



August 2001

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Barnum Painters

1.0 Executive Summary

Barnum Painters will provide top-quality interior and exterior residential and commercial painting services. The principal officers of Barnum Painters believe that most companies in this industry suffer two major problems. These are poor scheduling of job projects and poor retention of quality employees. Both lead to lower customer satisfaction, lack of repeat business and a low word-of-mouth referral rate. Barnum Painters believes that it can improve upon and exploit these weaknesses to gain local market share.

The objectives for Barnum Painters over the next three years are:

- To achieve sales revenues of approximately \$620,000 by year three.
- To achieve a customer mix of 30% commercial/60% residential building contracts per year.
- To expand operations to include all the Greater Seattle area including Kirkland, Renton and the Kitsap Peninsula.

The company will seek to provide its painting services in the most timely manner and with an ongoing comprehensive quality-control program to provide 100% customer satisfaction. The company's principal officers see each contract as an agreement not between a business and its customers, but between partners that wish to create a close and mutually-beneficial long-term relationship. This will help to provide greater long-term profits through referrals and repeat business.

Barnum Painters will institute the following key procedures to reach its goals:

- Create a position of inventory coordinator, and have at least one expeditor assigned to each project.
- Have a dedicated project manager for each project who can handle quality-control issues.
- Institute a program of profit sharing among all employees.

Barnum Painters is a start-up limited liability company consisting of three principal officers with combined industry experience of 40 years. Barnum Painters will be a partnership between Mr. William Barnum, Mr. Anthony Barnum and Mr. Michael Kruger. The principals will be investing significant amounts of their own capital into the company and will also be seeking a loan of \$7,000 to cover start-up costs and future growth. Finally, the company has procured a \$10,000 line of credit (not shown on financial statements) that will be used if necessary to cover unforeseen expenses or opportunities.

Barnum Painters will be located in a rented suite in the Rucker Industrial Park on 710 Snoquamie Route, Suite 250 in Edmonds, WA. The facilities will include a reception area, offices for the principals, storage area for inventory, and employee lounge. Barnum Painters offers a wide variety of services primarily focused on interior and exterior residential and commercial painting. The firm also provides such services as drywall plastering, acoustical ceilings, pressure washing, and others. The idea is to provide clients with a broad range of related services that will minimize their need to employ a variety of contractors. Barnum Painters will engage in a low-cost leadership strategy while maintaining a suitable level of quality.

Initially the company will focus on residential and commercial customers in the Everett, Washington area. However, by the end of the three-year projections, the company expects to be serving the entire Puget Sound area. The company has rigorously examined its financial projections and concluded that they are both conservative in profits and generous in expenditures. This was done deliberately to provide for unforeseeable events. The company's principals believe that cash flow projections are realistic.

Barnum Painters

1.1 Objectives

The objectives for Barnum Painters over the next three years is to:

- Achieve sales revenues of approximately \$450,000 by year three.
- Achieve a customer mix of 30% commercial/60% residential building contracts per year.
- Expand operations to include all the Greater Seattle area including Kirkland, Renton and the Kitsap Peninsula.

1.2 Mission

The mission of Barnum Painters is to provide top-quality interior and exterior residential and commercial painting services. The company will seek to provide these services in the most timely manner and with an ongoing comprehensive quality control program to provide 100% customer satisfaction. The company's principal officers see each contract as an agreement not between a business and its customers, but between partners that wish to create a close and mutually beneficial long-term relationship. This will help to provide greater long-term profits through referrals and repeat business.

1.3 Keys to Success

The principal officers of Barnum Painters have had many years of experience in the contracting business. They believe that most companies in this industry, which includes painting contractors, suffer from two major problems that Barnum Painters can improve upon and exploit.

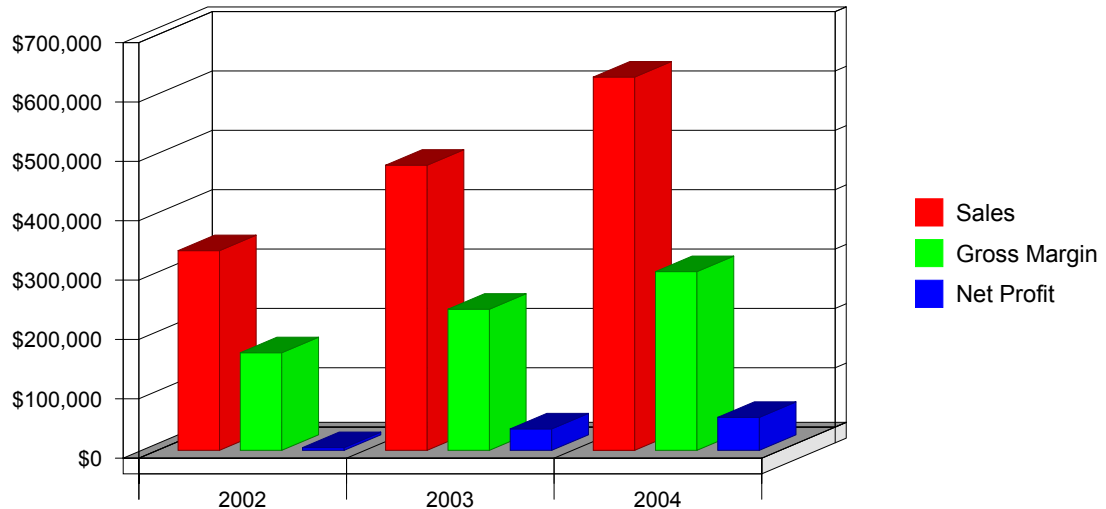
The first problem comes from scheduling of jobs. Many painting contractors find it difficult to maintain established schedules with their customers that lead to a decrease in customer satisfaction and retention. This is caused by poor management, less than reliable employees, and delays in inventory procurement and distribution. The second problem is in retaining reliable and motivated personnel. Many painting companies rely on temporary or transient employees that lead to high turnover rates and decreased service quality.

Barnum Painters will institute the following key procedures:

- Creation of a position of inventory coordinator and have at least one expeditor assigned to each project.
- Have a dedicated project manager for each project who can handle quality control issues.
- Institute a program of profit sharing among all employees.

Barnum Painters

Highlights (Planned)



2.0 Company Summary

Barnum Painters is a start-up limited liability company consisting of three principle officers with combined industry experience of 40 years. The company was formed to take advantage of the perceived weakness and inadequacies of other regional companies in terms of quality and customer satisfaction. Barnum Painters will be a partnership between Mr. William Barnum, Mr. Anthony Barnum and Mr. Michael Kruger. The principles in the company will be investing significant amounts of their own capital into the company and will also be seeking a loan to cover start-up costs and future growth.

