



Strategic Services Group, Inc.

t/a FundablePlans.com

Business Plan

1. Executive Summary

Executive Summary goes here.

2. Source and Use

Source	
Owner's Investment	\$200,000
First Mortgage	\$300,000
Business Loan	\$40,000
Total Funds	\$540,000

Use	
Real Estate Purchase	\$250,000
Construction	\$100,000
Inventory	\$25,000
Equipment	\$75,000
Operating Capital	\$50,000
Franchise	\$25,000
Estimated Closing Costs	\$15,000
Total Use of Funds	\$540,000

3. Company

1. Legal Entity

This is a plan outline of all the answer categories, no one project will use them all.

2. Principals

Those sections that do not apply to your project will not appear in your plan.

3. Products and Services

This is a plan outline of all the answer categories, no one project will use them all.

4. Mission Statement

Those sections that do not apply to your project will not appear in your plan.

5. Mission Actions

This is a plan outline of all the answer categories, no one project will use them all.

6. Target Company

Those sections that do not apply to your project will not appear in your plan.

7. Franchisor

This is a plan outline of all the answer categories, no one project will use them all.

8. Startup Reasoning

Those sections that do not apply to your project will not appear in your plan.

9. Permissions

This is a plan outline of all the answer categories, no one project will use them all.

10. Special Relationships

Those sections that do not apply to your project will not appear in your plan.

11. Work Completed

This is a plan outline of all the answer categories, no one project will use them all.

12. Work Remaining

Those sections that do not apply to your project will not appear in your plan.

13. Strengths

This is a plan outline of all the answer categories, no one project will use them all.

14. Weaknesses

Those sections that do not apply to your project will not appear in your plan.

15. Opportunities

This is a plan outline of all the answer categories, no one project will use them all.

16. Threats

Those sections that do not apply to your project will not appear in your plan.

17. Ultimate Goal

This is a plan outline of all the answer categories, no one project will use them all.

4. Business

1. Products and Services

This is a plan outline of all the answer categories, no one project will use them all.

2. Location

Those sections that do not apply to your project will not appear in your plan.

3. Retail Environment

This is a plan outline of all the answer categories, no one project will use them all.

4. Features and Benefits

Those sections that do not apply to your project will not appear in your plan.

5. Competitive Differences

This is a plan outline of all the answer categories, no one project will use them all.

6. Exclusivity

Those sections that do not apply to your project will not appear in your plan.

7. Cost Advantages

This is a plan outline of all the answer categories, no one project will use them all.

8. Quality Advantages

Those sections that do not apply to your project will not appear in your plan.

9. Production Process

This is a plan outline of all the answer categories, no one project will use them all.

10. Production and Delivery Advantages

Those sections that do not apply to your project will not appear in your plan.

11. Production and Delivery Disadvantages

This is a plan outline of all the answer categories, no one project will use them all.

12. Equipment and Materials

Those sections that do not apply to your project will not appear in your plan.

13. Customer Service

This is a plan outline of all the answer categories, no one project will use them all.

14. Pricing Strategy

Those sections that do not apply to your project will not appear in your plan.

15. Product Improvements

This is a plan outline of all the answer categories, no one project will use them all.

16. Upcoming Products

Those sections that do not apply to your project will not appear in your plan.

5. Marketing

1. North American Industry Classification

This is a plan outline of all the answer categories, no one project will use them all.

2. Industry Outlook

Those sections that do not apply to your project will not appear in your plan.

3. Industry Challenges

This is a plan outline of all the answer categories, no one project will use them all.

4. Industry Segmentation

Those sections that do not apply to your project will not appear in your plan.

5. Industry Segment

This is a plan outline of all the answer categories, no one project will use them all.

6. Market Area

Those sections that do not apply to your project will not appear in your plan.

7. Market Size

This is a plan outline of all the answer categories, no one project will use them all.

8. Competition Types

Those sections that do not apply to your project will not appear in your plan.

9. Competitors

This is a plan outline of all the answer categories, no one project will use them all.

10. Price Leader

Those sections that do not apply to your project will not appear in your plan.

11. Quality Leader

This is a plan outline of all the answer categories, no one project will use them all.

12. Service Leader

Those sections that do not apply to your project will not appear in your plan.

13. Market Opportunities

This is a plan outline of all the answer categories, no one project will use them all.

14. Unique Selling Proposition

Those sections that do not apply to your project will not appear in your plan.

15. Demographics

This is a plan outline of all the answer categories, no one project will use them all.

16. Customer Types

Those sections that do not apply to your project will not appear in your plan.

17. Direct Sales

This is a plan outline of all the answer categories, no one project will use them all.

18. Advertising

Those sections that do not apply to your project will not appear in your plan.

19. Word of Mouth

This is a plan outline of all the answer categories, no one project will use them all.

20. Cooperative

Those sections that do not apply to your project will not appear in your plan.

21. Publicity and Promotion

This is a plan outline of all the answer categories, no one project will use them all.

22. Civic Groups

Those sections that do not apply to your project will not appear in your plan.

23. Associations

This is a plan outline of all the answer categories, no one project will use them all.

24. Data Sources

Those sections that do not apply to your project will not appear in your plan.

6. Personnel

1. Management Structure

This is a plan outline of all the answer categories, no one project will use them all.

2. Key Personnel

Those sections that do not apply to your project will not appear in your plan.

3. Management Needs

This is a plan outline of all the answer categories, no one project will use them all.

4. Boards

Those sections that do not apply to your project will not appear in your plan.

5. Outside Support

This is a plan outline of all the answer categories, no one project will use them all.

6. Personnel

Those sections that do not apply to your project will not appear in your plan.

7. Year One Pro Forma

1. Year End Operating Statement

January, 2004 - December, 2004

Revenue		
Wholesale	\$287,850	50.5%
Retail	\$287,850	50.5%
Returns & Adjustments	(\$5,380)	-0.9%
Total Revenue	\$570,320	100.0%
Cost of Goods Sold		
Purchases	\$114,033	20.0%
Net Change to Inventory	(\$2,613)	-0.5%
Total Cost of Goods Sold	\$116,646	20.5%
Gross Profit	\$453,674	79.5%
Expenses		
Advertising & Promotion	\$16,500	2.9%
Bad Debt Write-offs	\$2,200	0.4%
Bank & Credit Card Fees	\$8,300	1.5%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$6,000	1.1%
Insurance	\$7,200	1.3%
Miscellaneous	\$3,900	0.7%
Office Supplies, Telephone & Postage	\$5,900	1.0%
Officer / Owner Compensation	\$60,000	10.5%
Payroll	\$123,000	21.6%
Payroll Tax and Employee Benefits	\$22,140	3.9%
Permits & Licenses	\$600	0.1%
Professional Fees	\$6,000	1.1%
Property Taxes	\$4,800	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$15,800	2.8%
Travel & Entertainment	\$4,700	0.8%
Utilities	\$43,400	7.6%
Vehicle Expense	\$4,200	0.7%
Total Expenses	\$334,640	58.7%
Net Operating Income	\$119,034	20.9%
Capital Expense		
Interest	\$28,056	4.9%
Depreciation & Amortization	\$21,073	3.7%
Pre-Tax Profit (Loss)	\$69,905	12.3%
Principal Repayment	\$8,668	1.5%

