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The Supreme Courts

1.0 Executive Summary

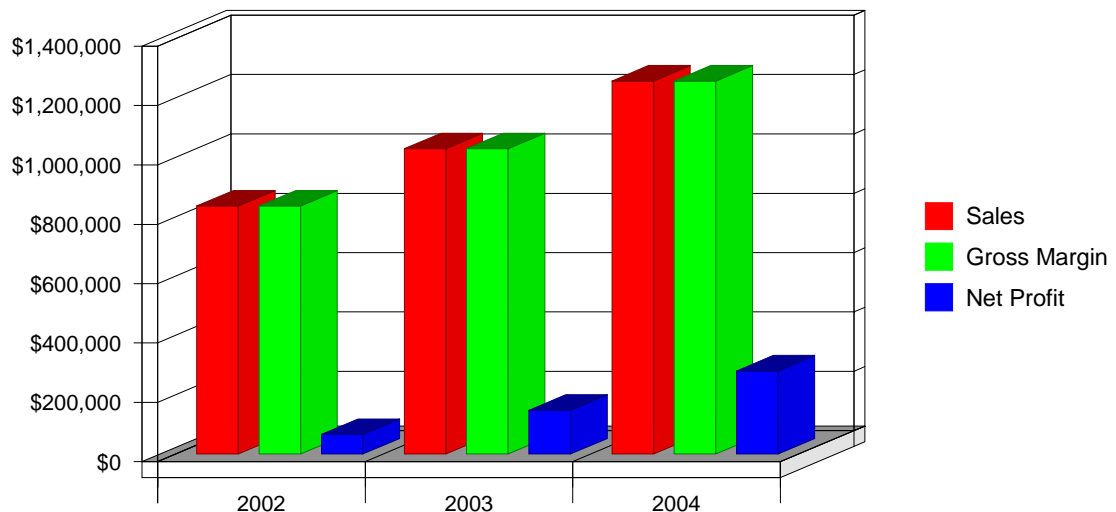
The Supreme Courts will be a full-service multisport complex situated along Boulder Highway in Henderson, Nevada. There are currently no other sports facilities like this one anywhere in the Las Vegas Valley. This plan will be used to define the scope of our services, as well as a means of gaining the necessary investments to open the facility. It will also be used on a continual basis in the evaluation of The Supreme Courts mission, goals, and objectives.

The keys to success for The Supreme Courts are our ability to market effectively, creating an unmatched "cool" atmosphere where people will like to be, and hiring qualified/certified and knowledgeable staff to aid in the running of our programs and leagues.

The sports and fitness club industry is a booming business that produced over \$10.6 billion last year and is projected to continue its current trend according to ** (2000). The Supreme Courts is conservatively projecting a \$65,000+ net profit in it's first year of operation with this number increasing to over \$280,000 by the end of year three.

**** Confidential or proprietary information deleted.**

Highlights (Planned)



1.1 Objectives

The main objectives for The Supreme Courts are as follows:

1. Sell 800 memberships in year one, 1,200 by the end of year two, and 1,600 by the end of year three.
2. Organize and develop various sports leagues and market them effectively so as to fill them to capacity (i.e. seven leagues running twice a year with 8 - 12 teams per league).
3. Sponsor and/or support four community events in our first year of operation.
4. Show at least a 5% return to investors in the first year of operation.

The Supreme Courts

1.2 Mission

The Supreme Courts is a multisport and fitness complex designed to be used by the residents of Henderson and the surrounding areas. It is our mission to provide the best programs, staff, and equipment, to fully meet the various sports and fitness needs of our members, while generating a profit for the owners and investors. Besides providing an excellent value to our customers, The Supreme Courts is determined to create an unmatched sporting atmosphere that will add to the enjoyment of every member and employee of the facility. Dedicated to the community, The Supreme Courts strives to support and sponsor community events, as well as host them whenever possible. Our hope is that through the use of our facility, members' enjoyment and appreciation for sports, fitness, and for life will be enhanced.

1.3 Keys to Success

The Keys to Success for The Supreme Courts are as follows:

1. **Marketing:** We must make The Supreme Courts a common name in the Las Vegas Valley and creatively market our services to each of our market segments.
2. **Atmosphere of facility:** By creating an unmatched "cool" atmosphere in The Supreme Courts through the use of first class equipment, floors, colors, and big screen TVs, people will want to frequent our facility often and our ability to retain members will be enhanced.
3. **Knowledgeable/qualified staff and management:** By providing the users of the facility with knowledgeable and qualified staff who show genuine concern for the patrons, people will feel comfortable and confident that The Supreme Courts can meet all of their sport and fitness needs.

2.0 Company Summary

The Supreme Courts is a new multisport complex that will provide both members and casual users an opportunity to participate in a variety of sports and leisure programs and activities.

2.1 Company Ownership

The Supreme Courts will be a Limited Partnership C corporation that will be privately owned. Brian Ehlert and Rich Bohne will own 26% of the company each, while 12 other limited partners will each own 4%.

The Supreme Courts

2.2 Start-up Summary

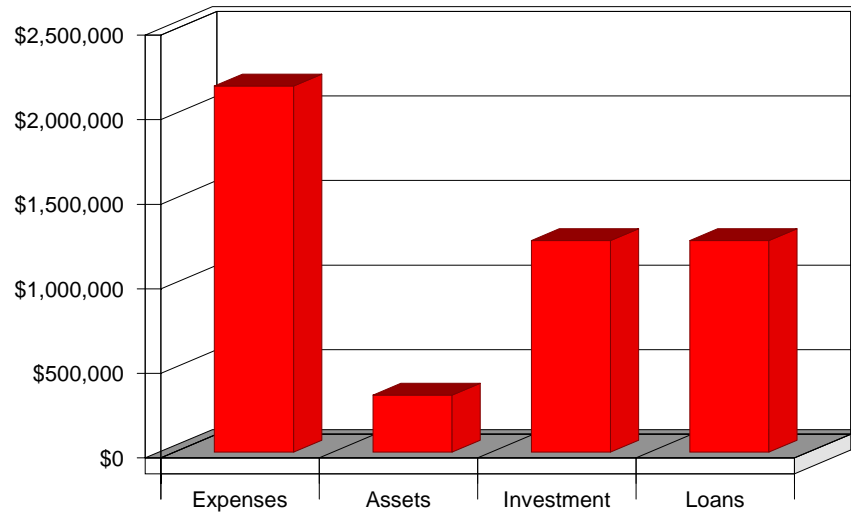
Our start-up requirements come to \$2,500,000. Included in these costs is the land, building, all development costs, equipment, and start-up capital. The assumptions are shown in the following table and chart.

Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Legal	\$30,000
Air Structure	\$415,000
Hardwood Floors	\$160,000
Basketball Rims, Stands...	\$55,000
Exercise Equipment and Misc.	\$150,000
Stucco	\$8,000
Block Fence	\$90,000
Concrete Footings and Slab	\$185,000
Site Preparation	\$20,000
Consultants	\$3,500
Mechanical	\$25,000
Second Floor Development and Offices	\$210,000
Office Equipment	\$65,000
Paving and Landscaping	\$112,000
Management Fee	\$100,000
Promotional Costs	\$40,000
Design Fees	\$30,000
Land	\$465,000
Total Start-up Expense	\$2,163,500
Start-up Assets Needed	
Cash Balance on Starting Date	\$336,500
Start-up Inventory	\$0
Other Short-term Assets	\$0
Total Short-term Assets	\$336,500
Total Assets	\$336,500
Total Requirements	\$2,500,000
Funding	
Investment	
Investor 1	\$100,000
Investor 2	\$100,000
Investor 3	\$100,000
Investor 4	\$100,000
Investor 5	\$100,000
Investor 6	\$100,000
Investor 7	\$100,000
Investor 8	\$100,000
Other	\$450,000
Total Investment	\$1,250,000
Subtotal Short-term Liabilities	\$0
Long-term Liabilities	\$1,250,000
Total Liabilities	\$1,250,000
Loss at Start-up	(\$2,163,500)
Total Capital	(\$913,500)
Total Capital and Liabilities	\$336,500

The Supreme Courts

Start-up



3.0 Services

The Supreme Courts will be a multisport complex that provides its users with various services. A first class fitness and lifestyle center, three full-size basketball courts that can also accommodate many other sports, a food and beverage/lounge area, a massage therapy clinic and other amenities such as offices, a conference room, a childcare center, and full-service locker rooms will all be available in the facility. Along with these amenities, The Supreme Courts will provide its users with qualified and knowledgeable people to make sure all of their sport and fitness needs are met.

3.1 Weights and Fitness

The Supreme Courts will house a large fitness and lifestyle center that will match or exceed any other in the city. This fitness and lifestyle center will include top-of-the-line equipment in free weights, machine weights, and aerobic machines. The majority of the lifestyle center will be located on the upper level of the complex that will surround the three basketball courts. This will allow the users the option of watching the activities going on down below, or to watch one of the many TVs that will be set up for their enjoyment.

This aspect of the facility will be run by a certified strength and conditioning specialist (CSCS) who will hire and train his/her staff to meet the demands of the members. This person will report to and work directly with the general partners of The Supreme Courts and his/her duties will include, but will not be limited to, general supervision, personalized training for members, program development for camps and clinics, and aiding in the marketing and promotional aspects of the facility.

The Supreme Courts

3.2 Courts

Three full-size basketball courts and six volleyball courts will highlight the main floor of The Supreme Courts. Along with these two sports, the floors will be able to accommodate badminton, indoor soccer, indoor field hockey, touch football, gymnastics, dance, aerobics, and more. These hardwood courts will be manufactured and installed by the industry leader, Robbins Sport Surfaces, and will be the premier sports floors in all of Henderson. With the added attraction of world class portable basketball systems from Schelde North America or BPI, The Supreme Courts will quickly become known as the place to be for leagues, camps, or pick-up games.

With his education and vast experience in this area, the scheduling of events and activities on these floors will be done by Rich Bohne, one of the general partners of The Supreme Courts. The development of sports leagues, camps, and clinics, along with other various day-to-day operations of the facility will also be Rich's responsibility.

3.3 Food Services

On the upper level surrounding the courts there will be a food and beverage area where users of the facility can replenish their bodies. This area has been placed on the upper level so the users may have a bird's-eye view of the happenings on the courts while enjoying their favorite non-alcoholic beverage and/or snack. Included in this area will be various big screen TVs that will show either sporting events, sports news, or appropriate programs that users wish to watch. This aspect of the facility will be crucial in providing the desired atmosphere The Supreme Courts hopes to create.

A qualified, experienced person will be hired to run this aspect of the facility. He/she will have the responsibility to meet necessary standards and to report to, and work directly with the general partners of The Supreme Courts to make sure the needs of the users in this area are met. If additional staff are required, this person will hire and train those people in accordance with The Supreme Courts policies.

3.4 Massage Therapy

An area for a massage therapy clinic will be located on the main floor of the facility. This service will be available to both the general public and users of the facility at a cost reflective of the industry standard. This amenity will be an added bonus to the users of The Supreme Courts as it will be conveniently located right inside the complex.

At this time, The Supreme Courts is deciding on whether to hire their own massage therapists or to lease out the space to an already established massage therapy practice.

The Supreme Courts

3.5 Other

Other features and services The Supreme Courts will have include:

1. Full-service locker rooms for both men and women that will accommodate up to 120 lockers. Large shower areas, benches, sinks, and bathroom facilities will all be included as well.
2. A large childcare area that will allow users to access the facility at their convenience. The childcare will be on the first level of the complex and have a large play area that will be continuously monitored by our childcare staff. The staff will be responsible for the care and well-being of the children they are watching, along with providing a fun and interesting environment for the children. This service will be offered to the facility users for a very minimal fee.
3. An administrative area housing various offices and a conference room will be located on the main floor of the facility.
4. A pro shop will be strategically placed in The Supreme Courts to attract impulsive buyers. Users will pass through the pro shop upon entering and exiting the facility. The pro shop will sell sports shoes, and apparel and eventually our own line of products that will be available exclusively at The Supreme Courts. Brian Ehlert, one of the general partners, will be in charge of inventory for the pro shop, and general staff will be involved in the daily sales and service.

4.0 Market Analysis Summary

The Supreme Courts will be the only multisport complex of its kind in all of the Las Vegas Valley. Some aspects of the facility will cater mainly to the City of Henderson residents. Other aspects however, will appeal to everyone in the valley.

Because of the diversity in the activities and programs available in The Supreme Courts, our market segments vary from dedicated workout junkies to people who just want a few hours of fun and recreation.