Barnum Painters will be located in a rented suite in the Rucker Industrial Park on 710 Snoquamie Route, Suite 250 in Edmonds, WA. The facilities will include a reception area, offices for the principals, storage area for inventory, and employee lounge.

The company plans to use its existing contacts and the combined customer base of Mr.'s Barnum and Kruger to generate short-term residential contracts. Its long-term profitability will rely on focusing on commercial contracts that will be obtained through strategic alliances and a comprehensive marketing program.

Barnum Painters

2.1 Company Ownership

Barnum Painters is a privately owned limited liability partnership with each of the principal officers holding an equal share in the company.

2.2 Start-up Summary

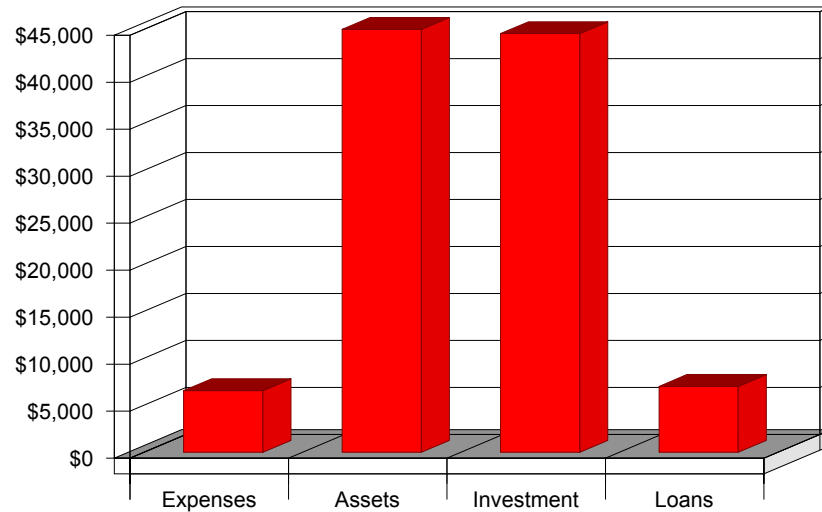
The following table and chart show the start-up costs for Barnum Painters.

Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Legal	\$400
Stationery etc.	\$300
Brochures	\$500
Consultants	\$750
Insurance	\$600
Rent	\$4,000
Expensed equipment	\$0
Expensed Equipment	\$0
Other	\$0
Total Start-up Expense	\$6,550
Start-up Assets Needed	
Cash Balance on Starting Date	\$40,150
Start-up Inventory	\$850
Other Short-term Assets	\$0
Total Short-term Assets	\$41,000
Long-term Assets	\$4,000
Total Assets	\$45,000
Total Requirements	\$51,550
Funding	
Investment	
William Barnum	\$15,000
Anthony Barnum	\$18,550
Michael Kruger	\$11,000
Total Investment	\$44,550
Short-term Liabilities	
Accounts Payable	\$0
Current Borrowing	\$7,000
Other Short-term Liabilities	\$0
Subtotal Short-term Liabilities	\$7,000
Long-term Liabilities	\$0
Total Liabilities	\$7,000
Loss at Start-up	(\$6,550)
Total Capital	\$38,000
Total Capital and Liabilities	\$45,000

Barnum Painters

Start-up



2.3 Company Locations and Facilities

Barnum Painters will be located in a rented suite in the Rucker Industrial Park on 710 Snoquامية Route, Suite 250 in Edmonds, WA. The facilities will include a reception area, offices for the principals, storage area for inventory, a painting booth, tool area and employee lounge.

3.0 Services

Barnum Painters offers comprehensive interior and exterior painting services for both the residential and commercial markets.

3.1 Service Description

Barnum Painters services include:

- Full prep work.
- Dry wall contouring.
- Fine detailing.
- Small carpentry work.
- Specialty wall coatings.
- Refinishings.
- Acoustical ceilings.
- Pressure washing/roof cleaning.

Each project is customized to the wants and needs of the client. Prices are determined by the scope of the project, materials needed, wear and tear on equipment and required profit margin.

Barnum Painters

3.2 Competitive Comparison

The contracting and painting market is very competitive. The barriers to entry and exit in this market are very low making this an industry with a large number of rival firms with high turnover rates. Buyers have a significant amount of power since they have a large number of companies to choose from. Moreover, services are undifferentiated, which means that customer loyalty is usually low. Painting companies must compete on quality and timeliness of service, customer relations, and price.

Barnum Painters believes that it can improve on the quality and timeliness of services in this industry by instituting procedures that will avoid many of the mistakes that other firms make. This includes delayed schedules and high employee turnover which leads to lower service quality. The company will be equally competitive in price and will maintain close ties with its clients throughout the entire project since each project is a customized job. Through these steps, Barnum Painters will be able to build up a reputation of better quality service at competitive prices than its competitors.

4.0 Market Analysis Summary

Barnum Painters will focus on two markets within the industry, the residential segment (including apartment buildings) and the commercial segment (including buildings used for professional purposes).

The commercial market requires the shortest amount of time to completion of projects and usually the least amount of customization. Since our projects impinge upon a business' profitability, it is absolutely crucial for our project foremen to maintain schedule and keep the stakeholders apprised of the project's progress.

Although the above is also true for the residential owner, time is not as critical, quality and meeting the needs/wants of the client come first in the residential segment. The client is often willing to wait a little longer to have the project done to his/her specifications. The project foremen must be willing to be more flexible and willing to listen to the client.

Over the past decade a number of new trends have been observed in this industry. This includes the tremendous growth of the economy, the high technology boom, and the growth of substitute services such as Home Depot.

4.1 Market Segmentation

Barnum Painters will focus on two markets within the industry, the residential segment (including apartment buildings) and the commercial segment which includes buildings used for professional purposes. The company can handle any size building that needs its services. It is the goal of the company to eventually have approximately one-third of all business coming from the commercial segment, since this generates the greatest cash flow. Furthermore, this segment has the lowest percentage of variable costs. The residential segment is considered to be the company's cash cow. Even during the slow winter months, the company can expect to have a small number of residential contracts.

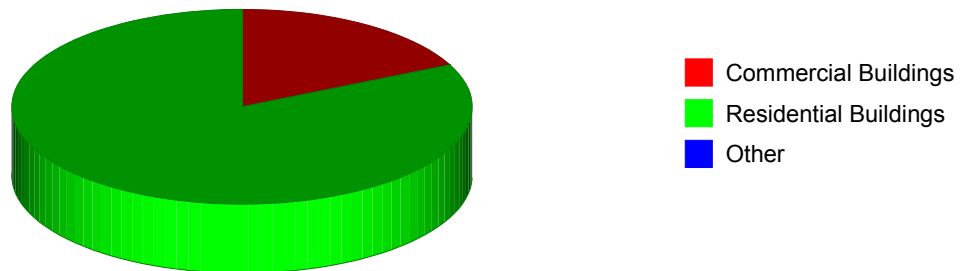
Initially the company will focus on the two segments in just the Everett, Washington area. However, by the end of the three year projections, the company expects to be serving the entire Puget Sound area.