2. Year One Cash Flow

	January	February	March	April	May	June
Beginning Cash	\$50,000	\$66,712	\$65,436	\$70,083	\$76,920	\$82,894
Cash Sales	\$28,000	\$29,120	\$32,116	\$32,298	\$32,718	\$33,271
A/R Collected	\$0	\$6,000	\$10,240	\$13,042	\$13,589	\$13,919
Available Cash	\$78,000	\$101,832	\$107,792	\$115,423	\$123,227	\$130,084
Cash Expenses	\$8,228	\$8,653	\$8,690	\$9,372	\$9,155	\$9,260
A/P Paid	\$0	\$24,682	\$25,959	\$26,070	\$28,118	\$27,466
Interest	\$2,367	\$2,362	\$2,356	\$2,351	\$2,346	\$2,341
Principal	\$694	\$699	\$704	\$709	\$714	\$719
Ending Cash	\$66,712	\$65,436	\$70,083	\$76,920	\$82,894	\$90,298
	July	August	September	October	November	December
Beginning Cash	\$90,298	\$97,853	\$106,083	\$114,907	\$123,679	\$131,724
Cash Sales	\$33,670	\$34,650	\$35,350	\$35,630	\$36,036	\$36,365
A/R Collected	\$14,110	\$14,305	\$14,612	\$14,930	\$15,160	\$15,337
Available Cash	\$138,079	\$146,808	\$156,044	\$165,467	\$174,875	\$183,426
Cash Expenses	\$9,385	\$9,510	\$9,548	\$10,085	\$9,835	\$10,448
A/P Paid	\$27,780	\$28,155	\$28,530	\$28,642	\$30,255	\$29,505
Interest	\$2,336	\$2,330	\$2,325	\$2,320	\$2,314	\$2,309
Principal	\$725	\$730	\$735	\$741	\$746	\$752
Ending Cash	\$97,853	\$106,083	\$114,907	\$123,679	\$131,724	\$140,414

3. Year End Balance Sheet

As of December 31, 2004

	Ending Balance	Starting Balance	Net Change
Assets			
Current Assets			
Cash	\$140,414	\$50,000	\$90,414
Accounts Receivable	\$25,852	\$0	\$25,852
Inventory	\$22,887	\$25,000	(\$2,113)
Total Current Assets	\$189,153	\$75,000	\$114,153
Fixed Assets			
Land	\$50,000	\$50,000	\$0
Buildings & Improvements	\$292,308	\$300,000	(\$7,692)
Equipment	\$64,286	\$75,000	(\$10,714)
Franchise	\$23,333	\$25,000	(\$1,667)
Settlement Costs	\$14,000	\$15,000	(\$1,000)
Total Fixed Assets	\$443,927	\$465,000	(\$21,073)
Total Assets	\$633,079	\$540,000	\$93,079
Liabilities			
Current Liabilities			
Accounts Payable	\$31,342	\$0	\$31,342
Long Term Liabilities			
First Mortgage	\$293,659	\$300,000	(\$6,341)
Business Loan	\$37,673	\$40,000	(\$2,327)
Total Long Term Liab.	\$331,332	\$340,000	(\$8,668)
Total Liabilities	\$362,674	\$340,000	\$22,674
Equity			
Owner's Equity	\$200,000	\$200,000	\$0
Pre-Tax Retained Earnings	\$69,905	\$0	\$69,905
Total Equity	\$269,905	\$200,000	\$69,905
Total Liab. & Equity	\$632,579	\$540,000	\$92,579

4. Month One Operating Statement

January, 2004

Revenue		
Wholesale	\$20,000	50.0%
Retail	\$20,000	50.0%
Returns & Adjustments	\$0	0.0%
Total Revenue	\$40,000	100.0%
Cost of Goods Sold		
Purchases	\$7,500	18.8%
Net Change to Inventory	(\$500)	-1.2%
Total Cost of Goods Sold	\$8,000	20.0%
Gross Profit	\$32,000	80.0%
Expenses		
Advertising & Promotion	\$1,200	3.0%
Bad Debt Write-offs	\$0	0.0%
Bank & Credit Card Fees	\$500	1.2%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$500	1.2%
Insurance	\$600	1.5%
Miscellaneous	\$250	0.6%
Office Supplies, Telephone & Postage	\$400	1.0%
Officer / Owner Compensation	\$5,000	12.5%
Payroll	\$9,500	23.8%
Payroll Tax and Employee Benefits	\$1,710	4.3%
Permits & Licenses	\$50	0.1%
Professional Fees	\$500	1.2%
Property Taxes	\$400	1.0%
Property Rent	\$0	0.0%
Repair & Maintenance	\$1,000	2.5%
Travel & Entertainment	\$250	0.6%
Utilities	\$3,200	8.0%
Vehicle Expense	\$350	0.9%
Total Expenses	\$25,410	63.5%
Net Operating Income	\$6,590	16.5%
Capital Expense		
Interest	\$2,367	5.9%
Depreciation & Amortization	\$1,756	4.4%
Pre-Tax Profit (Loss)	\$2,467	6.2%
Principal Repayment	\$694	1.7%

5. Month Two Operating Statement

February, 2004

Revenue		
Wholesale	\$21,000	50.5%
Retail	\$21,000	50.5%
Returns & Adjustments	(\$400)	-1.0%
Total Revenue	\$41,600	100.0%
Cost of Goods Sold		
Purchases	\$9,152	22.0%
Net Change to Inventory	\$832	2.0%
Total Cost of Goods Sold	\$8,320	20.0%
Gross Profit	\$33,280	80.0%
Expenses		
Advertising & Promotion	\$1,200	2.9%
Bad Debt Write-offs	\$0	0.0%
Bank & Credit Card Fees	\$500	1.2%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$500	1.2%
Insurance	\$600	1.4%
Miscellaneous	\$250	0.6%
Office Supplies, Telephone & Postage	\$400	1.0%
Officer / Owner Compensation	\$5,000	12.0%
Payroll	\$9,500	22.8%
Payroll Tax and Employee Benefits	\$1,710	4.1%
Permits & Licenses	\$50	0.1%
Professional Fees	\$500	1.2%
Property Taxes	\$400	1.0%
Property Rent	\$0	0.0%
Repair & Maintenance	\$1,000	2.4%
Travel & Entertainment	\$250	0.6%
Utilities	\$3,250	7.8%
Vehicle Expense	\$350	0.8%
Total Expenses	\$25,460	61.2%
Net Operating Income	\$7,820	18.8%
Capital Expense		
Interest	\$2,362	5.7%
Depreciation & Amortization	\$1,756	4.2%
Pre-Tax Profit (Loss)	\$3,702	8.9%
Principal Repayment	\$699	1.7%

