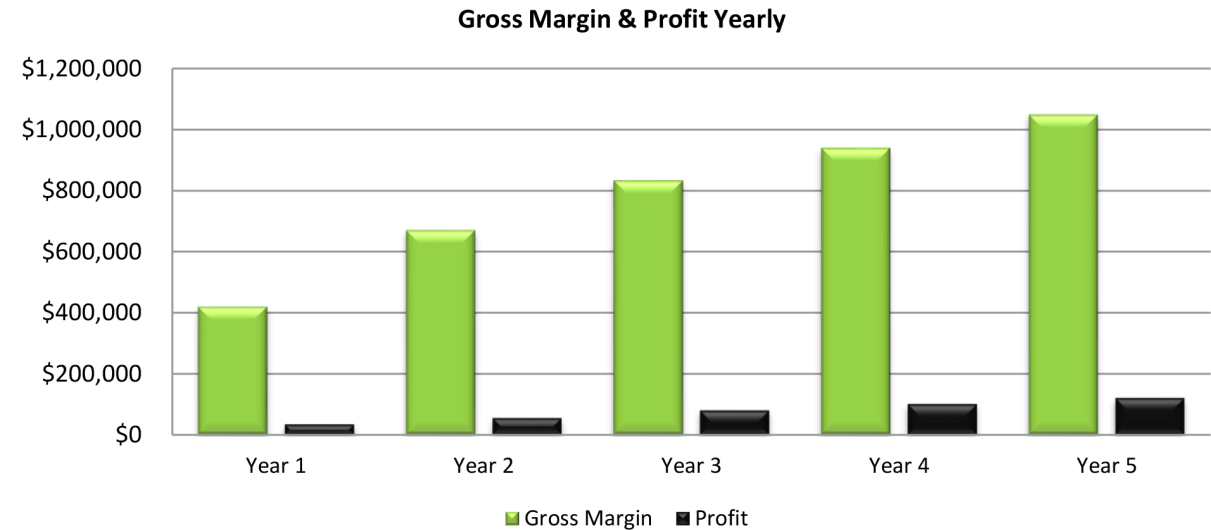
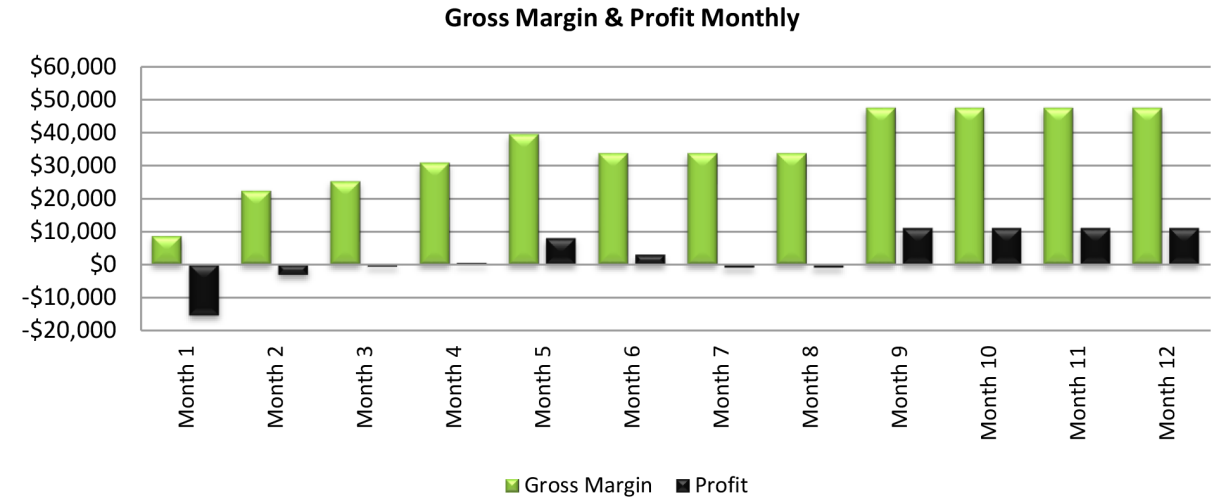
Projected Income Statement

Company ABC intends to deploy its funding to maximize growth and profitability. In the Income Statement table below, gross margin equals sales minus direct costs. The “bottom line” or profit (as measured before and after interest, taxes, depreciation, and amortization) equals gross margin minus operating expenses.