From 1990 to 1999, memberships at health clubs rose from 20.7 million to 30.6 million according to the latest statistics from **. This trend is projected to continue. Not only that, but frequent users of fitness clubs soared by 84% during the same period. From recent surveys of over 360 fitness clubs (conducted by **), the eight most profitable programs for fitness centers were identified. The Supreme Courts offers six of these eight, including the top three. Due to the market for fitness clubs in Henderson, The Supreme Courts has a very bright future.

The average number of members for multipurpose clubs registered with ** (The Supreme Courts will be a ** member) in 1999 was over 2,104. The total number of ** clubs in 1999 was 3,185, many of which were fitness only clubs which average just over 1,200 members.

**** Confidential or proprietary information deleted.**

The Supreme Courts

4.1 Market Segmentation

1. **Weekend Warriors:** an important market segment for The Supreme Courts will be the weekend warriors. These people don't like to be locked into long-term commitments but like the freedom to come and go when the opportunity presents itself. These people will be a target market for special promotions and periodic activities.
2. **Hardcore Fitness Buffs:** another market segment for our facility will be those who view themselves as dedicated fitness gurus. These people are very particular about the type of workout equipment they use, and usually enjoy the opportunity to be "looked at" by other users of the facility. As long as the right equipment is available, these people are willing to lock into long-term commitments with a facility.
3. **Gym Rats:** a third market segment for The Supreme Courts will be those people who love to be in a gym. Usually associated with basketball, gym rats seek to find places to play, practice, or just hang out, usually at a very reasonable price. The better the atmosphere, and the more people to watch them, the more gym rats are attracted to a facility. This is a very large market for The Supreme Courts.
4. **Families:** this is a smaller, but important market segment for our facility. We have "something for everyone" and that will attract families that want to become members of the facility as well as families who simply want a few hours of fun every now and again. These people will also be the main target for summer camps and activities that allow for fun and education for the children while the parents enjoy some relatively cheap babysitting.
5. **Senior Citizens:** this market segment will be our fastest growing market as more senior citizens are retiring to Henderson than any other group. When provided with health promoting programs, senior citizens are willing to participate due to the new focus on physical activity and the constant encouragement from family and physicians. In fact, this group was the fastest growing club membership segment over the last 10 years according to **. It grew up to four times faster than other segments.
6. **Business Travelers:** another small market segment, travelers to the City of Henderson will be attracted to use this facility for various purposes without the pressure or hassle of a required membership. The simple daily walk-in fee will make The Supreme Courts a very attractive place to workout for these people.
7. **Tourists:** another small market segment for The Supreme Courts will be the tourists who are attracted to the facility because of its size and appearance. Fabric structures often become tourist attractions because of their different and interesting appearance.

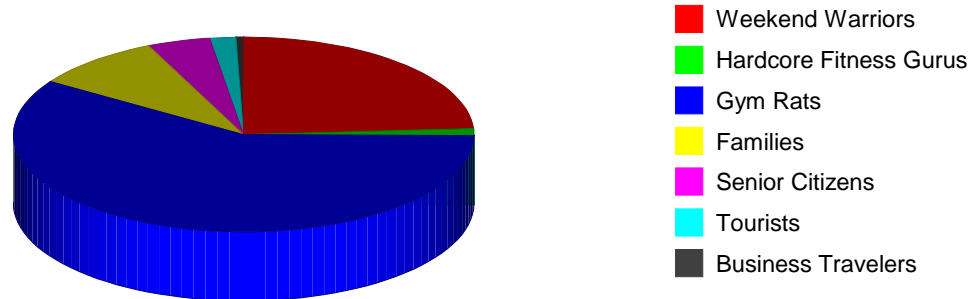
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Table: Market Analysis

Market Analysis	Growth	2001	2002	2003	2004	2005	CAGR
Potential Customers							
Weekend Warriors	3%	132,479	136,453	140,547	144,763	149,106	3.00%
Hardcore Fitness Gurus	3%	6,080	6,262	6,450	6,643	6,843	3.00%
Gym Rats	3%	325,000	334,750	344,792	355,136	365,790	3.00%
Families	3%	50,000	51,500	53,045	54,636	56,275	3.00%
Senior Citizens	7%	24,320	26,022	27,843	29,793	31,878	7.00%
Tourists	1%	10,000	10,100	10,201	10,303	10,406	1.00%
Business Travelers	0%	3,000	3,000	3,000	3,000	3,000	0.00%
Total	3.14%	550,879	568,087	585,878	604,274	623,298	3.14%

The Supreme Courts

Market Analysis (Pie)



4.2 Target Market Segment Strategy

Due to the size and convenient location of our facility, many people will be attracted to The Supreme Courts to see what we have to offer. However, we will not be content to just wait for customers to come to us. Instead, we will focus our marketing strategies on those market segments who match our offerings. The great thing about marketing The Supreme Courts, is that each market segment relates, in certain ways, to all the others.

Our main objective with our early marketing strategy will be to get people into our facility. Once people see what we have to offer, and feel the atmosphere that will be created, they will want to return and participate in the many activities and programs that will be available to them.

Some of the ways The Supreme Courts will get people into the facility include:

1. Offering tours to junior and senior high schools during the building and early completion stages of the facility.
2. Having a large promotional event to open the facility that will be free to everyone.
3. Hosting and/or supporting various community events that will bring in many people who otherwise would not come.
4. Mailing out free day passes to all of the surrounding area.

Following the opening of The Supreme Courts, print and radio media will be used to promote both the facility and the programs that are being offered to attract new people from all over the Las Vegas Valley.

As a ** member, many resources are also available for marketing and promotional ideas that have been effective for other facilities.

**** Confidential or proprietary information deleted.**

The Supreme Courts

4.3 Service Business Analysis

The sport and fitness business is a booming industry, with total revenues for 1999 over \$10.6 billion. Because of this, fitness clubs are popping up all over the place, including airports and grocery stores! The size and scope of these clubs vary from small, individually owned workout facilities, to very elaborate, publicly owned franchises. According to statistics from **, as of July, 2000 there were 15,910 clubs in the USA with over 30 million total club members. That is an average of over 1,800 members per club. Multisport clubs, like The Supreme Courts, averaged over 2,800 members per club. One of The Supreme Courts challenges is to establish itself as a legitimate sport and fitness club that is appealing to each of its market segments, and position itself as a great deal for members and casual walk-ins alike.