Barnum Painters

Table: Market Analysis

Market Analysis	Growth	2002	2003	2004	2005	2006	CAGR
Potential Customers							
Commercial Buildings	4%	300,000	310,500	321,368	332,616	344,258	3.50%
Residential Buildings	3%	1,375,000	1,409,375	1,444,609	1,480,724	1,517,742	2.50%
Other	0%	0	0	0	0	0	0.00%
Total	2.68%	1,675,000	1,719,875	1,765,977	1,813,340	1,862,000	2.68%

Market Analysis (Pie)



4.2 Target Market Segment Strategy

Each of the two market segments has differing needs and trends. The following sections go into detail about how the company will fact them.

4.2.1 Market Trends

Over the past decade a number of new trends have been observed in this industry. The tremendous growth of the economy has fueled the painting contractors industry as well, as people have progressively spent more and saved less. The high technology boom has created great opportunities in the Pacific Northwest which the industry has also benefited from. However, the growth of firms such as Home Depot, which encourages do-it-yourself painting and construction, has lead to a serious decline in sales for the residential segment. The growth of this trend poses a significant threat to the industry. Barnum Painters plans to increasingly focus on the commercial segment as the company grows in order to promote greater revenue and income.

4.3 Service Business Analysis

Most of the industry analysis is contained in the Competitive Comparison section to give the reader the idea of the competitive nature of the industry, its opportunities and threats, and the company's flexibility in pricing. Barnum Painters exists in a purely competitive market that faces virtually unlimited competition and high demand. The ability of the company to differentiate its services or enter into a niche market is limited. The company will engage in a low-cost leadership strategy while maintaining a suitable level of quality.

In the painting contracting industry, there are a limited number of large firms that compete for the largest projects, and a vast number of smaller companies that fight for all the rest. Within the largest company section, market consolidation is always a threat.

4.3.1 Competition and Buying Patterns

This industry is highly seasonal. The busiest times are during the summer months where it is easy for a company to become so engaged that it must turn down contracts. During the winter months businesses must focus on marketing to get any contracts at all.

4.3.2 Main Competitors

The main competitors for Barnum Painters include Kolby and Wilson, DMB Enterprises, Sun Painting, and Milbrant Commercial Painters.

Each of these competitors is able to achieve a high degree of profitability through marketing, volume or high-end contracts. They pose a significant threat to Barnum Painters because of their deep pockets and their desire to acquire other painting competitors. Barnum Painters will compete with these rivals through the use of greater marketing and better service.

5.0 Strategy and Implementation Summary

As stated before, the company will focus on greater service through better scheduling, project management, and greater alignment of personnel by providing profit sharing. The company is seeking to use the most up-to-date communications and scheduling technology between the project manager, foreman, suppliers, and operations personnel to insure that deadlines are met. Furthermore, the company will seek to create a reliable pool of individual painters to draw upon and eventually hire all the painters full time with salary and other compensation.

The company also plans to carry out an aggressive marketing plan starting in year three. This includes literature, TV, radio, billboards and strategic alliances with other large contractors that do not have their own painting services. These companies include Marble Construction, Talbot Construction and Burns & Associates.

Barnum Painters

5.1 Marketing Strategy

The following sections detail the marketing strategy for Barnum Painters.

5.1.1 Pricing Strategy

The company will price each project based on time, material, and a flat 5-10% profit margin, depending on the segment. In the first year or two, depending on sales, the company will focus more on getting the contracts than on maintaining its pricing structure. Therefore, profit margin may be a little low for the first year or two.

5.1.2 Promotion Strategy

The company will be engaging in an aggressive marketing program that will include mailers, phone solicitation, TV, radio, billboards and other platforms to generate service awareness, and value proposition. However, as stated elsewhere, the company's immediate goal will be to generate enough profit to pay for such expenses. The marketing plan will go into effect starting in year three. Prior to this the company will use more modest marketing tools such as mailer, promotion of word-of-mouth marketing, and ads such as in the Yellow Pages.

5.2 Sales Strategy

Sales forecast is based on the existing client base of the three principal officers of the company and their ability to generate new sales based on their contacts. By bringing together Mr. Kruger's commercial painting experience and Mr. Barnum's residential experience, the company will be able to generate sales in both areas. Furthermore, the company's growing marketing program will generate the growth the company needs to survive.

5.2.1 Sales Forecast

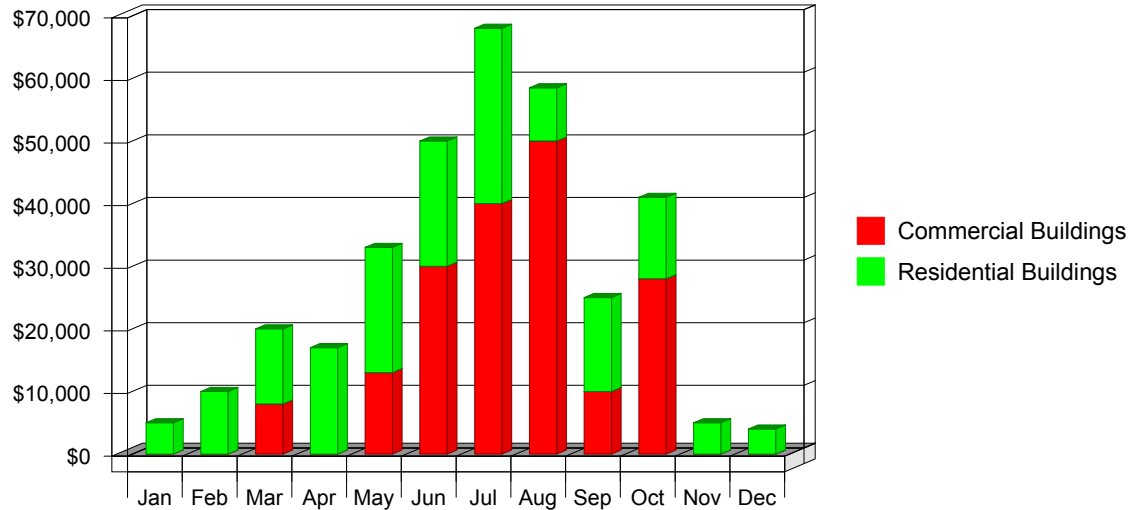
See Sales Strategy.