6. Month Three Operating Statement

March, 2004

Revenue		
Wholesale	\$23,150	50.5%
Retail	\$23,150	50.5%
Returns & Adjustments	(\$420)	-0.9%
Total Revenue	\$45,880	100.0%
Cost of Goods Sold		
Purchases	\$9,300	20.3%
Net Change to Inventory	(\$400)	-0.9%
Total Cost of Goods Sold	\$9,700	21.1%
Gross Profit	\$36,180	78.9%
Expenses		
Advertising & Promotion	\$1,200	2.6%
Bad Debt Write-offs	\$0	0.0%
Bank & Credit Card Fees	\$500	1.1%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$500	1.1%
Insurance	\$600	1.3%
Miscellaneous	\$250	0.5%
Office Supplies, Telephone & Postage	\$400	0.9%
Officer / Owner Compensation	\$5,000	10.9%
Payroll	\$9,500	20.7%
Payroll Tax and Employee Benefits	\$1,710	3.7%
Permits & Licenses	\$50	0.1%
Professional Fees	\$500	1.1%
Property Taxes	\$400	0.9%
Property Rent	\$0	0.0%
Repair & Maintenance	\$1,000	2.2%
Travel & Entertainment	\$250	0.5%
Utilities	\$3,250	7.1%
Vehicle Expense	\$350	0.8%
Total Expenses	\$25,460	55.5%
Net Operating Income	\$10,720	23.4%
Capital Expense		
Interest	\$2,356	5.1%
Depreciation & Amortization	\$1,756	3.8%
Pre-Tax Profit (Loss)	\$6,607	14.4%
Principal Repayment	\$704	1.5%

7. Month Four Operating Statement

April, 2004

Revenue		
Wholesale	\$23,300	50.5%
Retail	\$23,300	50.5%
Returns & Adjustments	(\$460)	-1.0%
Total Revenue	\$46,140	100.0%
Cost of Goods Sold		
Purchases	\$10,000	21.7%
Net Change to Inventory	\$500	1.1%
Total Cost of Goods Sold	\$9,500	20.6%
Gross Profit	\$36,640	79.4%
Expenses		
Advertising & Promotion	\$1,200	2.6%
Bad Debt Write-offs	\$0	0.0%
Bank & Credit Card Fees	\$600	1.3%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$500	1.1%
Insurance	\$600	1.3%
Miscellaneous	\$350	0.8%
Office Supplies, Telephone & Postage	\$500	1.1%
Officer / Owner Compensation	\$5,000	10.8%
Payroll	\$10,500	22.8%
Payroll Tax and Employee Benefits	\$1,890	4.1%
Permits & Licenses	\$50	0.1%
Professional Fees	\$500	1.1%
Property Taxes	\$400	0.9%
Property Rent	\$0	0.0%
Repair & Maintenance	\$1,200	2.6%
Travel & Entertainment	\$350	0.8%
Utilities	\$3,500	7.6%
Vehicle Expense	\$350	0.8%
Total Expenses	\$27,490	59.6%
Net Operating Income	\$9,150	19.8%
Capital Expense		
Interest	\$2,351	5.1%
Depreciation & Amortization	\$1,756	3.8%
Pre-Tax Profit (Loss)	\$5,043	10.9%
Principal Repayment	\$709	1.5%

8. Month Five Operating Statement

May, 2004

Revenue		
Wholesale	\$23,600	50.5%
Retail	\$23,600	50.5%
Returns & Adjustments	(\$460)	-1.0%
Total Revenue	\$46,740	100.0%
Cost of Goods Sold		
Purchases	\$8,881	19.0%
Net Change to Inventory	(\$745)	-1.6%
Total Cost of Goods Sold	\$9,626	20.6%
Gross Profit	\$37,114	79.4%
Expenses		
Advertising & Promotion	\$1,200	2.6%
Bad Debt Write-offs	\$0	0.0%
Bank & Credit Card Fees	\$700	1.5%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$500	1.1%
Insurance	\$600	1.3%
Miscellaneous	\$350	0.7%
Office Supplies, Telephone & Postage	\$500	1.1%
Officer / Owner Compensation	\$5,000	10.7%
Payroll	\$10,500	22.5%
Payroll Tax and Employee Benefits	\$1,890	4.0%
Permits & Licenses	\$50	0.1%
Professional Fees	\$500	1.1%
Property Taxes	\$400	0.9%
Property Rent	\$0	0.0%
Repair & Maintenance	\$1,200	2.6%
Travel & Entertainment	\$400	0.9%
Utilities	\$3,600	7.7%
Vehicle Expense	\$350	0.7%
Total Expenses	\$27,740	59.3%
Net Operating Income	\$9,374	20.1%
Capital Expense		
Interest	\$2,346	5.0%
Depreciation & Amortization	\$1,756	3.8%
Pre-Tax Profit (Loss)	\$6,607	14.1%
Principal Repayment	\$714	1.5%

9. Month Six Operating Statement

June, 2004

Revenue		
Wholesale	\$24,000	50.5%
Retail	\$24,000	50.5%
Returns & Adjustments	(\$470)	-1.0%
Total Revenue	\$47,530	100.0%
Cost of Goods Sold		
Purchases	\$9,000	18.9%
Net Change to Inventory	(\$850)	-1.8%
Total Cost of Goods Sold	\$9,850	20.7%
Gross Profit	\$37,680	79.3%
Expenses		
Advertising & Promotion	\$1,400	2.9%
Bad Debt Write-offs	\$0	0.0%
Bank & Credit Card Fees	\$750	1.6%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$500	1.1%
Insurance	\$600	1.3%
Miscellaneous	\$350	0.7%
Office Supplies, Telephone & Postage	\$500	1.1%
Officer / Owner Compensation	\$5,000	10.5%
Payroll	\$10,500	22.1%
Payroll Tax and Employee Benefits	\$1,890	4.0%
Permits & Licenses	\$50	0.1%
Professional Fees	\$500	1.1%
Property Taxes	\$400	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$1,200	2.5%
Travel & Entertainment	\$400	0.8%
Utilities	\$3,650	7.7%
Vehicle Expense	\$350	0.7%
Total Expenses	\$28,040	59.0%
Net Operating Income	\$9,640	20.3%
Capital Expense		
Interest	\$2,341	4.9%
Depreciation & Amortization	\$1,756	3.7%
Pre-Tax Profit (Loss)	\$5,543	11.7%
Principal Repayment	\$719	1.5%

10. Month Seven Operating Statement

July, 2004

Revenue		
Wholesale	\$24,300	50.5%
Retail	\$24,300	50.5%
Returns & Adjustments	(\$500)	-1.0%
Total Revenue	\$48,100	100.0%
Cost of Goods Sold		
Purchases	\$9,200	19.1%
Net Change to Inventory	(\$850)	-1.8%
Total Cost of Goods Sold	\$10,050	20.9%
Gross Profit	\$38,050	79.1%
Expenses		
Advertising & Promotion	\$1,400	2.9%
Bad Debt Write-offs	\$0	0.0%
Bank & Credit Card Fees	\$750	1.6%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$500	1.0%
Insurance	\$600	1.2%
Miscellaneous	\$350	0.7%
Office Supplies, Telephone & Postage	\$500	1.0%
Officer / Owner Compensation	\$5,000	10.4%
Payroll	\$10,500	21.8%
Payroll Tax and Employee Benefits	\$1,890	3.9%
Permits & Licenses	\$50	0.1%
Professional Fees	\$500	1.0%
Property Taxes	\$400	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$1,400	2.9%
Travel & Entertainment	\$450	0.9%
Utilities	\$3,700	7.7%
Vehicle Expense	\$350	0.7%
Total Expenses	\$28,340	58.9%
Net Operating Income	\$9,710	20.2%
Capital Expense		
Interest	\$2,336	4.9%
Depreciation & Amortization	\$1,756	3.7%
Pre-Tax Profit (Loss)	\$5,618	11.7%
Principal Repayment	\$725	1.5%