**** Confidential or proprietary information deleted.**

4.3.1 Competition and Buying Patterns

The competition for The Supreme Courts in Henderson include two ** clubs, **, **, and **. At all of these clubs, various types of memberships are available. Some require long-term commitments while other have a minimum commitment of at least one full month.

Potential fitness club members will usually compare clubs and find the one that fits their specific needs, or has the amenities that he/she wants. Value is usually very important to these potential members as most people want to get the best value for their dollar.

**** Confidential or proprietary information deleted.**

5.0 Strategy and Implementation Summary

The Supreme Courts has a very large potential market. Because of the small number of recreation and fitness facilities in the City of Henderson, we feel we will become the number one sports and fitness complex quickly. This will be accomplished by actively and continuously promoting The Supreme Courts through radio and media advertisements as well as through hosting and supporting various community events.

5.1 Competitive Edge

The Supreme Courts' competitive edge is two fold. First, The Supreme Courts is the only multisport complex that offers three full-size basketball courts that are available for the members and the community to use and/or rent. On top of this, the scope and variation of the programs that will be run from this facility are unmatched by any other club in the area. The second part of our competitive edge is the location, size, and appearance of the facility that will attract many people into the complex.

By maintaining our focus in our strategy, marketing, program development, and fulfillment, The Supreme Courts will be known as the top sports and fitness club in Henderson. We should be aware, however, that our competitive edge may be diluted if we become complacent in our program development and implementation. It will be important for The Supreme Courts to keep up with the current trends in both sport and fitness programs.

The Supreme Courts

5.2 Sales Strategy

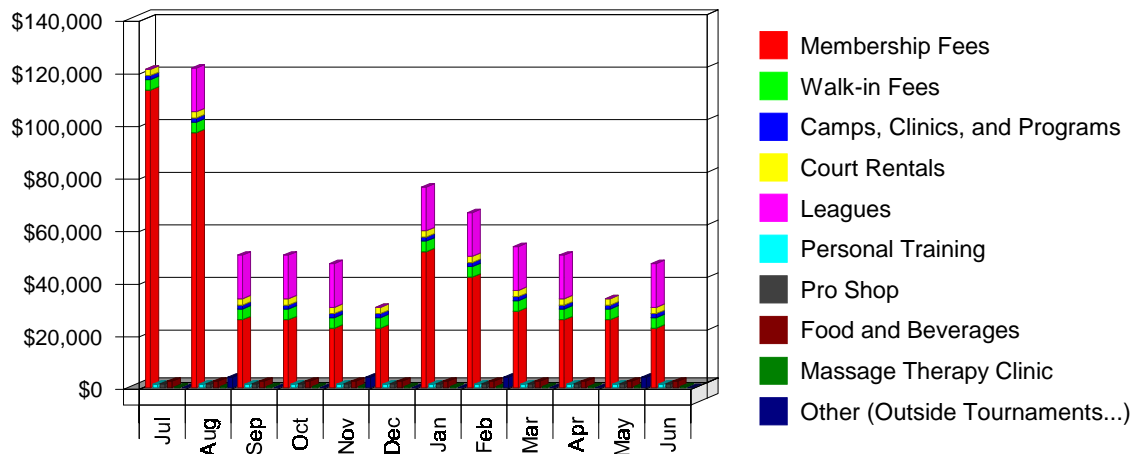
Sales in the sport and fitness club business are based on the services and amenities provided by the facility. The "something for everyone" slogan fits perfectly with The Supreme Courts. All of the users of our facility must feel like they are getting the best possible value for their money. If there is a better value, for equal services, The Supreme Courts will match or beat that value for our customers.

Each person desiring a membership at The Supreme Courts will be able to sit down with a representative and be notified of all of their membership options. During this brief discussion, the person will be also be informed of all of the services, programs, and amenities The Supreme Courts has to offer. It will be important to establish a relationship of trust with our members as membership retainment is an important aspect in our business.

5.2.1 Sales Forecast

The following table and chart give a run-down on forecasted sales for each of our sources of revenue.

Sales Monthly (Planned)



The Supreme Courts

Table: Sales Forecast (Planned)

Sales Forecast			
Unit Sales	2002	2003	2004
Membership Fees	780	1,000	1,200
Walk-in Fees	10,800	10,800	11,340
Camps, Clinics, and Programs	720	720	1,500
Court Rentals	720	720	756
Leagues	2,304	2,048	2,150
Personal Training	1,080	1,134	1,191
Pro Shop	12	1	1
Food and Beverages	12	1	1
Massage Therapy Clinic	1,050	1,080	1,134
Other (Outside Tournaments...)	4	0	0
Total Unit Sales	17,482	17,504	19,273
Unit Prices			
	2002	2003	2004
Membership Fees	\$647.00	\$679.35	\$679.35
Walk-in Fees	\$4.50	\$4.75	\$5.00
Camps, Clinics, and Programs	\$25.00	\$75.00	\$78.75
Court Rentals	\$40.00	\$42.00	\$44.10
Leagues	\$65.00	\$68.25	\$71.65
Personal Training	\$15.00	\$16.00	\$17.00
Pro Shop	\$1,500.00	\$18,900.00	\$19,845.00
Food and Beverages	\$2,500.00	\$31,500.00	\$33,075.00
Massage Therapy Clinic	\$5.00	\$5.25	\$5.50
Other (Outside Tournaments...)	\$4,000.00	\$4,200.00	\$4,350.00
Sales			
Membership Fees	\$504,660	\$679,350	\$815,220
Walk-in Fees	\$48,600	\$51,300	\$56,700
Camps, Clinics, and Programs	\$18,000	\$54,000	\$118,125
Court Rentals	\$28,800	\$30,240	\$33,340
Leagues	\$149,760	\$139,776	\$154,048
Personal Training	\$16,200	\$18,144	\$20,247
Pro Shop	\$18,000	\$18,900	\$19,845
Food and Beverages	\$30,000	\$31,500	\$33,075
Massage Therapy Clinic	\$5,250	\$5,670	\$6,237
Other (Outside Tournaments...)	\$16,000	\$0	\$0
Total Sales	\$835,270	\$1,028,880	\$1,256,836
Direct Cost of Sales			
	2002	2003	2004
Membership Fees	\$0	\$0	\$0
Walk-in Fees	\$0	\$0	\$0
Camps, Clinics, and Programs	\$0	\$0	\$0
Court Rentals	\$0	\$0	\$0
Leagues	\$0	\$0	\$0
Personal Training	\$0	\$0	\$0
Pro Shop	\$0	\$0	\$0
Food and Beverages	\$0	\$0	\$0
Massage Therapy Clinic	\$0	\$0	\$0
Other (Outside Tournaments...)	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$0	\$0	\$0

The Supreme Courts

5.3 Milestones

The accompanying table lists important program milestones, with dates and managers in charge, and budgets for each. The milestone schedule indicates our emphasis on planning for implementation.