Table: Sales Forecast (Planned)

Sales Forecast	2002	2003	2004
Sales			
Commercial Buildings	\$179,000	\$315,130	\$455,404
Residential Buildings	\$157,500	\$165,375	\$173,644
Total Sales	\$336,500	\$480,505	\$629,048
Direct Cost of Sales			
Commercial Buildings	\$40,480	\$78,783	\$100,189
Residential Buildings	\$47,250	\$52,920	\$55,566
Subtotal Direct Cost of Sales	\$87,730	\$131,703	\$155,755

Barnum Painters

Sales Monthly (Planned)



5.3 Strategic Alliances

The company is currently in negotiations to form a strategic alliance with an undisclosed large contractor company. The agreement will be that Barnum Painters will provide all the painting needs that the contractor's clients require and vice versa. The company will seek further alliances as situations develop. The company will seek only those contractors that have high standards of customer service and retention.

6.0 Management Summary

Management consists of three individuals who have extensive experience in the painting contractors industry. These are William Barnum, Anthony Barnum, and Michael Kruger. Each individual brings a unique outlook and skill set that will help drive sales and profits.

The president and head of operations of Barnum Painters will be Mr. William Barnum, the head of inventory, expeditor and Q&A will be Mr. Kruger and the person in charge of sales and contracting will be Mr. Anthony Barnum.

Barnum Painters

6.1 Organizational Structure

The company will follow a hierarchical structure with Mr. William Barnum at the top as president and Mr. Anthony Barnum and Mr. Michael Kruger as department heads. The sales and contracting department along with inventory, expeditors, and Q&A will consist of only those individuals until such time as growth of the company will require more people. This is anticipated to occur in year three to five.

6.2 Management Team

Mr. William Barnum has been in the painting industry working with residential owners for 15 years. He initially started off with B&B contractors as a carpenter and painter and worked with various companies for the next ten years. Desiring to own his own company, Mr. Barnum attended Puget Sound University where he got his B.S. in business. He then worked for Star Painters as a project manager and financial analyst.

Mr. Anthony Barnum started out working with painting and contracting companies while attending college. He has a B.S. in communications from Washington State University. He has eight years experience in sales.

Mr. Michael Kruger has worked in the painting industry for 20 years as a contractor, project manager and owner of Kruger Enterprises. He has extensive experience in bidding and completing commercial painting projects.

Barnum Painters

6.3 Personnel Plan

The following table is the personnel plan for Barnum Painters.

Table: Personnel (Planned)

Personnel Plan	2002	2003	2004
Production Personnel			
Project Forman #1	\$22,800	\$30,000	\$30,000
Project Foreman #2	\$0	\$0	\$30,000
Residential Painter	\$12,900	\$13,500	\$14,000
Residential Painter	\$12,900	\$13,500	\$14,000
Residential Painter	\$12,900	\$13,500	\$14,000
Commercial Painter	\$7,525	\$13,500	\$14,000
Commercial Painter	\$7,525	\$13,500	\$14,000
Commercial Painter	\$7,525	\$13,500	\$14,000
Commercial Painter	\$0	\$0	\$14,000
Commercial Painter	\$0	\$0	\$14,000
Other	\$0	\$0	\$0
Subtotal	\$84,075	\$111,000	\$172,000
Sales and Marketing Personnel			
Mr. Anthony Barnum, Contracting and Sales	\$30,000	\$30,000	\$30,000
Other	\$0	\$0	\$0
Subtotal	\$30,000	\$30,000	\$30,000
General and Administrative Personnel			
Mr. William Barnum, Operations	\$30,000	\$30,000	\$30,000
Mr. Michael Kruger, Expeditor and Q&A	\$30,000	\$30,000	\$30,000
Expeditor	\$0	\$18,000	\$18,000
Expeditor	\$0	\$0	\$18,000
Subtotal	\$60,000	\$78,000	\$96,000
Other Personnel			
Name or Title	\$0	\$0	\$0
Other	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0
Total People	7	11	14
Total Payroll	\$174,075	\$219,000	\$298,000
Payroll Burden	\$26,111	\$32,850	\$44,700
Total Payroll Expenditures	\$200,186	\$251,850	\$342,700

Barnum Painters

7.0 Financial Plan

The following sections will outline the Financial Plan of Barnum Painters.

7.1 Important Assumptions

The following table shows the General Assumptions for Barnum Painters.

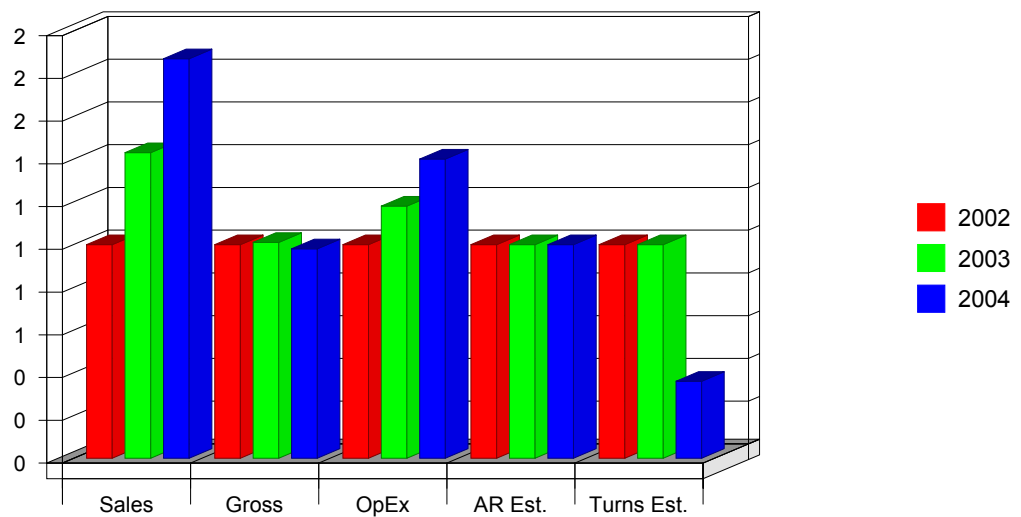
Table: General Assumptions

General Assumptions	2002	2003	2004
Short-term Interest Rate %	10.00%	10.00%	10.00%
Long-term Interest Rate %	10.00%	10.00%	10.00%
Tax Rate %	30.00%	30.00%	30.00%
Expenses in Cash %	10.00%	10.00%	10.00%
Sales on Credit %	50.00%	50.00%	50.00%
Personnel Burden %	15.00%	15.00%	15.00%

7.2 Key Financial Indicators

The chart below shows the Benchmarks for Barnum Painters.