11. Month Eight Operating Statement

August, 2004

Revenue		
Wholesale	\$25,000	50.5%
Retail	\$25,000	50.5%
Returns & Adjustments	(\$500)	-1.0%
Total Revenue	\$49,500	100.0%
Cost of Goods Sold		
Purchases	\$9,400	19.0%
Net Change to Inventory	(\$500)	-1.0%
Total Cost of Goods Sold	\$9,900	20.0%
Gross Profit	\$39,600	80.0%
Expenses		
Advertising & Promotion	\$1,500	3.0%
Bad Debt Write-offs	\$0	0.0%
Bank & Credit Card Fees	\$800	1.6%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$500	1.0%
Insurance	\$600	1.2%
Miscellaneous	\$350	0.7%
Office Supplies, Telephone & Postage	\$500	1.0%
Officer / Owner Compensation	\$5,000	10.1%
Payroll	\$10,500	21.2%
Payroll Tax and Employee Benefits	\$1,890	3.8%
Permits & Licenses	\$50	0.1%
Professional Fees	\$500	1.0%
Property Taxes	\$400	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$1,500	3.0%
Travel & Entertainment	\$450	0.9%
Utilities	\$3,750	7.6%
Vehicle Expense	\$350	0.7%
Total Expenses	\$28,640	57.9%
Net Operating Income	\$10,960	22.1%
Capital Expense		
Interest	\$2,330	4.7%
Depreciation & Amortization	\$1,756	3.5%
Pre-Tax Profit (Loss)	\$6,874	13.9%
Principal Repayment	\$730	1.5%

12. Month Nine Operating Statement

September, 2004

Revenue		
Wholesale	\$25,500	50.5%
Retail	\$25,500	50.5%
Returns & Adjustments	(\$500)	-1.0%
Total Revenue	\$50,500	100.0%
Cost of Goods Sold		
Purchases	\$9,500	18.8%
Net Change to Inventory	(\$600)	-1.2%
Total Cost of Goods Sold	\$10,100	20.0%
Gross Profit	\$40,400	80.0%
Expenses		
Advertising & Promotion	\$1,500	3.0%
Bad Debt Write-offs	\$0	0.0%
Bank & Credit Card Fees	\$800	1.6%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$500	1.0%
Insurance	\$600	1.2%
Miscellaneous	\$350	0.7%
Office Supplies, Telephone & Postage	\$500	1.0%
Officer / Owner Compensation	\$5,000	9.9%
Payroll	\$10,500	20.8%
Payroll Tax and Employee Benefits	\$1,890	3.7%
Permits & Licenses	\$50	0.1%
Professional Fees	\$500	1.0%
Property Taxes	\$400	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$1,500	3.0%
Travel & Entertainment	\$450	0.9%
Utilities	\$3,800	7.5%
Vehicle Expense	\$350	0.7%
Total Expenses	\$28,690	56.8%
Net Operating Income	\$11,710	23.2%
Capital Expense		
Interest	\$2,325	4.6%
Depreciation & Amortization	\$1,756	3.5%
Pre-Tax Profit (Loss)	\$7,629	15.1%
Principal Repayment	\$735	1.5%

13. Month Ten Operating Statement

October, 2004

Revenue		
Wholesale	\$25,750	50.6%
Retail	\$25,750	50.6%
Returns & Adjustments	(\$600)	-1.2%
Total Revenue	\$50,900	100.0%
Cost of Goods Sold		
Purchases	\$11,500	22.6%
Net Change to Inventory	\$1,200	2.4%
Total Cost of Goods Sold	\$10,300	20.2%
Gross Profit	\$40,600	79.8%
Expenses		
Advertising & Promotion	\$1,500	2.9%
Bad Debt Write-offs	\$0	0.0%
Bank & Credit Card Fees	\$800	1.6%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$500	1.0%
Insurance	\$600	1.2%
Miscellaneous	\$350	0.7%
Office Supplies, Telephone & Postage	\$500	1.0%
Officer / Owner Compensation	\$5,000	9.8%
Payroll	\$10,500	20.6%
Payroll Tax and Employee Benefits	\$1,890	3.7%
Permits & Licenses	\$50	0.1%
Professional Fees	\$500	1.0%
Property Taxes	\$400	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$1,600	3.1%
Travel & Entertainment	\$450	0.9%
Utilities	\$3,850	7.6%
Vehicle Expense	\$350	0.7%
Total Expenses	\$28,840	56.7%
Net Operating Income	\$11,760	23.1%
Capital Expense		
Interest	\$2,320	4.6%
Depreciation & Amortization	\$1,756	3.5%
Pre-Tax Profit (Loss)	\$7,684	15.1%
Principal Repayment	\$741	1.5%

14. Month Eleven Operating Statement

November, 2004

Revenue		
Wholesale	\$26,000	50.5%
Retail	\$26,000	50.5%
Returns & Adjustments	(\$520)	-1.0%
Total Revenue	\$51,480	100.0%
Cost of Goods Sold		
Purchases	\$10,200	19.8%
Net Change to Inventory	(\$400)	-0.8%
Total Cost of Goods Sold	\$10,600	20.6%
Gross Profit	\$40,880	79.4%
Expenses		
Advertising & Promotion	\$1,600	3.1%
Bad Debt Write-offs	\$0	0.0%
Bank & Credit Card Fees	\$800	1.6%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$500	1.0%
Insurance	\$600	1.2%
Miscellaneous	\$350	0.7%
Office Supplies, Telephone & Postage	\$600	1.2%
Officer / Owner Compensation	\$5,000	9.7%
Payroll	\$10,500	20.4%
Payroll Tax and Employee Benefits	\$1,890	3.7%
Permits & Licenses	\$50	0.1%
Professional Fees	\$500	1.0%
Property Taxes	\$400	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$1,600	3.1%
Travel & Entertainment	\$500	1.0%
Utilities	\$3,900	7.6%
Vehicle Expense	\$350	0.7%
Total Expenses	\$29,140	56.6%
Net Operating Income	\$11,740	22.8%
Capital Expense		
Interest	\$2,314	4.5%
Depreciation & Amortization	\$1,756	3.4%
Pre-Tax Profit (Loss)	\$7,670	14.9%
Principal Repayment	\$746	1.4%

15. Month Twelve Operating Statement

December, 2004

Revenue		
Wholesale	\$26,250	50.5%
Retail	\$26,250	50.5%
Returns & Adjustments	(\$550)	-1.1%
Total Revenue	\$51,950	100.0%
Cost of Goods Sold		
Purchases	\$10,400	20.0%
Net Change to Inventory	(\$300)	-0.6%
Total Cost of Goods Sold	\$10,700	20.6%
Gross Profit	\$41,250	79.4%
Expenses		
Advertising & Promotion	\$1,600	3.1%
Bad Debt Write-offs	\$2,200	4.2%
Bank & Credit Card Fees	\$800	1.5%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$500	1.0%
Insurance	\$600	1.2%
Miscellaneous	\$350	0.7%
Office Supplies, Telephone & Postage	\$600	1.2%
Officer / Owner Compensation	\$5,000	9.6%
Payroll	\$10,500	20.2%
Payroll Tax and Employee Benefits	\$1,890	3.6%
Permits & Licenses	\$50	0.1%
Professional Fees	\$500	1.0%
Property Taxes	\$400	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$1,600	3.1%
Travel & Entertainment	\$500	1.0%
Utilities	\$3,950	7.6%
Vehicle Expense	\$350	0.7%
Total Expenses	\$31,390	60.4%
Net Operating Income	\$9,860	19.0%
Capital Expense		
Interest	\$2,309	4.4%
Depreciation & Amortization	\$1,756	3.4%
Pre-Tax Profit (Loss)	\$5,795	11.2%
Principal Repayment	\$752	1.4%