What the table doesn't show is the commitment behind it. Our business plan includes complete provisions for plan-vs.-actual analysis, and we will hold monthly follow-up meetings to discuss the variance and course corrections.

Table: Milestones (Planned)

Milestones Milestone	Start Date	End Date	Budget	Manager	Department
Business Plan	9/11/00	9/22/00	\$0	Rich	Department
Concept Plan Review	9/15/00	10/3/00	\$3,500	Rich	Department
Financial Backing Presentations	3/1/99	4/1/99	\$0	TBA	Department
Company Set Up	3/1/99	4/1/99	\$0	TBA	Department
Logo Design	3/1/99	4/1/99	\$0	TBA	Department
Other	3/1/99	3/1/99	\$0	TBA	Department
Totals			\$3,500		

6.0 Management Summary

The initial management team for The Supreme Courts depends mainly on the general partners. Rich Bohne and Brian Ehlert will stay within their expertise in running the day-to-day operations of the facility such as scheduling, marketing, and promotions, along with running and developing various leagues and programs for the community. Back-up for the general partners will include staff members who will compensate for the founders lack of experience in each area. For example, qualified personnel will be hired for the food and beverage, massage therapy, and fitness areas. General help staff will be hired on a need basis as the users of the facility increase. There will also be a janitor hired for basic cleanliness and maintenance of the complex.

The Supreme Courts will have a total staff of 13 people in the first year of operation. It is projected that an additional three people will be added each year for the next two years. The majority of the salaries are projected to raise 5% per year for the first three years. This estimate may be conservative.

The Supreme Courts

6.1 Personnel Plan

See the following table for a more detailed list of The Supreme Courts personnel.

Table: Personnel (Planned)

Personnel Plan	2002	2003	2004
Rich Bohne	\$60,000	\$63,000	\$66,150
Brian Ehlert	\$60,000	\$63,000	\$66,150
Fitness Area Manager	\$36,000	\$37,800	\$39,690
Food Service Manager	\$30,000	\$31,500	\$33,075
Book Keeper	\$21,600	\$22,680	\$23,814
General Staff (7)	\$138,300	\$145,215	\$152,476
Janitor	\$15,000	\$15,750	\$16,538
Other	\$0	\$59,900	\$118,800
Total Payroll	\$360,900	\$438,845	\$516,692
Total People	13	16	19
Payroll Burden	\$54,135	\$65,827	\$77,504
Total Payroll Expenditures	\$415,035	\$504,672	\$594,196

7.0 Financial Plan

We are assuming start-up capital of \$336,500 and a long term bank loan of \$1,250,000. The remainder of the necessary financing will come through investors.

7.1 Important Assumptions

The financial plan depends on important assumptions, most of which are shown in the following table as annual assumptions. The monthly assumptions are included in the appendices. From the beginning, we recognize that collection days are critical, but not a factor we can influence easily. At least we are planning on the problem, and dealing with it. Interest rates, tax rates, and personnel burden are based on conservative assumptions.

Some of the more important underlying assumptions are:

- We assume a strong economy, without major recession.
- We assume the rate of growth for the number of sport and fitness club memberships will continue.

Table: General Assumptions

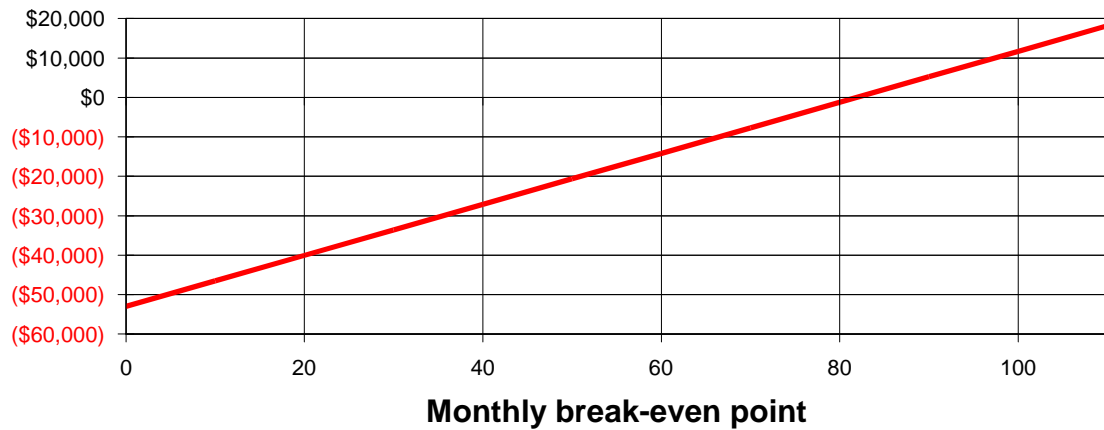
General Assumptions	2002	2003	2004
Short-term Interest Rate %	10.00%	10.00%	10.00%
Long-term Interest Rate %	10.00%	10.00%	10.00%
Tax Rate %	15.00%	15.00%	15.00%
Expenses in Cash %	10.00%	10.00%	10.00%
Sales on Credit %	60.00%	60.00%	60.00%
Personnel Burden %	15.00%	15.00%	15.00%

The Supreme Courts

7.2 Break-even Analysis

The following table and chart summarize our break-even analysis. This analysis is based solely on membership sales with no regard to the income generated by daily walk-in fees, pro shop or food service revenue, program revenue, or massage therapy revenue. With our fixed costs of approximately \$53,000 at the outset, we need to sell an average of 82 memberships per month. With the promotional efforts of opening the facility, we actually expect to exceed this number of memberships sold per month.