Benchmarks (Planned)



Barnum Painters

7.3 Break-even Analysis

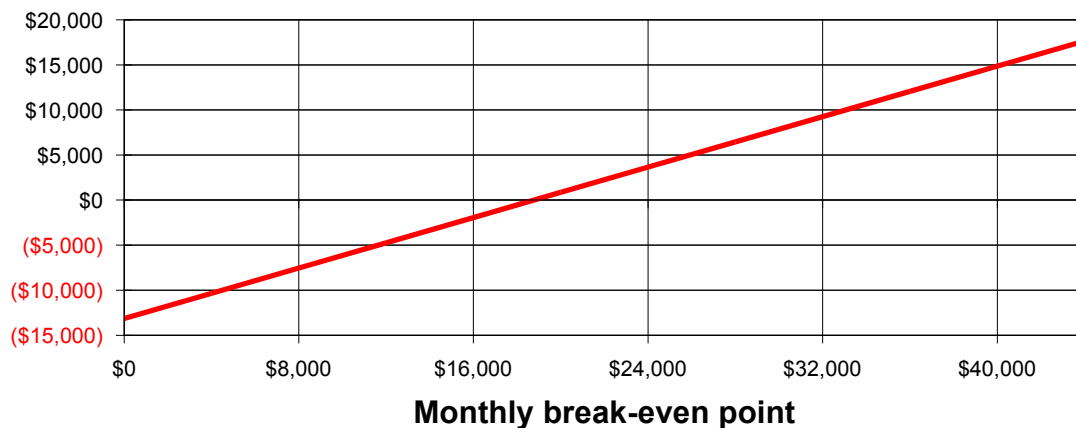
The Break-even Analysis gives the reader an idea of how many projects Barnum Painters must bid for, prep, paint and complete each month to cover costs. Because Barnum Painters is providing a customized service with many projects having unique requirements, the estimates of revenue and cost are somewhat arbitrary. Furthermore, the company experiences a high degree of seasonality in its contracts which may result in a number of unprofitable months during the late fall, winter and early spring periods. Fixed costs are based on running costs estimated by the officers of the company and include payroll for all employees. Variable costs are based on a 20% estimate of the average sales per unit. The average revenue estimate is based on the consensus of the principal officers who have had many years of experience in the industry and on the realistic assumption of the types of contracts the company will get in the beginning and the requirements needed to complete such projects.

Table: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	5
Monthly Sales Break-even	\$18,777

Assumptions:	
Average Per-Unit Revenue	\$4,000.00
Average Per-Unit Variable Cost	\$1,200.00
Estimated Monthly Fixed Cost	\$13,144

Break-even Analysis



Break-even point = where line intersects with 0

Barnum Painters

7.4 Projected Profit and Loss

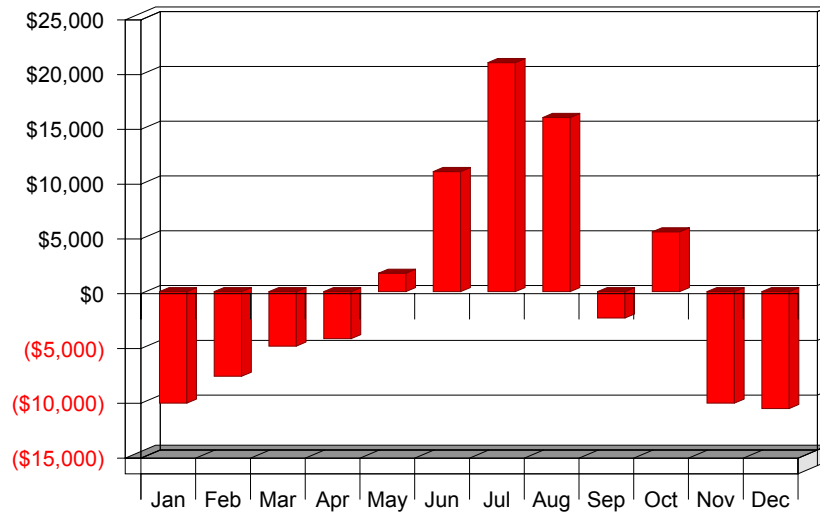
The following table and chart shows the projected Profit and Loss for Barnum Painters.

Table: Profit and Loss (Planned)

Pro Forma Profit and Loss	2002	2003	2004
Sales	\$336,500	\$480,505	\$629,048
Direct Cost of Sales	\$87,730	\$131,703	\$155,755
Production Payroll	\$84,075	\$111,000	\$172,000
Other Production Expenses	\$0	\$0	\$0
Total Cost of Sales	\$171,805	\$242,703	\$327,755
Gross Margin	\$164,695	\$237,803	\$301,293
Gross Margin %	48.94%	49.49%	47.90%
Operating Expenses:			
Sales and Marketing Expenses:			
Sales and Marketing Payroll	\$30,000	\$30,000	\$30,000
Advertising/Promotion	\$3,600	\$5,000	\$10,000
Travel	\$2,400	\$3,500	\$4,000
Miscellaneous	\$2,400	\$3,000	\$3,000
Total Sales and Marketing Expenses	\$38,400	\$41,500	\$47,000
Sales and Marketing %	11.41%	8.64%	7.47%
General and Administrative Expenses:			
General and Administrative Payroll	\$60,000	\$78,000	\$96,000
Payroll Burden	\$26,111	\$32,850	\$44,700
Depreciation	\$1,200	\$1,200	\$1,200
Leased Equipment	\$0	\$0	\$0
Utilities	\$1,800	\$1,800	\$1,800
Insurance	\$3,600	\$3,600	\$3,600
Rent	\$24,000	\$24,000	\$24,000
Total General and Administrative Expenses	\$116,711	\$141,450	\$171,300
General and Administrative %	34.68%	29.44%	27.23%
Other Expenses:			
Other Payroll	\$0	\$0	\$0
Bookkeeper and accountant	\$2,400	\$2,500	\$2,750
Total Other Expenses	\$2,400	\$2,500	\$2,750
Other %	0.71%	0.52%	0.44%
Total Operating Expenses	\$157,511	\$185,450	\$221,050
Profit Before Interest and Taxes	\$7,184	\$52,353	\$80,243
Interest Expense Short-term	\$700	\$700	\$700
Interest Expense Long-term	\$0	\$0	\$0
Taxes Incurred	\$1,945	\$15,496	\$23,863
Extraordinary Items	\$0	\$0	\$0
Net Profit	\$4,539	\$36,157	\$55,680
Net Profit/Sales	1.35%	7.52%	8.85%

Barnum Painters

Profit Monthly (Planned)