Pro Forma Income Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$581,000	\$931,000	\$1,157,000	\$1,305,000	\$1,457,000
Subtotal Cost of Revenue	\$145,250	\$232,750	\$289,250	\$326,250	\$364,250
Merchant Credit Card Fees	\$17,430	\$27,930	\$34,710	\$39,150	\$43,710
Total Cost of Revenue	\$162,680	\$260,680	\$323,960	\$365,400	\$407,960
Gross Profit	\$418,320	\$670,320	\$833,040	\$939,600	\$1,049,040
Gross Margin/Revenue	72.00%	72.00%	72.00%	72.00%	72.00%
Expenses					
Royalty Fee	\$29,050	\$46,550	\$57,850	\$65,250	\$72,850
Advertising Fund	\$23,240	\$37,240	\$46,280	\$52,200	\$58,280
Local Advertising	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Rent	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
Supplies	\$2,400	\$2,460	\$2,522	\$2,585	\$2,649
Software Subscription Fees	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
Telephone/Internet	\$3,000	\$3,075	\$3,152	\$3,231	\$3,311
Liability Insurance	\$4,800	\$4,920	\$5,043	\$5,169	\$5,298
Travel & Fuel	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600
Utilities	\$2,400	\$2,460	\$2,522	\$2,585	\$2,649
Employee Benefits	\$37,400	\$68,076	\$86,125	\$97,277	\$108,969
Maintenance	\$3,600	\$3,690	\$3,782	\$3,877	\$3,974
Professional Services	\$4,200	\$4,305	\$4,413	\$4,523	\$4,636
Business License & Permits	\$300	\$308	\$315	\$323	\$331
Worker's Compensation	\$5,610	\$10,211	\$12,919	\$14,591	\$16,345
Depreciation	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Payroll Taxes	\$14,306	\$26,039	\$32,943	\$37,208	\$41,680
Total Personnel	\$187,000	\$340,380	\$430,626	\$486,383	\$544,843
Total Operating Expenses	\$371,806	\$604,214	\$742,991	\$829,701	\$920,316
Profit Before Interest and Taxes	\$46,515	\$66,106	\$90,049	\$109,899	\$128,724
EBITDA	\$50,015	\$69,606	\$93,549	\$113,399	\$132,224
Interest Expense	\$12,407	\$11,503	\$10,524	\$9,464	\$8,316
Taxes Incurred	\$0	\$0	\$0	\$0	\$0
Net Profit	\$34,108	\$54,603	\$79,525	\$100,435	\$120,408
Net Margin/Revenue	5.87%	5.87%	6.87%	7.70%	8.26%

Income Statement Assumptions: (1) Royalty Fee expense is based on 5.0% of Revenue; (2) Advertising Fund expense is based on 4.0% of Revenue; (3) Depreciation of Long-term Assets is based on 10 years; (4) Payroll Taxes are based on 7.65% of Total Payroll; (5) Company Taxes are based on 0.0% due to the LLC being a pass-through entity; (6) Totals may have slight variances due to rounding.

The charts below represent the total revenue monthly and for the next five years. The charts illustrate the percentage of revenue allocated to cost of goods (COG), operating expenses and taxes, and interest. The net income piece represents revenue less the aforementioned expenditures.