8. Year Two Pro Forma

1. Year End Operating Statement

January, 2005 - December, 2005

Revenue		
Wholesale	\$329,000	50.5%
Retail	\$329,000	50.5%
Returns & Adjustments	(\$6,350)	-1.0%
Total Revenue	\$651,650	100.0%
Cost of Goods Sold		
Purchases	\$131,985	20.3%
Net Change to Inventory	(\$1,100)	-0.2%
Total Cost of Goods Sold	\$133,085	20.4%
Gross Profit	\$518,565	79.6%
Expenses		
Advertising & Promotion	\$20,000	3.1%
Bad Debt Write-offs	\$2,900	0.4%
Bank & Credit Card Fees	\$10,000	1.5%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$6,300	1.0%
Insurance	\$7,400	1.1%
Miscellaneous	\$6,200	1.0%
Office Supplies, Telephone & Postage	\$7,800	1.2%
Officer / Owner Compensation	\$72,000	11.0%
Payroll	\$154,000	23.6%
Payroll Tax and Employee Benefits	\$31,000	4.8%
Permits & Licenses	\$600	0.1%
Professional Fees	\$7,200	1.1%
Property Taxes	\$5,200	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$18,800	2.9%
Travel & Entertainment	\$6,300	1.0%
Utilities	\$48,600	7.5%
Vehicle Expense	\$4,200	0.6%
Total Expenses	\$408,500	62.7%
Net Operating Income	\$110,065	16.9%
Capital Expense		
Interest	\$27,260	4.2%
Depreciation & Amortization	\$21,073	3.2%
Pre-Tax Profit (Loss)	\$61,731	9.5%
Principal Repayment	\$9,464	1.5%

2. Year Two Cash Flow

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Beginning Cash	\$140,414	\$156,287	\$156,280	\$162,344
Cash Sales	\$110,950	\$112,315	\$116,480	\$116,410
A/R Collected	\$46,985	\$47,810	\$48,928	\$49,907
Available Cash	\$298,349	\$316,412	\$321,688	\$328,661
Cash Expenses	\$33,846	\$33,488	\$33,475	\$34,312
A/P Paid	\$99,035	\$117,464	\$116,688	\$118,200
Interest	\$6,892	\$6,842	\$6,790	\$6,737
Principal	\$2,289	\$2,339	\$2,391	\$2,444
Ending Cash	\$156,287	\$156,280	\$162,344	\$166,968

3. Year End Balance Sheet

As of December 31, 2005

	Ending Balance	Starting Balance	Net Change
Assets			
Current Assets			
Cash	\$166,968	\$140,414	\$26,554
Accounts Receivable	\$27,717	\$25,852	\$1,865
Inventory	\$21,787	\$22,887	(\$1,100)
Total Current Assets	\$216,471	\$189,153	\$27,319
Fixed Assets			
Land	\$50,000	\$50,000	\$0
Buildings & Improvements	\$284,615	\$292,308	(\$7,692)
Equipment	\$53,571	\$64,286	(\$10,714)
Franchise	\$21,667	\$23,333	(\$1,667)
Settlement Costs	\$13,000	\$14,000	(\$1,000)
Total Fixed Assets	\$422,853	\$443,927	(\$21,073)
Total Assets	\$639,325	\$633,079	\$6,245
Liabilities			
Current Liabilities			
Accounts Payable	\$34,312	\$31,342	\$2,970
Long Term Liabilities			
First Mortgage	\$286,792	\$293,659	(\$6,867)
Business Loan	\$35,077	\$37,673	(\$2,596)
Total Long Term Liab.	\$321,868	\$331,332	(\$9,464)
Total Liabilities	\$356,181	\$362,674	(\$6,494)
Equity			
Owner's Equity	\$200,000	\$200,000	\$0
Pre-Tax Retained Earnings	\$131,636	\$69,905	\$61,731
Total Equity	\$331,636	\$269,905	\$61,731
Total Liab. & Equity	\$687,817	\$632,579	\$55,238

4. Quarter Five Operating Statement

January 1, 2005 - March 31, 2005

Revenue		
Wholesale	\$80,000	50.5%
Retail	\$80,000	50.5%
Returns & Adjustments	(\$1,500)	-0.9%
Total Revenue	\$158,500	100.0%
Cost of Goods Sold		
Purchases	\$33,285	21.0%
Net Change to Inventory	\$1,600	1.0%
Total Cost of Goods Sold	\$31,685	20.0%
Gross Profit	\$126,815	80.0%
Expenses		
Advertising & Promotion	\$5,000	3.2%
Bad Debt Write-offs	\$650	0.4%
Bank & Credit Card Fees	\$2,600	1.6%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$1,800	1.1%
Insurance	\$2,000	1.3%
Miscellaneous	\$1,700	1.1%
Office Supplies, Telephone & Postage	\$1,800	1.1%
Officer / Owner Compensation	\$18,000	11.4%
Payroll	\$38,500	24.3%
Payroll Tax and Employee Benefits	\$7,750	4.9%
Permits & Licenses	\$150	0.1%
Professional Fees	\$1,800	1.1%
Property Taxes	\$1,300	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$4,500	2.8%
Travel & Entertainment	\$1,500	0.9%
Utilities	\$12,000	7.6%
Vehicle Expense	\$1,050	0.7%
Total Expenses	\$102,100	64.4%
Net Operating Income	\$24,715	15.6%
Capital Expense		
Interest	\$6,892	4.3%
Depreciation & Amortization	\$5,268	3.3%
Pre-Tax Profit (Loss)	\$12,554	7.9%
Principal Repayment	\$2,289	1.4%

5. Quarter Six Operating Statement

April 1, 2005 - June 30, 2005

Revenue		
Wholesale	\$81,000	50.5%
Retail	\$81,000	50.5%
Returns & Adjustments	(\$1,550)	-1.0%
Total Revenue	\$160,450	100.0%
Cost of Goods Sold		
Purchases	\$32,500	20.3%
Net Change to Inventory	(\$800)	-0.5%
Total Cost of Goods Sold	\$33,300	20.8%
Gross Profit	\$127,150	79.2%
Expenses		
Advertising & Promotion	\$5,000	3.1%
Bad Debt Write-offs	\$700	0.4%
Bank & Credit Card Fees	\$2,500	1.6%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$1,500	0.9%
Insurance	\$1,800	1.1%
Miscellaneous	\$1,500	0.9%
Office Supplies, Telephone & Postage	\$1,800	1.1%
Officer / Owner Compensation	\$18,000	11.2%
Payroll	\$38,500	24.0%
Payroll Tax and Employee Benefits	\$7,750	4.8%
Permits & Licenses	\$150	0.1%
Professional Fees	\$1,800	1.1%
Property Taxes	\$1,300	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$4,500	2.8%
Travel & Entertainment	\$1,500	0.9%
Utilities	\$12,100	7.5%
Vehicle Expense	\$1,050	0.7%
Total Expenses	\$101,450	63.2%
Net Operating Income	\$25,700	16.0%
Capital Expense		
Interest	\$6,842	4.3%
Depreciation & Amortization	\$5,268	3.3%
Pre-Tax Profit (Loss)	\$13,590	8.5%
Principal Repayment	\$2,339	1.5%