Barnum Painters

7.5 Projected Cash Flow

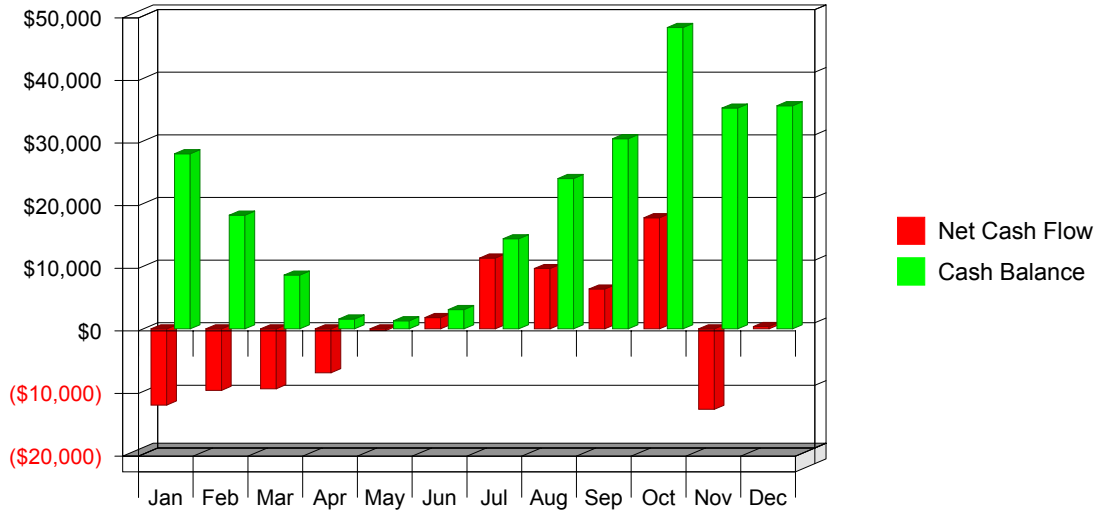
The following table and chart is the Cash Flow for Barnum Painters.

Table: Cash Flow (Planned)

Pro Forma Cash Flow	2002	2003	2004
Cash Received			
Cash from Operations:			
Cash Sales	\$168,250	\$240,253	\$314,524
From Receivables	\$165,083	\$238,897	\$313,126
Subtotal Cash from Operations	\$333,333	\$479,150	\$627,650
Additional Cash Received			
Extraordinary Items	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of other Short-term Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$333,333	\$479,150	\$627,650
Expenditures			
Expenditures from Operations:			
Cash Spent on Costs and Expenses	\$13,849	\$18,434	\$22,595
Wages, Salaries, Payroll Taxes, etc.	\$200,186	\$251,850	\$342,700
Payment of Accounts Payable	\$123,810	\$172,539	\$298,642
Subtotal Spent on Operations	\$337,845	\$442,823	\$663,937
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Short-term Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Adjustment for Assets Purchased on Credit	\$0	\$0	\$0
Subtotal Cash Spent	\$337,845	\$442,823	\$663,937
Net Cash Flow	(\$4,512)	\$36,327	(\$36,287)
Cash Balance	\$35,638	\$71,965	\$35,678

Barnum Painters

Cash (Planned)



Barnum Painters

7.6 Projected Balance Sheet

The following table presents the Balance Sheet for Barnum Painters.

Table: Balance Sheet (Planned)

Pro Forma Balance Sheet

Assets	2002	2003	2004
Short-term Assets			
Cash	\$35,638	\$71,965	\$35,678
Accounts Receivable	\$3,167	\$4,522	\$5,920
Inventory	\$8,760	\$5,651	\$42,300
Other Short-term Assets	\$0	\$0	\$0
Total Short-term Assets	\$47,565	\$82,138	\$83,898
Long-term Assets			
Long-term Assets	\$4,000	\$4,000	\$4,000
Accumulated Depreciation	\$1,200	\$2,400	\$3,600
Total Long-term Assets	\$2,800	\$1,600	\$400
Total Assets	\$50,365	\$83,738	\$84,298
Liabilities and Capital			
Accounts Payable	\$826	(\$5,807)	(\$101,097)
Current Borrowing	\$7,000	\$7,000	\$7,000
Other Short-term Liabilities	\$0	\$0	\$0
Subtotal Short-term Liabilities	\$7,826	\$1,193	(\$94,097)
Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$7,826	\$1,193	(\$94,097)
Paid-in Capital	\$44,550	\$44,550	\$44,550
Retained Earnings	(\$6,550)	(\$2,011)	\$34,145
Earnings	\$4,539	\$36,157	\$55,680
Total Capital	\$42,539	\$78,695	\$134,375
Total Liabilities and Capital	\$50,365	\$79,888	\$40,278
Net Worth	\$42,539	\$82,545	\$178,395

7.7 Business Ratios

Business ratios for the years of this plan are shown below. Industry profile ratios based on the Standard Industrial Classification (SIC) code 1721, Painting and Paper Hanging, are shown for comparison.

Barnum Painters

Table: Ratios (Planned)

Ratio Analysis	2002	2003	2004	Industry Profile
Sales Growth	0.00%	42.79%	30.91%	5.90%
Percent of Total Assets				
Accounts Receivable	6.29%	5.40%	7.02%	34.60%
Inventory	17.39%	6.75%	50.18%	5.40%
Other Short-term Assets	0.00%	0.00%	0.00%	29.80%
Total Short-term Assets	94.44%	98.09%	99.53%	69.80%
Long-term Assets	5.56%	1.91%	0.47%	30.20%
Total Assets	100.00%	100.00%	100.00%	100.00%
Other Short-term Liabilities	0.00%	0.00%	0.00%	43.40%
Subtotal Short-term Liabilities	15.54%	1.42%	-111.62%	37.90%
Long-term Liabilities	0.00%	0.00%	0.00%	12.40%
Total Liabilities	15.54%	1.42%	-111.62%	50.30%
Net Worth	84.46%	98.58%	211.62%	49.70%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	48.94%	49.49%	47.90%	27.20%
Selling, General & Administrative Expenses	47.59%	41.97%	39.05%	15.40%
Advertising Expenses	1.07%	1.04%	1.59%	0.40%
Profit Before Interest and Taxes	2.13%	10.90%	12.76%	2.50%
Main Ratios				
Current	6.08	68.86	-0.89	1.60
Quick	4.96	64.12	-0.44	1.27
Total Debt to Total Assets	15.54%	1.42%	-111.62%	55.80%
Pre-tax Return on Net Worth	18.53%	64.27%	45.37%	5.60%
Pre-tax Return on Assets	15.65%	63.36%	96.02%	12.60%
Business Vitality Profile				
	2002	2003	2004	Industry
Sales per Employee	\$48,071	\$43,682	\$44,932	\$0
Survival Rate				0.00%
Additional Ratios				
	2002	2003	2004	
Net Profit Margin	1.35%	7.52%	8.85%	n.a
Return on Equity	10.67%	43.80%	31.21%	n.a
Activity Ratios				
Accounts Receivable Turnover	53.13	53.13	53.13	n.a
Collection Days	3	6	6	n.a
Inventory Turnover	18.26	18.28	6.50	n.a
Accounts Payable Turnover	150.83	-28.57	-2.01	n.a
Total Asset Turnover	6.68	5.74	7.46	n.a
Debt Ratios				
Debt to Net Worth	0.18	0.01	-0.53	n.a
Short-term Liab. to Liab.	1.00	1.00	0.00	n.a
Liquidity Ratios				
Net Working Capital	\$39,739	\$80,945	\$177,995	n.a
Interest Coverage	10.26	74.79	114.63	n.a
Additional Ratios				
Assets to Sales	0.15	0.17	0.13	n.a
Current Debt/Total Assets	16%	1%	-112%	n.a
Acid Test	4.55	60.33	0.00	n.a
Sales/Net Worth	7.91	5.82	3.53	n.a
Dividend Payout	\$0	0.00	0.00	n.a