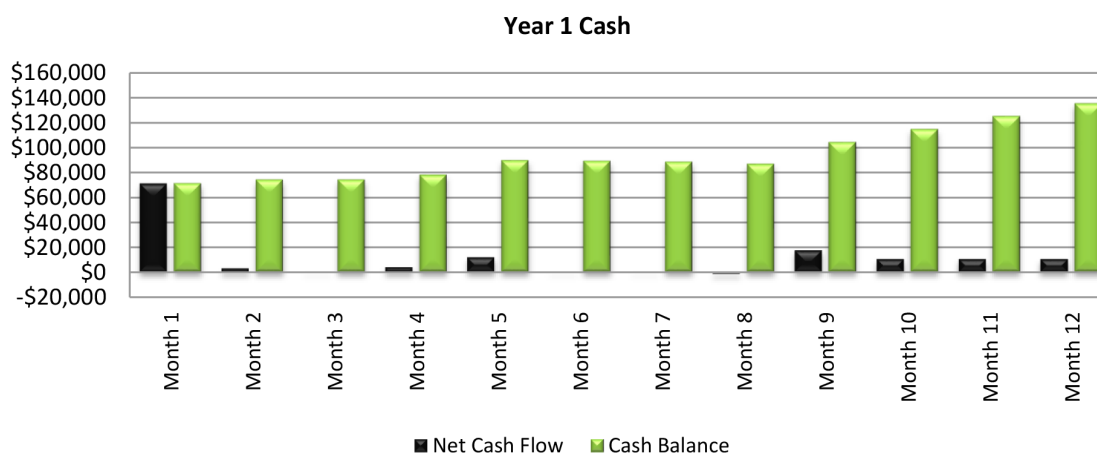


Projected Cash Flow

The following depictions of Company ABC's projected cash flow show that the Company expects to maintain sufficient cash balances over the five years of this plan. The "pro forma cash flow" table differs from the "pro forma income statement" table. Pro forma cash flow is intended to represent the actual flow of cash in and out of Company ABC. In comparison, the revenue and expense projections on the income statement include "non-cash" items and exclude funding and investment illustrations.

Pro Forma Cash Flow					
	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Received					
Revenue	\$581,000	\$931,000	\$1,157,000	\$1,305,000	\$1,457,000
Proceeds from Bank Loan	\$160,000	\$0	\$0	\$0	\$0
Owner Contribution	\$40,000	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$781,000	\$931,000	\$1,157,000	\$1,305,000	\$1,457,000
Expenditures					
Expenditures from Operations					
Total Personnel	\$187,000	\$340,380	\$430,626	\$486,383	\$544,843
Bill Payments	\$319,556	\$523,275	\$634,786	\$708,624	\$782,001
Subtotal Spent on Operations	\$506,556	\$863,655	\$1,065,412	\$1,195,007	\$1,326,844
Additional Cash Spent					
Start-up Costs	\$88,000	\$0	\$0	\$0	\$0
Principal Loan Repayment	\$10,888	\$11,792	\$12,771	\$13,831	\$14,979
Purchase Inventory	\$5,000	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$35,000	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$645,444	\$875,447	\$1,078,183	\$1,208,838	\$1,341,823
Net Cash Flow	\$135,556	\$55,553	\$78,817	\$96,162	\$115,177
Cash Balance	\$135,556	\$191,109	\$269,925	\$366,088	\$481,265

Cash Flow Assumptions: (1) Proceeds from Bank Loan assume funds were received in the amount of \$160,000; (2) Owner Contribution is \$40,000; (3) Totals may have slight variances due to rounding.



Projected Balance Sheet

The balance sheet is a snapshot of Company ABC' financial condition. The balance sheet has three parts: assets, liabilities, and ownership equity.

Pro Forma Balance Sheet					
	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
Cash	\$135,556	\$191,109	\$269,925	\$366,088	\$481,265
Inventory	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Other Current Assets	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$140,556	\$196,109	\$274,925	\$371,088	\$486,265
Long-term Assets					
Long-term Assets	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Accumulated Depreciation	\$3,500	\$7,000	\$10,500	\$14,000	\$17,500
Total Long-term Assets	\$31,500	\$28,000	\$24,500	\$21,000	\$17,500
Other Assets					
Other Assets	\$0	\$0	\$0	\$0	\$0
Total Assets	\$172,056	\$224,109	\$299,425	\$392,088	\$503,765
Liabilities and Capital					
Current Liabilities					
Accounts Payable	\$36,836	\$46,078	\$54,641	\$60,699	\$66,947
Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$36,836	\$46,078	\$54,641	\$60,699	\$66,947
Long-term Liabilities	\$149,112	\$137,319	\$124,549	\$110,718	\$95,739
Total Liabilities	\$185,948	\$183,397	\$179,189	\$171,417	\$162,686
Paid-in Capital	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Retained Earnings	\$0	(\$53,892)	\$711	\$80,236	\$180,671
Earnings	(\$53,892)	\$54,603	\$79,525	\$100,435	\$120,408
Total Capital	(\$13,892)	\$40,711	\$120,236	\$220,671	\$341,078
Total Liabilities and Capital	\$172,056	\$224,109	\$299,425	\$392,088	\$503,765
Net Worth	(\$13,892)	\$40,711	\$120,236	\$220,671	\$341,078

Balance Sheet Assumptions: (1) Totals may have slight variances due to rounding.

Sensitivity Analysis

VOLATILITY

The level of volatility is determined by averaging the absolute change in revenue in each of the past five years. Volatility levels: very high is more than $\pm 20\%$; high volatility is $\pm 10\%$ to $\pm 20\%$; moderate volatility is $\pm 3\%$ to $\pm 10\%$; and low volatility is less than $\pm 3\%$.

The sensitivity analysis below assumes that revenues are 5% higher or 5% lower than the figures projected earlier in this document.