Break-even Analysis



Break-even point = where line intersects with 0

Table: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	82
Monthly Sales Break-even	\$53,000
Assumptions:	
Average Per-Unit Revenue	\$647.00
Average Per-Unit Variable Cost	\$0.00
Estimated Monthly Fixed Cost	\$53,000

The Supreme Courts

7.3 Projected Profit and Loss

Our projected profit and loss is shown on the following table. We show a conservative estimate of 7-8% of net profits/sales, with that increasing by approximately 7% each year. According to the research done through ** and **, these projections are very conservative and should be easily attained.

The detailed monthly projections are included in the appendices.

**** Confidential or proprietary information deleted.**

Table: Profit and Loss (Planned)

Pro Forma Profit and Loss	2002	2003	2004
Sales	\$835,270	\$1,028,880	\$1,256,836
Direct Cost of Sales	\$0	\$0	\$0
Other	\$0	\$0	\$0
Total Cost of Sales	\$0	\$0	\$0
Gross Margin	\$835,270	\$1,028,880	\$1,256,836
Gross Margin %	100.00%	100.00%	100.00%
Operating Expenses:			
Advertising/Promotion	\$24,000	\$25,200	\$0
Printing and Postage	\$6,000	\$6,300	\$6,615
Supplies (Office and Janitorial)	\$4,200	\$4,410	\$4,630
TV Cable	\$1,200	\$1,260	\$1,323
Payroll Expense	\$360,900	\$438,845	\$516,692
Payroll Burden	\$54,135	\$65,827	\$77,504
Depreciation	\$0	\$0	\$0
Depreciation	\$48,000	\$50,400	\$50,400
Depreciation	\$4,800	\$5,040	\$5,292
Depreciation	\$3,600	\$3,780	\$3,969
Depreciation	\$4,800	\$5,040	\$5,292
Depreciation	\$2,400	\$2,520	\$2,646
Telephone	\$3,000	\$3,150	\$3,307
Utilities (Gas, Electric, Water, Sewer)	\$54,000	\$56,700	\$59,535
Insurance	\$12,000	\$12,600	\$13,230
Management Fees	\$49,992	\$50,000	\$52,500
Total Operating Expenses	\$633,027	\$731,072	\$802,935
Profit Before Interest and Taxes	\$202,243	\$297,808	\$453,901
Interest Expense Short-term	\$0	\$0	\$0
Interest Expense Long-term	\$125,000	\$125,000	\$125,000
Taxes Incurred	\$11,586	\$25,921	\$49,335
Extraordinary Items	\$0	\$0	\$0
Net Profit	\$65,657	\$146,887	\$279,566
Net Profit/Sales	7.86%	14.28%	22.24%

7.4 Projected Cash Flow

The following cash flow projections show our annual amounts only. For more detailed monthly projections please see the appendices.

Cash flow projections are critical to our success. The monthly cash flow is shown in the illustration, with one bar representing the cash flow per month, and the other the monthly balance. The annual cash flow figures are included here and the more important detailed monthly numbers are included in the appendices.

The Supreme Courts

Cash (Planned)

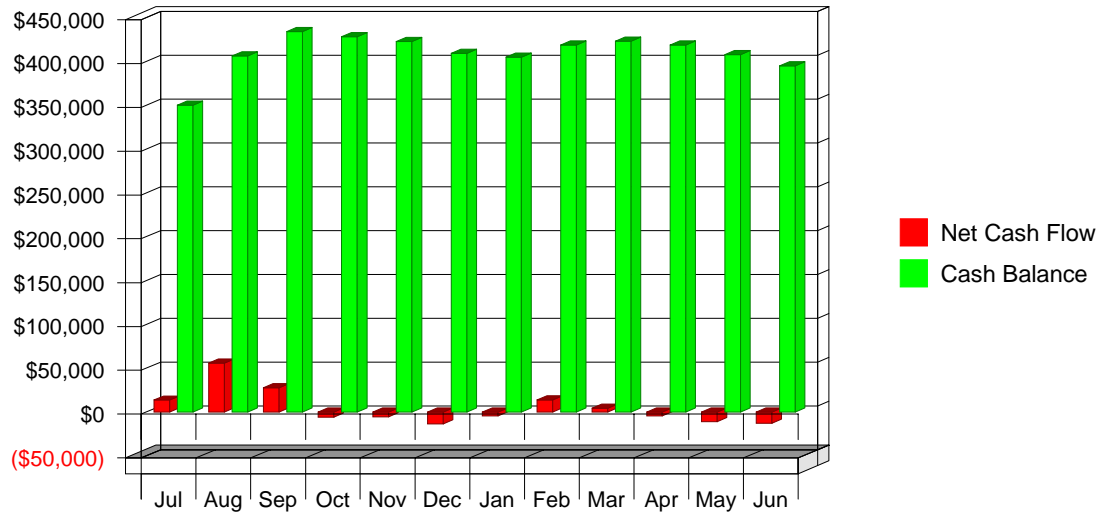


Table: Cash Flow (Planned)

Pro Forma Cash Flow	2002	2003	2004
Cash Received			
Cash from Operations:			
Cash Sales	\$334,108	\$411,552	\$502,734
From Receivables	\$470,402	\$610,198	\$745,707
Subtotal Cash from Operations	\$804,510	\$1,021,750	\$1,248,441
Additional Cash Received			
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	\$804,510	\$1,021,750	\$1,248,441
Expenditures			
Expenditures from Operations:			
Cash Spent on Costs and Expenses	\$35,458	\$37,732	\$38,307
Wages, Salaries, Payroll Taxes, etc.	\$415,035	\$504,672	\$594,196
Payment of Accounts Payable	\$295,576	\$338,079	\$344,385
Subtotal Spent on Operations	\$746,069	\$880,483	\$976,888
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
Adjustment for Assets Purchased on Credit	\$0	\$0	\$0
Subtotal Cash Spent	\$746,069	\$880,483	\$976,888
Net Cash Flow	\$58,441	\$141,267	\$271,553

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Cash Balance \$394,941 \$536,208 \$807,761

7.5 Projected Balance Sheet

The balance sheet in the following table shows managed but sufficient growth of net worth, and a sufficiently healthy financial position. The monthly estimates are included in the appendices.