Appendix

Appendix Table: Sales Forecast (Planned)

Sales Forecast	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales												
Commercial Buildings	\$0	\$0	\$8,000	\$0	\$13,000	\$30,000	\$40,000	\$50,000	\$10,000	\$28,000	\$0	\$0
Residential Buildings	\$5,000	\$10,000	\$12,000	\$17,000	\$20,000	\$20,000	\$28,000	\$8,500	\$15,000	\$13,000	\$5,000	\$4,000
Total Sales	\$5,000	\$10,000	\$20,000	\$17,000	\$33,000	\$50,000	\$68,000	\$58,500	\$25,000	\$41,000	\$5,000	\$4,000
Direct Cost of Sales												
Commercial Buildings	\$0	\$0	\$1,760	\$0	\$2,860	\$6,600	\$8,000	\$11,500	\$2,200	\$7,560	\$0	\$0
Residential Buildings	\$1,500	\$3,000	\$3,600	\$5,100	\$6,000	\$6,000	\$8,400	\$2,550	\$4,500	\$3,900	\$1,500	\$1,200
Subtotal Direct Cost of Sales	\$1,500	\$3,000	\$5,360	\$5,100	\$8,860	\$12,600	\$16,400	\$14,050	\$6,700	\$11,460	\$1,500	\$1,200

Appendix

Appendix Table: Personnel (Planned)

Personnel Plan	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Production Personnel												
Project Foreman #1	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900
Project Foreman #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Painter	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075
Residential Painter	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075
Residential Painter	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075
Commercial Painter	\$0	\$0	\$1,075	\$0	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$0	\$0
Commercial Painter	\$0	\$0	\$1,075	\$0	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$0	\$0
Commercial Painter	\$0	\$0	\$1,075	\$0	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$1,075	\$0	\$0
Commercial Painter	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Painter	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$5,125	\$5,125	\$8,350	\$5,125	\$8,350	\$8,350	\$8,350	\$8,350	\$8,350	\$8,350	\$5,125	\$5,125
Sales and Marketing Personnel												
Mr. Anthony Barnum, Contracting and Sales	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
General and Administrative Personnel												
Mr. William Barnum, Operations	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Mr. Michael Kruger, Expeditor and Q&A	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Expeditor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expeditor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$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 Personnel												
Name or Title	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total People	7	7	10	7	10	10	10	10	10	10	7	7
Total Payroll	\$12,625	\$12,625	\$15,850	\$12,625	\$15,850	\$15,850	\$15,850	\$15,850	\$15,850	\$15,850	\$12,625	\$12,625
Payroll Burden	\$1,894	\$1,894	\$2,378	\$1,894	\$2,378	\$2,378	\$2,378	\$2,378	\$2,378	\$2,378	\$1,894	\$1,894
Total Payroll Expenditures	\$14,519	\$14,519	\$18,228	\$14,519	\$18,228	\$18,228	\$18,228	\$18,228	\$18,228	\$18,228	\$14,519	\$14,519

Appendix

Appendix Table: General Assumptions

General Assumptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Short-term Interest Rate %	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate %	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate %	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Expenses in Cash %	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Sales on Credit %	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Personnel Burden %	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%

Appendix

Appendix Table: Profit and Loss (Planned)

Pro Forma Profit and Loss

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	\$5,000	\$10,000	\$20,000	\$17,000	\$33,000	\$50,000	\$68,000	\$58,500	\$25,000	\$41,000	\$5,000	\$4,000
Direct Cost of Sales	\$1,500	\$3,000	\$5,360	\$5,100	\$8,860	\$12,600	\$16,400	\$14,050	\$6,700	\$11,460	\$1,500	\$1,200
Production Payroll	\$5,125	\$5,125	\$8,350	\$5,125	\$8,350	\$8,350	\$8,350	\$8,350	\$8,350	\$8,350	\$5,125	\$5,125
Other Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$6,625	\$8,125	\$13,710	\$10,225	\$17,210	\$20,950	\$24,750	\$22,400	\$15,050	\$19,810	\$6,625	\$6,325
Gross Margin	(\$1,625)	\$1,875	\$6,290	\$6,775	\$15,790	\$29,050	\$43,250	\$36,100	\$9,950	\$21,190	(\$1,625)	(\$2,325)
Gross Margin %	-32.50%	18.75%	31.45%	39.85%	47.85%	58.10%	63.60%	61.71%	39.80%	51.68%	-32.50%	-58.13%
Operating Expenses:												
Sales and Marketing Expenses:												
Sales and Marketing Payroll	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Advertising/Promotion	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Travel	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Miscellaneous	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Total Sales and Marketing Expenses	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200
Sales and Marketing %	64.00%	32.00%	16.00%	18.82%	9.70%	6.40%	4.71%	5.47%	12.80%	7.80%	64.00%	80.00%
General and Administrative Expenses:												
General and Administrative Payroll	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Payroll Burden	\$1,894	\$1,894	\$2,378	\$1,894	\$2,378	\$2,378	\$2,378	\$2,378	\$2,378	\$2,378	\$1,894	\$1,894
Depreciation	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Leased Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Insurance	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Rent	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Total General and Administrative Expenses	\$9,444	\$9,444	\$9,928	\$9,444	\$9,928	\$9,928	\$9,928	\$9,928	\$9,928	\$9,928	\$9,444	\$9,444
General and Administrative %	188.88%	94.44%	49.64%	55.55%	30.08%	19.86%	14.60%	16.97%	39.71%	24.21%	188.88%	236.09%
Other Expenses:												
Other Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bookkeeper and accountant	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Total Other Expenses	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Other %	4.00%	2.00%	1.00%	1.18%	0.61%	0.40%	0.29%	0.34%	0.80%	0.49%	4.00%	5.00%
Total Operating Expenses	\$12,844	\$12,844	\$13,328	\$12,844	\$13,328	\$13,328	\$13,328	\$13,328	\$13,328	\$13,328	\$12,844	\$12,844
Profit Before Interest and Taxes	(\$14,469)	(\$10,969)	(\$7,038)	(\$6,069)	\$2,463	\$15,723	\$29,923	\$22,773	(\$3,378)	\$7,863	(\$14,469)	(\$15,169)
Interest Expense Short-term	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
Interest Expense Long-term	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	(\$4,358)	(\$3,308)	(\$2,129)	(\$1,838)	\$721	\$4,699	\$8,959	\$6,814	(\$1,031)	\$2,341	(\$4,358)	(\$4,568)
Extraordinary Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$10,169)	(\$7,719)	(\$4,967)	(\$4,289)	\$1,683	\$10,965	\$20,905	\$15,900	(\$2,405)	\$5,463	(\$10,169)	(\$10,659)
Net Profit/Sales	-203.38%	-77.19%	-24.84%	-25.23%	5.10%	21.93%	30.74%	27.18%	-9.62%	13.32%	-203.38%	-266.47%