Best Case Scenario (Revenue Increased by 5%)					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$610,050	\$977,550	\$1,214,850	\$1,370,250	\$1,529,850
Cost of Goods	\$170,814	\$273,714	\$340,158	\$383,670	\$428,358
Gross Margin	\$439,236	\$703,836	\$874,692	\$986,580	\$1,101,492
Gross Margin/Revenue	72.00%	72.00%	72.00%	72.00%	72.00%
Operating Expenses	\$371,806	\$604,214	\$742,991	\$829,701	\$920,316
Net Profit	\$55,024	\$88,119	\$121,177	\$147,415	\$172,860
Cash Flow	\$156,472	\$89,069	\$120,469	\$143,142	\$167,629
Cash Balance	\$156,472	\$245,541	\$366,009	\$509,152	\$676,781
Net Profit/Revenue	9.02%	9.01%	9.97%	10.76%	11.30%

Worst Case Scenario (Revenue Decreased by 5%)					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$551,950	\$884,450	\$1,099,150	\$1,239,750	\$1,384,150
Cost of Goods	\$154,546	\$247,646	\$307,762	\$347,130	\$387,562
Gross Margin	\$397,404	\$636,804	\$791,388	\$892,620	\$996,588
Gross Margin/Revenue	72.00%	72.00%	72.00%	72.00%	72.00%
Operating Expenses	\$371,806	\$604,214	\$742,991	\$829,701	\$920,316
Net Profit	\$13,192	\$21,087	\$37,873	\$53,455	\$67,956
Cash Flow	\$114,640	\$22,037	\$37,165	\$49,182	\$62,725
Cash Balance	\$114,640	\$136,677	\$173,841	\$223,024	\$285,749
Net Profit/Revenue	2.39%	2.38%	3.45%	4.31%	4.91%

Financial Assumptions

The assumptions below provide growth rates, cash on hand, and the terms of funding based on an initial loan amount of \$160,000.

Financial Assumptions					
	Year 1	Year 2	Year 3	Year 4	Year 5
Growth Assumptions					
Total Revenue Growth		60%	24%	13%	12%
Total Expense Growth		63%	23%	12%	11%
Personnel Assumptions					
Average Salary Growth		3%	3%	3%	3%
Payroll Growth		82%	27%	13%	12%
Cash Assumptions					
Months of Cash on Hand	3	4	4	5	6
Bill Payment Term (Days)	32	32	32	32	32
Loan Assumptions					
LOC Loan (Interest Only)					
Line-of-Credit Monthly Payment	\$0	\$0	\$0	\$0	\$0
Fixed Rate Loan					
Loan Term	10				
Loan Rate	8.00%				
Monthly Loan Payment	\$1,941	\$1,941	\$1,941	\$1,941	\$1,941
Average Monthly Interest	\$1,034	\$959	\$877	\$789	\$693
Average Monthly Principle	\$907	\$983	\$1,064	\$1,153	\$1,248

Appendix I: Year One Financials

Year 1 Revenue Forecast												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Units Sold												
Residential Paint Jobs	3	4	5	7	10	8	8	8	9	9	9	9
Commercial Paint Jobs	0	1	1	1	1	1	1	1	2	2	2	2
Price												
Residential Paint Jobs	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00
Commercial Paint Jobs	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
Revenue												
Residential Paint Jobs	\$12,000	\$16,000	\$20,000	\$28,000	\$40,000	\$32,000	\$32,000	\$32,000	\$36,000	\$36,000	\$36,000	\$36,000
Commercial Paint Jobs	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$30,000	\$30,000	\$30,000	\$30,000
Total Revenue	\$12,000	\$31,000	\$35,000	\$43,000	\$55,000	\$47,000	\$47,000	\$47,000	\$66,000	\$66,000	\$66,000	\$66,000
Direct Cost												
Residential Paint Jobs	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Commercial Paint Jobs	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00	\$3,750.00
Direct Cost of Revenue												
Residential Paint Jobs	\$3,000	\$4,000	\$5,000	\$7,000	\$10,000	\$8,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$9,000
Commercial Paint Jobs	\$0	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$7,500	\$7,500	\$7,500	\$7,500
Subtotal Cost of Revenue	\$3,000	\$7,750	\$8,750	\$10,750	\$13,750	\$11,750	\$11,750	\$11,750	\$16,500	\$16,500	\$16,500	\$16,500