6. Quarter Seven Operating Statement

July 1, 2005 - September 30, 2005

Revenue

Wholesale	\$84,000	50.5%
Retail	\$84,000	50.5%
Returns & Adjustments	(\$1,600)	-1.0%
Total Revenue	\$166,400	100.0%

Cost of Goods Sold

Purchases	\$32,200	19.4%
Net Change to Inventory	(\$2,000)	-1.2%
Total Cost of Goods Sold	\$34,200	20.6%
Gross Profit	\$132,200	79.4%

Expenses

Advertising & Promotion	\$5,000	3.0%
Bad Debt Write-offs	\$750	0.5%
Bank & Credit Card Fees	\$2,400	1.4%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$1,500	0.9%
Insurance	\$1,800	1.1%
Miscellaneous	\$1,500	0.9%
Office Supplies, Telephone & Postage	\$1,800	1.1%
Officer / Owner Compensation	\$18,000	10.8%
Payroll	\$38,500	23.1%
Payroll Tax and Employee Benefits	\$7,750	4.7%
Permits & Licenses	\$150	0.1%
Professional Fees	\$1,800	1.1%
Property Taxes	\$1,300	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$4,600	2.8%
Travel & Entertainment	\$1,600	1.0%
Utilities	\$12,200	7.3%
Vehicle Expense	\$1,050	0.6%
Total Expenses	\$101,700	61.1%
Net Operating Income	\$30,500	18.3%

Capital Expense

Interest	\$6,790	4.1%
Depreciation & Amortization	\$5,268	3.2%
Pre-Tax Profit (Loss)	\$18,442	11.1%
Principal Repayment	\$2,391	1.4%

7. Quarter Eight Operating Statement

October 1, 2005 - December 31, 2005

Revenue

Wholesale	\$84,000	50.5%
Retail	\$84,000	50.5%
Returns & Adjustments	(\$1,700)	-1.0%
Total Revenue	\$166,300	100.0%

Cost of Goods Sold

Purchases	\$34,000	20.4%
Net Change to Inventory	\$100	0.1%
Total Cost of Goods Sold	\$33,900	20.4%
Gross Profit	\$132,400	79.6%

Expenses

Advertising & Promotion	\$5,000	3.0%
Bad Debt Write-offs	\$800	0.5%
Bank & Credit Card Fees	\$2,500	1.5%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$1,500	0.9%
Insurance	\$1,800	1.1%
Miscellaneous	\$1,500	0.9%
Office Supplies, Telephone & Postage	\$2,400	1.4%
Officer / Owner Compensation	\$18,000	10.8%
Payroll	\$38,500	23.2%
Payroll Tax and Employee Benefits	\$7,750	4.7%
Permits & Licenses	\$150	0.1%
Professional Fees	\$1,800	1.1%
Property Taxes	\$1,300	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$5,200	3.1%
Travel & Entertainment	\$1,700	1.0%
Utilities	\$12,300	7.4%
Vehicle Expense	\$1,050	0.6%
Total Expenses	\$103,250	62.1%
Net Operating Income	\$29,150	17.5%

Capital Expense

Interest	\$6,737	4.1%
Depreciation & Amortization	\$5,268	3.2%
Pre-Tax Profit (Loss)	\$17,145	10.3%
Principal Repayment	\$2,444	1.5%

9. Year Three Pro Forma

1. Year End Operating Statement

January, 2006 - December, 2006

Revenue		
Wholesale	\$350,000	50.5%
Retail	\$350,000	50.5%
Returns & Adjustments	(\$7,100)	-1.0%
Total Revenue	\$692,900	100.0%
Cost of Goods Sold		
Purchases	\$145,000	20.9%
Net Change to Inventory	\$2,900	0.4%
Total Cost of Goods Sold	\$142,100	20.5%
Gross Profit	\$550,800	79.5%
Expenses		
Advertising & Promotion	\$20,000	2.9%
Bad Debt Write-offs	\$3,100	0.4%
Bank & Credit Card Fees	\$10,100	1.5%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$6,300	0.9%
Insurance	\$8,400	1.2%
Miscellaneous	\$6,000	0.9%
Office Supplies, Telephone & Postage	\$6,000	0.9%
Officer / Owner Compensation	\$84,000	12.1%
Payroll	\$160,000	23.1%
Payroll Tax and Employee Benefits	\$32,160	4.6%
Permits & Licenses	\$640	0.1%
Professional Fees	\$8,400	1.2%
Property Taxes	\$5,400	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$20,500	3.0%
Travel & Entertainment	\$5,500	0.8%
Utilities	\$49,400	7.1%
Vehicle Expense	\$4,200	0.6%
Total Expenses	\$430,100	62.1%
Net Operating Income	\$120,700	17.4%
Capital Expense		
Interest	\$26,390	3.8%
Depreciation & Amortization	\$21,073	3.0%
Pre-Tax Profit (Loss)	\$73,237	10.6%
Principal Repayment	\$10,334	1.5%

2. Year Three Cash Flow

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Beginning Cash	\$166,968	\$167,716	\$167,793	\$171,662
Cash Sales	\$117,810	\$119,140	\$123,340	\$124,740
A/R Collected	\$50,157	\$50,743	\$51,860	\$53,127
Available Cash	\$334,934	\$337,599	\$342,993	\$349,529
Cash Expenses	\$35,575	\$35,850	\$36,100	\$36,250
A/P Paid	\$122,462	\$124,775	\$126,050	\$127,100
Interest	\$6,682	\$6,627	\$6,570	\$6,512
Principal	\$2,499	\$2,554	\$2,611	\$2,669
Ending Cash	\$167,716	\$167,793	\$171,662	\$176,998

3. Year End Balance Sheet

As of December 31, 2006

	Ending Balance	Starting Balance	Net Change
Assets			
Current Assets			
Cash	\$176,998	\$166,968	\$10,030
Accounts Receivable	\$29,700	\$27,717	\$1,983
Inventory	\$24,687	\$21,787	\$2,900
Total Current Assets	\$231,385	\$216,471	\$14,914
Fixed Assets			
Land	\$50,000	\$50,000	\$0
Buildings & Improvements	\$276,923	\$284,615	(\$7,692)
Equipment	\$42,857	\$53,571	(\$10,714)
Franchise	\$20,000	\$21,667	(\$1,667)
Settlement Costs	\$12,000	\$13,000	(\$1,000)
Total Fixed Assets	\$401,780	\$422,853	(\$21,073)
Total Assets	\$633,165	\$639,325	(\$6,160)
Liabilities			
Current Liabilities			
Accounts Payable	\$36,250	\$34,312	\$1,938
Long Term Liabilities			
First Mortgage	\$279,354	\$286,792	(\$7,437)
Business Loan	\$32,180	\$35,077	(\$2,897)
Total Long Term Liab.	\$311,534	\$321,868	(\$10,334)
Total Liabilities	\$347,784	\$356,181	(\$8,396)
Equity			
Owner's Equity	\$200,000	\$200,000	\$0
Pre-Tax Retained Earnings	\$204,873	\$131,636	\$73,237
Total Equity	\$404,873	\$331,636	\$73,237
Total Liab. & Equity	\$752,658	\$687,817	\$64,840