Appendix

Appendix Table: Cash Flow (Planned)

Pro Forma Cash Flow	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Received												
Cash from Operations:												
Cash Sales	\$2,500	\$5,000	\$10,000	\$8,500	\$16,500	\$25,000	\$34,000	\$29,250	\$12,500	\$20,500	\$2,500	\$2,000
From Receivables	\$0	\$1,333	\$3,833	\$7,667	\$9,200	\$12,767	\$21,033	\$29,800	\$31,467	\$20,317	\$16,767	\$10,900
Subtotal Cash from Operations	\$2,500	\$6,333	\$13,833	\$16,167	\$25,700	\$37,767	\$55,033	\$59,050	\$43,967	\$40,817	\$19,267	\$12,900
Additional Cash Received												
Extraordinary Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of other Short-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$2,500	\$6,333	\$13,833	\$16,167	\$25,700	\$37,767	\$55,033	\$59,050	\$43,967	\$40,817	\$19,267	\$12,900
Expenditures												
Expenditures from Operations:												
Cash Spent on Costs and Expenses	\$120	\$460	\$900	\$641	\$1,675	\$2,445	\$3,257	\$2,192	\$238	\$2,132	(\$95)	(\$116)
Wages, Salaries, Payroll Taxes, etc.	\$14,519	\$14,519	\$18,228	\$14,519	\$18,228	\$18,228	\$18,228	\$18,228	\$18,228	\$18,228	\$14,519	\$14,519
Payment of Accounts Payable	\$36	\$1,182	\$4,272	\$8,022	\$6,079	\$15,306	\$22,246	\$28,991	\$19,144	\$2,708	\$17,693	(\$1,870)
Subtotal Spent on Operations	\$14,675	\$16,161	\$23,400	\$23,182	\$25,982	\$35,978	\$43,731	\$49,411	\$37,609	\$23,068	\$32,117	\$12,533
Additional Cash Spent												
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Short-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjustment for Assets Purchased on Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$14,675	\$16,161	\$23,400	\$23,182	\$25,982	\$35,978	\$43,731	\$49,411	\$37,609	\$23,068	\$32,117	\$12,533
Net Cash Flow	(\$12,175)	(\$9,828)	(\$9,566)	(\$7,015)	(\$282)	\$1,789	\$11,303	\$9,639	\$6,357	\$17,749	(\$12,850)	\$367
Cash Balance	\$27,975	\$18,148	\$8,581	\$1,566	\$1,284	\$3,073	\$14,376	\$24,015	\$30,372	\$48,121	\$35,271	\$35,638

Appendix

Appendix Table: Balance Sheet (Planned)

Pro Forma Balance Sheet

Assets	Starting Balances	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Short-term Assets													
Cash	\$40,150	\$27,975	\$18,148	\$8,581	\$1,566	\$1,284	\$3,073	\$14,376	\$24,015	\$30,372	\$48,121	\$35,271	\$35,638
Accounts Receivable	\$0	\$2,500	\$6,167	\$12,333	\$13,167	\$20,467	\$32,700	\$45,667	\$45,117	\$26,150	\$26,333	\$12,067	\$3,167
Inventory	\$850	\$1,500	\$3,000	\$5,360	\$5,100	\$8,860	\$12,600	\$16,400	\$14,050	\$7,350	\$11,460	\$9,960	\$8,760
Other Short-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Short-term Assets	\$41,000	\$31,975	\$27,314	\$26,275	\$19,833	\$30,611	\$48,373	\$76,443	\$83,181	\$63,872	\$85,915	\$57,298	\$47,565
Long-term Assets													
Long-term Assets	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Accumulated Depreciation	\$0	\$100	\$200	\$300	\$400	\$500	\$600	\$700	\$800	\$900	\$1,000	\$1,100	\$1,200
Total Long-term Assets	\$4,000	\$3,900	\$3,800	\$3,700	\$3,600	\$3,500	\$3,400	\$3,300	\$3,200	\$3,100	\$3,000	\$2,900	\$2,800
Total Assets	\$45,000	\$35,875	\$31,114	\$29,975	\$23,433	\$34,111	\$51,773	\$79,743	\$86,381	\$66,972	\$88,915	\$60,198	\$50,365
Liabilities and Capital													
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Accounts Payable	\$0	\$1,044	\$4,002	\$7,830	\$5,577	\$14,572	\$21,269	\$28,334	\$19,073	\$2,068	\$18,548	(\$0)	\$826
Current Borrowing	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Other Short-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Short-term Liabilities	\$7,000	\$8,044	\$11,002	\$14,830	\$12,577	\$21,572	\$28,269	\$35,334	\$26,073	\$9,068	\$25,548	\$7,000	\$7,826
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$7,000	\$8,044	\$11,002	\$14,830	\$12,577	\$21,572	\$28,269	\$35,334	\$26,073	\$9,068	\$25,548	\$7,000	\$7,826
Paid-in Capital	\$44,550	\$44,550	\$44,550	\$44,550	\$44,550	\$44,550	\$44,550	\$44,550	\$44,550	\$44,550	\$44,550	\$44,550	\$44,550
Retained Earnings	(\$6,550)	(\$6,550)	(\$6,550)	(\$6,550)	(\$6,550)	(\$6,550)	(\$6,550)	(\$6,550)	(\$6,550)	(\$6,550)	(\$6,550)	(\$6,550)	(\$6,550)
Earnings	\$0	(\$10,169)	(\$17,888)	(\$22,855)	(\$27,144)	(\$25,461)	(\$14,496)	\$6,409	\$22,309	\$19,904	\$25,367	\$15,198	\$4,539
Total Capital	\$38,000	\$27,831	\$20,112	\$15,145	\$10,856	\$12,539	\$23,504	\$44,409	\$60,309	\$57,904	\$63,367	\$53,198	\$42,539
Total Liabilities and Capital	\$45,000	\$35,875	\$31,114	\$29,975	\$23,433	\$34,111	\$51,773	\$79,743	\$86,381	\$66,972	\$88,915	\$60,198	\$50,365
Net Worth	\$38,000	\$27,831	\$20,112	\$15,145	\$10,856	\$12,539	\$23,504	\$44,409	\$60,309	\$57,904	\$63,367	\$53,198	\$42,539