Year 1 Personnel Forecast												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Personnel Count												
Owner	1	1	1	1	1	1	1	1	1	1	1	1
Painters	2	2	2	3	3	3	4	4	4	4	4	4
Administrative Assistant	1	1	1	1	1	1	1	1	1	1	1	1
Total Personnel	4	4	4	5	5	5	6	6	6	6	6	6
Personnel Wage												
Owner	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333
Painters	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Administrative Assistant	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Personnel Costs												
Owner	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333
Painters	\$6,000	\$6,000	\$6,000	\$9,000	\$9,000	\$9,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Administrative Assistant	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Total Payroll	\$11,833	\$11,833	\$11,833	\$14,833	\$14,833	\$14,833	\$17,833	\$17,833	\$17,833	\$17,833	\$17,833	\$17,833

Year 1 Pro Forma Income Statement												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Revenue	\$12,000	\$31,000	\$35,000	\$43,000	\$55,000	\$47,000	\$47,000	\$47,000	\$66,000	\$66,000	\$66,000	\$66,000
Subtotal Cost of Revenue	\$3,000	\$7,750	\$8,750	\$10,750	\$13,750	\$11,750	\$11,750	\$11,750	\$16,500	\$16,500	\$16,500	\$16,500
Merchant Credit Card Fees	\$360	\$930	\$1,050	\$1,290	\$1,650	\$1,410	\$1,410	\$1,410	\$1,980	\$1,980	\$1,980	\$1,980
Total Cost of Revenue	\$3,360	\$8,680	\$9,800	\$12,040	\$15,400	\$13,160	\$13,160	\$13,160	\$18,480	\$18,480	\$18,480	\$18,480
Gross Profit	\$8,640	\$22,320	\$25,200	\$30,960	\$39,600	\$33,840	\$33,840	\$33,840	\$47,520	\$47,520	\$47,520	\$47,520
Gross Margin/Revenue	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%
Expenses												
Royalty Fee	\$600	\$1,550	\$1,750	\$2,150	\$2,750	\$2,350	\$2,350	\$2,350	\$3,300	\$3,300	\$3,300	\$3,300
Advertising Fund	\$480	\$1,240	\$1,400	\$1,720	\$2,200	\$1,880	\$1,880	\$1,880	\$2,640	\$2,640	\$2,640	\$2,640
Local Advertising	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Rent	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Supplies	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Software Subscription Fees	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450
Telephone/Internet	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Liability Insurance	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Travel & Fuel	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Utilities	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Employee Benefits	\$2,367	\$2,367	\$2,367	\$2,967	\$2,967	\$2,967	\$3,567	\$3,567	\$3,567	\$3,567	\$3,567	\$3,567
Maintenance	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Professional Services	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350
Business License & Permits	\$300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Worker's Compensation	\$355	\$355	\$355	\$445	\$445	\$445	\$535	\$535	\$535	\$535	\$535	\$535
Depreciation	\$292	\$292	\$292	\$292	\$292	\$292	\$292	\$292	\$292	\$292	\$292	\$292
Payroll Taxes	\$905	\$905	\$905	\$1,135	\$1,135	\$1,135	\$1,364	\$1,364	\$1,364	\$1,364	\$1,364	\$1,364
Total Personnel	\$11,833	\$11,833	\$11,833	\$14,833	\$14,833	\$14,833	\$17,833	\$17,833	\$17,833	\$17,833	\$17,833	\$17,833
Total Operating Expenses	\$23,082	\$24,492	\$24,852	\$29,491	\$30,571	\$29,851	\$33,771	\$33,771	\$35,481	\$35,481	\$35,481	\$35,481
Profit Before Interest and Taxes	(\$14,442)	(\$2,172)	\$348	\$1,469	\$9,029	\$3,989	\$69	\$69	\$12,039	\$12,039	\$12,039	\$12,039
Interest on Loan Repayment	\$1,067	\$1,061	\$1,055	\$1,049	\$1,043	\$1,037	\$1,031	\$1,025	\$1,019	\$1,013	\$1,007	\$1,000
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$15,509)	(\$3,233)	(\$707)	\$420	\$7,985	\$2,951	(\$962)	(\$956)	\$11,020	\$11,026	\$11,033	\$11,039
Net Margin/Revenue	-129.24%	-10.43%	-2.02%	0.98%	14.52%	6.28%	-2.05%	-2.03%	16.70%	16.71%	16.72%	16.73%