4. Quarter Nine Operating Statement

January 1, 2006 - March 31, 2006

Revenue		
Wholesale	\$85,000	50.5%
Retail	\$85,000	50.5%
Returns & Adjustments	(\$1,700)	-1.0%
Total Revenue	\$168,300	100.0%
Cost of Goods Sold		
Purchases	\$35,000	20.8%
Net Change to Inventory	\$600	0.4%
Total Cost of Goods Sold	\$34,400	20.4%
Gross Profit	\$133,900	79.6%
Expenses		
Advertising & Promotion	\$5,000	3.0%
Bad Debt Write-offs	\$700	0.4%
Bank & Credit Card Fees	\$2,700	1.6%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$1,800	1.1%
Insurance	\$2,100	1.2%
Miscellaneous	\$1,500	0.9%
Office Supplies, Telephone & Postage	\$1,500	0.9%
Officer / Owner Compensation	\$21,000	12.5%
Payroll	\$40,000	23.8%
Payroll Tax and Employee Benefits	\$8,040	4.8%
Permits & Licenses	\$160	0.1%
Professional Fees	\$2,100	1.2%
Property Taxes	\$1,350	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$5,000	3.0%
Travel & Entertainment	\$1,000	0.6%
Utilities	\$12,300	7.3%
Vehicle Expense	\$1,050	0.6%
Total Expenses	\$107,300	63.8%
Net Operating Income	\$26,600	15.8%
Capital Expense		
Interest	\$6,682	4.0%
Depreciation & Amortization	\$5,268	3.1%
Pre-Tax Profit (Loss)	\$14,650	8.7%
Principal Repayment	\$2,499	1.5%

5. Quarter Ten Operating Statement

April 1, 2006 - June 30, 2006

Revenue		
Wholesale	\$86,000	50.5%
Retail	\$86,000	50.5%
Returns & Adjustments	(\$1,800)	-1.1%
Total Revenue	\$170,200	100.0%
Cost of Goods Sold		
Purchases	\$36,000	21.2%
Net Change to Inventory	\$1,200	0.7%
Total Cost of Goods Sold	\$34,800	20.4%
Gross Profit	\$135,400	79.6%
Expenses		
Advertising & Promotion	\$5,000	2.9%
Bad Debt Write-offs	\$800	0.5%
Bank & Credit Card Fees	\$2,500	1.5%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$1,500	0.9%
Insurance	\$2,100	1.2%
Miscellaneous	\$1,500	0.9%
Office Supplies, Telephone & Postage	\$1,500	0.9%
Officer / Owner Compensation	\$21,000	12.3%
Payroll	\$40,000	23.5%
Payroll Tax and Employee Benefits	\$8,040	4.7%
Permits & Licenses	\$160	0.1%
Professional Fees	\$2,100	1.2%
Property Taxes	\$1,350	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$5,000	2.9%
Travel & Entertainment	\$1,500	0.9%
Utilities	\$12,300	7.2%
Vehicle Expense	\$1,050	0.6%
Total Expenses	\$107,400	63.1%
Net Operating Income	\$28,000	16.5%
Capital Expense		
Interest	\$6,627	3.9%
Depreciation & Amortization	\$5,268	3.1%
Pre-Tax Profit (Loss)	\$16,105	9.5%
Principal Repayment	\$2,554	1.5%

6. Quarter Eleven Operating Statement

July 1, 2006 - September 30, 2006

Revenue

Wholesale	\$89,000	50.5%
Retail	\$89,000	50.5%
Returns & Adjustments	(\$1,800)	-1.0%
Total Revenue	\$176,200	100.0%

Cost of Goods Sold

Purchases	\$37,000	21.0%
Net Change to Inventory	\$600	0.3%
Total Cost of Goods Sold	\$36,400	20.7%
Gross Profit	\$139,800	79.3%

Expenses

Advertising & Promotion	\$5,000	2.8%
Bad Debt Write-offs	\$800	0.5%
Bank & Credit Card Fees	\$2,400	1.4%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$1,500	0.9%
Insurance	\$2,100	1.2%
Miscellaneous	\$1,500	0.9%
Office Supplies, Telephone & Postage	\$1,500	0.9%
Officer / Owner Compensation	\$21,000	11.9%
Payroll	\$40,000	22.7%
Payroll Tax and Employee Benefits	\$8,040	4.6%
Permits & Licenses	\$160	0.1%
Professional Fees	\$2,100	1.2%
Property Taxes	\$1,350	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$5,000	2.8%
Travel & Entertainment	\$1,500	0.9%
Utilities	\$12,400	7.0%
Vehicle Expense	\$1,050	0.6%
Total Expenses	\$107,400	61.0%
Net Operating Income	\$32,400	18.4%

Capital Expense

Interest	\$6,570	3.7%
Depreciation & Amortization	\$5,268	3.0%
Pre-Tax Profit (Loss)	\$20,562	11.7%
Principal Repayment	\$2,611	1.5%

7. Quarter Twelve Operating Statement

October 1, 2006 - December 31, 2006

Revenue

Wholesale	\$90,000	50.5%
Retail	\$90,000	50.5%
Returns & Adjustments	(\$1,800)	-1.0%
Total Revenue	\$178,200	100.0%

Cost of Goods Sold

Purchases	\$37,000	20.8%
Net Change to Inventory	\$500	0.3%
Total Cost of Goods Sold	\$36,500	20.5%
Gross Profit	\$141,700	79.5%

Expenses

Advertising & Promotion	\$5,000	2.8%
Bad Debt Write-offs	\$800	0.4%
Bank & Credit Card Fees	\$2,500	1.4%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$1,500	0.8%
Insurance	\$2,100	1.2%
Miscellaneous	\$1,500	0.8%
Office Supplies, Telephone & Postage	\$1,500	0.8%
Officer / Owner Compensation	\$21,000	11.8%
Payroll	\$40,000	22.4%
Payroll Tax and Employee Benefits	\$8,040	4.5%
Permits & Licenses	\$160	0.1%
Professional Fees	\$2,100	1.2%
Property Taxes	\$1,350	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$5,500	3.1%
Travel & Entertainment	\$1,500	0.8%
Utilities	\$12,400	7.0%
Vehicle Expense	\$1,050	0.6%
Total Expenses	\$108,000	60.6%
Net Operating Income	\$33,700	18.9%

Capital Expense

Interest	\$6,512	3.7%
Depreciation & Amortization	\$5,268	3.0%
Pre-Tax Profit (Loss)	\$21,920	12.3%
Principal Repayment	\$2,669	1.5%