Table: Balance Sheet (Planned)

Pro Forma Balance Sheet

Assets	2002	2003	2004
Short-term Assets			
Cash	\$394,941	\$536,208	\$807,761
Accounts Receivable	\$30,760	\$37,890	\$46,285
Inventory	\$0	\$0	\$0
Other Short-term Assets	\$0	\$0	\$0
Total Short-term Assets	\$425,701	\$574,098	\$854,046
Long-term Assets			
Long-term Assets	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0
Total Assets	\$425,701	\$574,098	\$854,046
Liabilities and Capital			
	2002	2003	2004
Accounts Payable	\$23,544	\$25,055	\$25,437
Current Borrowing	\$0	\$0	\$0
Other Short-term Liabilities	\$0	\$0	\$0
Subtotal Short-term Liabilities	\$23,544	\$25,055	\$25,437
Long-term Liabilities	\$1,250,000	\$1,250,000	\$1,250,000
Total Liabilities	\$1,273,544	\$1,275,055	\$1,275,437
Paid-in Capital	\$1,250,000	\$1,250,000	\$1,250,000
Retained Earnings	(\$2,163,500)	(\$2,097,843)	(\$1,950,956)
Earnings	\$65,657	\$146,887	\$279,566
Total Capital	(\$847,843)	(\$700,956)	(\$421,391)
Total Liabilities and Capital	\$425,701	\$574,098	\$854,046
Net Worth	(\$847,843)	(\$700,956)	(\$421,391)

Appendix

Appendix Table: Sales Forecast (Planned)

Sales Forecast												
Unit Sales	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Membership Fees	175	150	40	40	35	35	80	65	45	40	40	35
Walk-in Fees	900	900	900	900	900	900	900	900	900	900	900	900
Camps, Clinics, and Programs	60	60	60	60	60	60	60	60	60	60	60	60
Court Rentals	60	60	60	60	60	60	60	60	60	60	60	60
Leagues	0	256	256	256	256	0	256	256	256	256	0	256
Personal Training	90	90	90	90	90	90	90	90	90	90	90	90
Pro Shop	1	1	1	1	1	1	1	1	1	1	1	1
Food and Beverages	1	1	1	1	1	1	1	1	1	1	1	1
Massage Therapy Clinic	60	90	90	90	90	90	90	90	90	90	90	90
Other (Outside Tournaments...)	0	1	0	0	1	0	0	1	0	0	1	0
Total Unit Sales	1,347	1,609	1,498	1,498	1,494	1,237	1,538	1,524	1,503	1,498	1,243	1,493
Unit Prices												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Membership Fees	\$647.00	\$647.00	\$647.00	\$647.00	\$647.00	\$647.00	\$647.00	\$647.00	\$647.00	\$647.00	\$647.00	\$647.00
Walk-in Fees	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
Camps, Clinics, and Programs	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Court Rentals	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Leagues	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00
Personal Training	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Pro Shop	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
Food and Beverages	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
Massage Therapy Clinic	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Other (Outside Tournaments...)	\$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
Total Sales	\$113,225	\$97,050	\$25,880	\$25,880	\$22,645	\$22,645	\$51,760	\$42,055	\$29,115	\$25,880	\$25,880	\$22,645
Membership Fees	\$4,050	\$4,050	\$4,050	\$4,050	\$4,050	\$4,050	\$4,050	\$4,050	\$4,050	\$4,050	\$4,050	\$4,050
Walk-in Fees	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Camps, Clinics, and Programs	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
Court Rentals	\$0	\$16,640	\$16,640	\$16,640	\$16,640	\$0	\$16,640	\$16,640	\$16,640	\$16,640	\$0	\$16,640
Leagues	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350
Personal Training	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Pro Shop	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Food and Beverages	\$300	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450
Massage Therapy Clinic	\$0	\$4,000	\$0	\$0	\$4,000	\$0	\$0	\$4,000	\$0	\$0	\$4,000	\$0
Other (Outside Tournaments...)	\$126,825	\$131,440	\$56,270	\$56,270	\$57,035	\$36,395	\$82,150	\$76,445	\$59,505	\$56,270	\$43,630	\$53,035
Total Sales	\$126,825	\$131,440	\$56,270	\$56,270	\$57,035	\$36,395	\$82,150	\$76,445	\$59,505	\$56,270	\$43,630	\$53,035
Direct Cost of Sales												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Membership Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Walk-in Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Camps, Clinics, and Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Court Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leagues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Personal Training	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pro Shop	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Food and Beverages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Massage Therapy Clinic	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other (Outside Tournaments...)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Appendix

Appendix Table: Personnel (Planned)

Personnel Plan	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Rich Bohne	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Brian Ehler	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Fitness Area Manager	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Food Service Manager	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Book Keeper	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
General Staff (7)	\$11,525	\$11,525	\$11,525	\$11,525	\$11,525	\$11,525	\$11,525	\$11,525	\$11,525	\$11,525	\$11,525	\$11,525
Janitor	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Payroll	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075
Total People	13	13	13	13	13	13	13	13	13	13	13	13
Payroll Burden	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511
Total Payroll Expenditures	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586

Appendix

Appendix Table: General Assumptions

General Assumptions	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
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 %	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
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 %	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
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	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Sales	\$126,825	\$131,440	\$56,270	\$56,270	\$57,035	\$36,395	\$82,150	\$76,445	\$59,505	\$56,270	\$43,630	\$53,035
Direct Cost of Sales	\$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
Total Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Margin	\$126,825	\$131,440	\$56,270	\$56,270	\$57,035	\$36,395	\$82,150	\$76,445	\$59,505	\$56,270	\$43,630	\$53,035
Gross Margin %	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Operating Expenses:												
Advertising/Promotion	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Printing and Postage	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Supplies (Office and Janitorial)	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350
TV Cable	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Payroll Expense	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075	\$30,075
Payroll Burden	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511	\$4,511
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Depreciation	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Depreciation	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Depreciation	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Depreciation	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Telephone	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Utilities (Gas, Electric, Water, Sewer)	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
Insurance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Management Fees	\$4,166	\$4,166	\$4,166	\$4,166	\$4,166	\$4,166	\$4,166	\$4,166	\$4,166	\$4,166	\$4,166	\$4,166
Total Operating Expenses	\$52,752	\$52,752	\$52,752	\$52,752	\$52,752	\$52,752	\$52,752	\$52,752	\$52,752	\$52,752	\$52,752	\$52,752
Profit Before Interest and Taxes	\$74,073	\$78,688	\$3,518	\$3,518	\$4,283	(\$16,357)	\$29,398	\$23,693	\$6,753	\$3,518	(\$9,122)	\$283
Interest Expense Short-term	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense Long-term	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417
Taxes Incurred	\$9,548	\$10,241	(\$1,035)	(\$1,035)	(\$920)	(\$4,016)	\$2,847	\$1,991	(\$550)	(\$1,035)	(\$2,931)	(\$1,520)
Extraordinary Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	\$54,108	\$58,030	(\$5,864)	(\$5,864)	(\$5,214)	(\$22,758)	\$16,134	\$11,285	(\$3,114)	(\$5,864)	(\$16,608)	(\$8,614)
Net Profit/Sales	42.66%	44.15%	-10.42%	-10.42%	-9.14%	-62.53%	19.64%	14.76%	-5.23%	-10.42%	-38.07%	-16.24%