Appendix I: Year One Financials

Year 1 Cash Flow												
Additional Cash Received	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Revenue	\$12,000	\$31,000	\$35,000	\$43,000	\$55,000	\$47,000	\$47,000	\$47,000	\$66,000	\$66,000	\$66,000	\$66,000
Proceeds from Bank Loan	\$160,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Owner Contribution	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$212,000	\$31,000	\$35,000	\$43,000	\$55,000	\$47,000	\$47,000	\$47,000	\$66,000	\$66,000	\$66,000	\$66,000
Total Personnel	\$11,833	\$11,833	\$11,833	\$14,833	\$14,833	\$14,833	\$17,833	\$17,833	\$17,833	\$17,833	\$17,833	\$17,833
Bill Payments	\$0	\$15,384	\$22,108	\$23,582	\$27,455	\$31,890	\$28,924	\$29,837	\$29,831	\$36,855	\$36,849	\$36,842
Additional Cash Spent												
Start-up Costs	\$88,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Loan Repayment	\$875	\$880	\$886	\$892	\$898	\$904	\$910	\$916	\$922	\$928	\$935	\$941
Purchase Inventory	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$35,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Spent	\$140,708	\$28,097	\$34,827	\$39,307	\$43,187	\$47,627	\$47,667	\$48,587	\$48,587	\$55,617	\$55,617	\$55,617
Net Cash Flow	\$71,292	\$2,903	\$173	\$3,693	\$11,813	(\$627)	(\$667)	(\$1,587)	\$17,413	\$10,383	\$10,383	\$10,383
Cash Balance	\$71,292	\$74,195	\$74,367	\$78,060	\$89,873	\$89,246	\$88,579	\$86,993	\$104,406	\$114,789	\$125,173	\$135,556

Year 1 Balance Sheet												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Current Assets												
Cash	\$71,292	\$74,195	\$74,367	\$78,060	\$89,873	\$89,246	\$88,579	\$86,993	\$104,406	\$114,789	\$125,173	\$135,556
Inventory	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$76,292	\$79,195	\$79,367	\$83,060	\$94,873	\$94,246	\$93,579	\$91,993	\$109,406	\$119,789	\$130,173	\$140,556
Long-term Assets	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Accumulated Depreciation	\$292	\$583	\$875	\$1,167	\$1,458	\$1,750	\$2,042	\$2,333	\$2,625	\$2,917	\$3,208	\$3,500
Total Long-term Assets	\$34,708	\$34,417	\$34,125	\$33,833	\$33,542	\$33,250	\$32,958	\$32,667	\$32,375	\$32,083	\$31,792	\$31,500
Other Assets												
Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Assets	\$111,000	\$113,611	\$113,492	\$116,893	\$128,415	\$127,496	\$126,537	\$124,659	\$141,781	\$151,873	\$161,964	\$172,056
Current Liabilities												
Accounts Payable	\$15,384	\$22,108	\$23,582	\$27,455	\$31,890	\$28,924	\$29,837	\$29,831	\$36,855	\$36,849	\$36,842	\$36,836
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$15,384	\$22,108	\$23,582	\$27,455	\$31,890	\$28,924	\$29,837	\$29,831	\$36,855	\$36,849	\$36,842	\$36,836
Long-term Liabilities	\$159,125	\$158,245	\$157,359	\$156,467	\$155,568	\$154,664	\$153,754	\$152,838	\$151,916	\$150,987	\$150,052	\$149,112
Total Liabilities	\$174,509	\$180,353	\$180,941	\$183,922	\$187,458	\$183,588	\$183,591	\$182,669	\$188,770	\$187,836	\$186,895	\$185,948
Paid-in Capital	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Retained Earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Earnings	(\$103,509)	(\$106,741)	(\$107,448)	(\$107,029)	(\$99,043)	(\$96,092)	(\$97,054)	(\$98,010)	(\$86,990)	(\$75,963)	(\$64,931)	(\$53,892)
Total Capital	(\$63,509)	(\$66,741)	(\$67,448)	(\$67,029)	(\$59,043)	(\$56,092)	(\$57,054)	(\$58,010)	(\$46,990)	(\$35,963)	(\$24,931)	(\$13,892)
Total Liabilities and Capital	\$111,000	\$113,611	\$113,492	\$116,893	\$128,415	\$127,496	\$126,537	\$124,659	\$141,781	\$151,873	\$161,964	\$172,056
Net Worth	(\$63,509)	(\$66,741)	(\$67,448)	(\$67,029)	(\$59,043)	(\$56,092)	(\$57,054)	(\$58,010)	(\$46,990)	(\$35,963)	(\$24,931)	(\$13,892)