10. Year Four Pro Forma

1. Year End Operating Statement

January, 2007 - December, 2007

Revenue		
Wholesale	\$365,000	50.5%
Retail	\$365,000	50.5%
Returns & Adjustments	(\$7,300)	-1.0%
Total Revenue	\$722,700	100.0%
Cost of Goods Sold		
Purchases	\$148,000	20.5%
Net Change to Inventory	(\$800)	-0.1%
Total Cost of Goods Sold	\$148,800	20.6%
Gross Profit	\$573,900	79.4%
Expenses		
Advertising & Promotion	\$21,000	2.9%
Bad Debt Write-offs	\$2,900	0.4%
Bank & Credit Card Fees	\$9,500	1.3%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$6,500	0.9%
Insurance	\$8,800	1.2%
Miscellaneous	\$6,200	0.9%
Office Supplies, Telephone & Postage	\$5,800	0.8%
Officer / Owner Compensation	\$90,000	12.5%
Payroll	\$165,000	22.8%
Payroll Tax and Employee Benefits	\$33,165	4.6%
Permits & Licenses	\$670	0.1%
Professional Fees	\$9,000	1.2%
Property Taxes	\$5,700	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$22,000	3.0%
Travel & Entertainment	\$6,000	0.8%
Utilities	\$50,500	7.0%
Vehicle Expense	\$6,200	0.9%
Total Expenses	\$448,935	62.1%
Net Operating Income	\$124,965	17.3%
Capital Expense		
Interest	\$25,437	3.5%
Depreciation & Amortization	\$21,073	2.9%
Pre-Tax Profit (Loss)	\$78,454	10.9%
Principal Repayment	\$11,286	1.6%

2. Year Four Cash Flow

Beginning Cash	\$176,998
Cash Sales	\$505,890
A/R Collected	\$216,398
Available Cash	\$899,285
Cash Expenses	\$149,234
A/P Paid	\$446,643
Interest	\$25,437
Principal	\$11,286
Ending Cash	\$266,685

3. Year End Balance Sheet

As of December 31, 2007

	Ending Balance	Starting Balance	Net Change
Assets			
Current Assets			
Cash	\$266,685	\$176,998	\$89,687
Accounts Receivable	\$30,112	\$29,700	\$412
Inventory	\$23,887	\$24,687	(\$800)
Total Current Assets	\$320,685	\$231,385	\$89,300
Fixed Assets			
Land	\$50,000	\$50,000	\$0
Buildings & Improvements	\$269,231	\$276,923	(\$7,692)
Equipment	\$32,143	\$42,857	(\$10,714)
Franchise	\$18,333	\$20,000	(\$1,667)
Settlement Costs	\$11,000	\$12,000	(\$1,000)
Total Fixed Assets	\$380,707	\$401,780	(\$21,073)
Total Assets	\$701,392	\$633,165	\$68,226
Liabilities			
Current Liabilities			
Accounts Payable	\$37,308	\$36,250	\$1,058
Long Term Liabilities			
First Mortgage	\$271,300	\$279,354	(\$8,055)
Business Loan	\$28,948	\$32,180	(\$3,232)
Total Long Term Liab.	\$300,248	\$311,534	(\$11,286)
Total Liabilities	\$337,556	\$347,784	(\$10,228)
Equity			
Owner's Equity	\$200,000	\$200,000	\$0
Pre-Tax Retained Earnings	\$283,328	\$204,873	\$78,454
Total Equity	\$483,328	\$404,873	\$78,454
Total Liab. & Equity	\$820,884	\$752,658	\$68,226

11. Year Five Pro Forma

1. Year End Operating Statement

January, 2008 - December, 2008

Revenue		
Wholesale	\$380,000	50.5%
Retail	\$380,000	50.5%
Returns & Adjustments	(\$7,800)	-1.0%
Total Revenue	\$752,200	100.0%
Cost of Goods Sold		
Purchases	\$158,000	21.0%
Net Change to Inventory	\$2,800	0.4%
Total Cost of Goods Sold	\$155,200	20.6%
Gross Profit	\$597,000	79.4%
Expenses		
Advertising & Promotion	\$22,000	2.9%
Bad Debt Write-offs	\$2,600	0.3%
Bank & Credit Card Fees	\$9,600	1.3%
Delivery & Freight	\$0	0.0%
Equipment Lease & Rentals	\$6,800	0.9%
Insurance	\$9,400	1.2%
Miscellaneous	\$6,400	0.9%
Office Supplies, Telephone & Postage	\$6,000	0.8%
Officer / Owner Compensation	\$102,000	13.6%
Payroll	\$173,000	23.0%
Payroll Tax and Employee Benefits	\$34,750	4.6%
Permits & Licenses	\$700	0.1%
Professional Fees	\$9,500	1.3%
Property Taxes	\$6,000	0.8%
Property Rent	\$0	0.0%
Repair & Maintenance	\$24,000	3.2%
Travel & Entertainment	\$6,200	0.8%
Utilities	\$52,500	7.0%
Vehicle Expense	\$6,200	0.8%
Total Expenses	\$477,650	63.5%
Net Operating Income	\$119,350	15.9%
Capital Expense		
Interest	\$24,395	3.2%
Depreciation & Amortization	\$21,073	2.8%
Pre-Tax Profit (Loss)	\$73,882	9.8%
Principal Repayment	\$12,329	1.6%

2. Year Five Cash Flow

Beginning Cash	\$266,685
Cash Sales	\$526,540
A/R Collected	\$224,431
Available Cash	\$1,017,656
Cash Expenses	\$158,912
A/P Paid	\$474,318
Interest	\$25,437
Principal	\$11,286
Ending Cash	\$347,702

3. Year End Balance Sheet

As of December 31, 2008

	Ending Balance	Starting Balance	Net Change
Assets			
Current Assets			
Cash	\$347,702	\$266,685	\$81,016
Accounts Receivable	\$31,342	\$30,112	\$1,229
Inventory	\$26,687	\$23,887	\$2,800
Total Current Assets	\$405,730	\$320,685	\$85,046
Fixed Assets			
Land	\$50,000	\$50,000	\$0
Buildings & Improvements	\$261,538	\$269,231	(\$7,692)
Equipment	\$21,429	\$32,143	(\$10,714)
Franchise	\$16,667	\$18,333	(\$1,667)
Settlement Costs	\$10,000	\$11,000	(\$1,000)
Total Fixed Assets	\$359,634	\$380,707	(\$21,073)
Total Assets	\$765,364	\$701,392	\$63,972
Liabilities			
Current Liabilities			
Accounts Payable	\$39,728	\$37,308	\$2,420
Long Term Liabilities			
First Mortgage	\$262,577	\$271,300	(\$8,723)
Business Loan	\$25,342	\$28,948	(\$3,606)
Total Long Term Liab.	\$287,919	\$300,248	(\$12,329)
Total Liabilities	\$327,647	\$337,556	(\$9,909)
Equity			
Owner's Equity	\$200,000	\$200,000	\$0
Pre-Tax Retained Earnings	\$357,210	\$283,328	\$73,882
Total Equity	\$557,210	\$483,328	\$73,882
Total Liab. & Equity	\$884,857	\$820,884	\$63,973

12. Assumptions & Ratios

Assumptions

1. Your assumptions will show up here.
2. Without assumptions, this section will be removed and this chapter will be titled "Ratios".

Ratios

	Year1	Year2	Year3	Year4	Year5
Loan to Value (per books)	81.5%	82.9%	84.2%	85.4%	86.5%
Debt Service Coverage	3.24	3	3.29	3.4	3.25
Quick	5.3	5.67	5.7	7.96	9.54
Current	6.04	6.31	6.38	8.6	10.21
Revenue Growth	n/a	14.3%	6.3%	4.3%	4.1%
Pre-Tax ROI	12.9%	24.4%	37.9%	52.5%	66.1%
Equity Returned	41.2%	36.7%	42.0%	44.1%	41.3%