Appendix

Appendix Table: Cash Flow (Planned)

Pro Forma Cash Flow	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cash Received												
Cash from Operations:												
Cash Sales	\$50,730	\$52,576	\$22,508	\$22,508	\$22,814	\$14,558	\$32,860	\$30,578	\$23,802	\$22,508	\$17,452	\$21,214
From Receivables	\$2,537	\$76,187	\$77,361	\$33,762	\$33,777	\$33,808	\$22,752	\$49,176	\$45,528	\$35,638	\$33,509	\$26,366
Subtotal Cash from Operations	\$53,267	\$128,763	\$99,869	\$56,270	\$56,591	\$48,366	\$55,612	\$79,754	\$69,330	\$58,146	\$50,961	\$47,580
Additional Cash Received												
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	\$53,267	\$128,763	\$99,869	\$56,270	\$56,591	\$48,366	\$55,612	\$79,754	\$69,330	\$58,146	\$50,961	\$47,580
Expenditures												
Expenditures from Operations:												
Cash Spent on Costs and Expenses	\$3,813	\$3,882	\$2,755	\$2,755	\$2,766	\$2,457	\$3,143	\$3,057	\$2,803	\$2,755	\$2,565	\$2,706
Wages, Salaries, Payroll Taxes, etc.	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586	\$34,586
Payment of Accounts Payable	\$1,144	\$34,339	\$34,603	\$24,793	\$24,796	\$24,803	\$22,316	\$28,261	\$27,440	\$25,215	\$24,736	\$23,129
Subtotal Spent on Operations	\$39,543	\$72,807	\$71,944	\$62,134	\$62,149	\$61,846	\$60,045	\$65,905	\$64,830	\$62,556	\$61,888	\$60,421
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
Adjustment for Assets Purchased on Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$39,543	\$72,807	\$71,944	\$62,134	\$62,149	\$61,846	\$60,045	\$65,905	\$64,830	\$62,556	\$61,888	\$60,421
Net Cash Flow	\$13,723	\$55,956	\$27,925	(\$5,864)	(\$5,558)	(\$13,480)	(\$4,433)	\$13,849	\$4,500	(\$4,410)	(\$10,926)	(\$12,841)
Cash Balance	\$350,223	\$406,179	\$434,104	\$428,240	\$422,682	\$409,202	\$404,769	\$418,618	\$423,118	\$418,708	\$407,782	\$394,941

Appendix

Appendix Table: Balance Sheet (Planned)

Pro Forma Balance Sheet

Assets	Starting Balances	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Short-term Assets													
Cash	\$336,500	\$350,223	\$406,179	\$434,104	\$428,240	\$422,682	\$409,202	\$404,769	\$418,618	\$423,118	\$418,708	\$407,782	\$394,941
Accounts Receivable	\$0	\$73,559	\$76,235	\$32,637	\$32,637	\$33,080	\$21,109	\$47,647	\$44,338	\$34,513	\$32,637	\$25,305	\$30,760
Inventory	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Short-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Short-term Assets	\$336,500	\$423,782	\$482,414	\$466,741	\$460,877	\$455,763	\$430,311	\$452,416	\$462,956	\$457,631	\$451,345	\$433,087	\$425,701
Long-term Assets													
Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Assets	\$336,500	\$423,782	\$482,414	\$466,741	\$460,877	\$455,763	\$430,311	\$452,416	\$462,956	\$457,631	\$451,345	\$433,087	\$425,701
Liabilities and Capital													
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Accounts Payable	\$0	\$33,174	\$33,776	\$23,967	\$23,967	\$24,066	\$21,373	\$27,344	\$26,599	\$24,389	\$23,967	\$22,317	\$23,544
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Short-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Short-term Liabilities	\$0	\$33,174	\$33,776	\$23,967	\$23,967	\$24,066	\$21,373	\$27,344	\$26,599	\$24,389	\$23,967	\$22,317	\$23,544
Long-term Liabilities	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000
Total Liabilities	\$1,250,000	\$1,283,174	\$1,283,776	\$1,273,967	\$1,273,967	\$1,274,066	\$1,271,373	\$1,277,344	\$1,276,599	\$1,274,389	\$1,273,967	\$1,272,317	\$1,273,544
Paid-in Capital	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000
Retained Earnings	(\$2,163,500)	(\$2,163,500)	(\$2,163,500)	(\$2,163,500)	(\$2,163,500)	(\$2,163,500)	(\$2,163,500)	(\$2,163,500)	(\$2,163,500)	(\$2,163,500)	(\$2,163,500)	(\$2,163,500)	(\$2,163,500)
Earnings	\$0	\$54,108	\$112,138	\$106,274	\$100,410	\$95,196	\$72,438	\$88,572	\$99,857	\$96,743	\$90,878	\$74,270	\$65,657
Total Capital	(\$913,500)	(\$859,392)	(\$801,362)	(\$807,226)	(\$813,090)	(\$818,304)	(\$841,062)	(\$824,928)	(\$813,643)	(\$816,757)	(\$822,622)	(\$839,230)	(\$847,843)
Total Liabilities and Capital	\$336,500	\$423,782	\$482,414	\$466,741	\$460,877	\$455,763	\$430,311	\$452,416	\$462,956	\$457,631	\$451,345	\$433,087	\$425,701
Net Worth	(\$913,500)	(\$859,392)	(\$801,362)	(\$807,226)	(\$813,090)	(\$818,304)	(\$841,062)	(\$824,928)	(\$813,643)	(\$816,757)	(\$822,622)	(\$839,230)	(\$847,843)