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1.0 Executive Summary

Trend Setters is a full-service beauty salon dedicated to consistently providing high customer satisfaction by rendering excellent service, quality products, and furnishing an enjoyable atmosphere at an acceptable price/value relationship. We will also maintain a friendly, fair, and creative work environment, which respects diversity, ideas, and hard work.

Our Mission: To supply services and products that enhance our clients' physical appearance and mental relaxation.

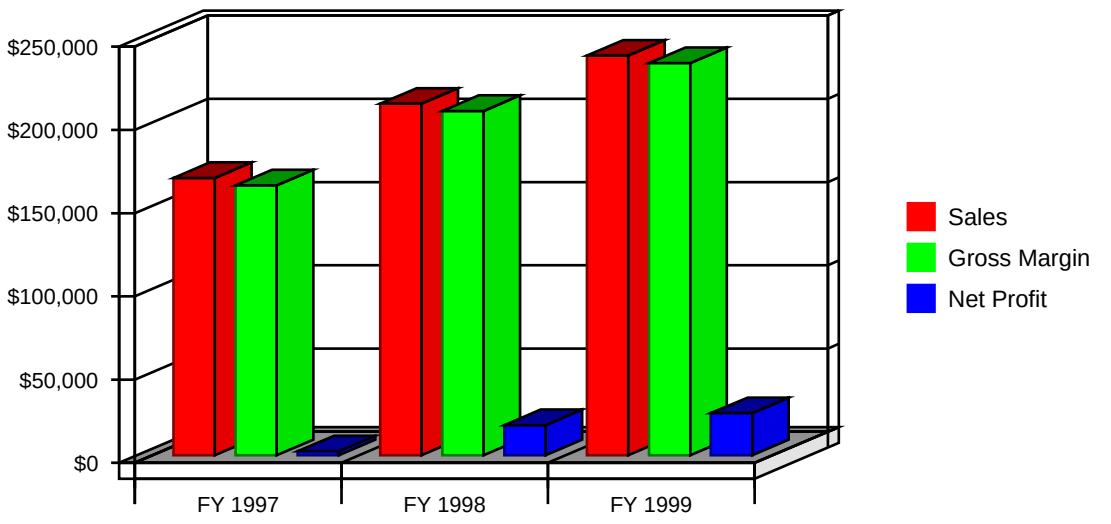
Our Motto: "The Trend Begins Here!"

The timing is right for starting this new venture. Patiently searching for six months for the perfect location, one was finally found. The demand from the owner's clients, as well as the ambitions of the owner to one day start her own salon, and the procurement of highly professional and qualified beauticians to support the salon, has made this business one of great potential.

Stacey Spinale, co-owner with Frank Spinale, Jr., her husband, has worked in a prestigious, upscale salon in MyTown, Texas for the past two years. Stacey has created a large client following through hard work and dedication. Stacey, and her talented team of beauticians, has what it takes to make this venture an extremely successful one. We expect our growing reputation to lead to new clients and beauticians to support our anticipated growth.

To achieve our objectives, Trend Setters is seeking additional loan financing. This loan will be paid from the cash flow from the business, and will be collateralized by the assets of the company, and backed by the character, experience, and personal guarantees of the owners.

Highlights



1.1 Keys to Success

The keys to success in our business are:

- **Location**: providing an easily accessible location for customers.
- **Environment**: providing an environment conducive to giving relaxing and professional service.
- **Convenience**: offering clients a wide range of services in one setting, and extended business hours.
- **Reputation**: reputation of the owner and other "beauticians" as providing superior personal service.

2.0 Company Summary

Trend Setters will, upon commencement of operations, sell a wide range of beauty services and products. We will provide quality hair, nail, and skin services, along with top lines of beauty products. What will set Trend Setters apart from the competition is our commitment to providing all of these services in one convenient location.

2.1 Start-up Summary

After spending several months searching for a salon to purchase, the owners decided to start a salon from the ground up. The start-up capital will be used for the design, leasehold improvements, and equipment of the salon.

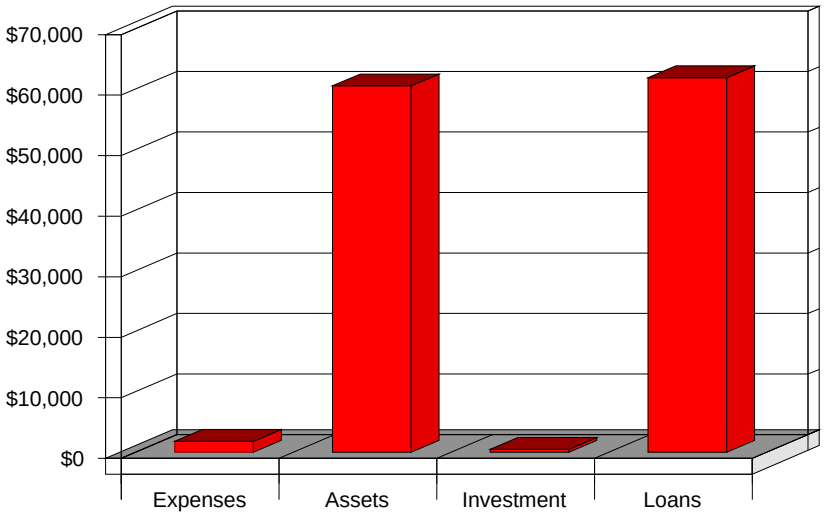
Leasehold improvements will amount to approximately $32,500, and salon equipment will cost about $27,000. The owner will invest $500 for cash-on-hand at starting date.

Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Rent deposit	$1,817
Other	$0
Total Start-up Expenses	$1,817
Start-up Assets	
Cash Required	$500
Other Current Assets	$600
Long-term Assets	$59,500
Total Assets	$60,600
Total Requirements	$62,417

Table: Start-up Funding

Start-up Funding	
Start-up Expenses to Fund	$1,817
Start-up Assets to Fund	$60,600
Total Funding Required	$62,417
Assets	
Non-cash Assets from Start-up	$60,100
Cash Requirements from Start-up	$500
Additional Cash Raised	$0
Cash Balance on Starting Date	$500
Total Assets	$60,600
Liabilities and Capital	
Liabilities	
Current Borrowing	$0
Long-term Liabilities	$61,917
Accounts Payable (Outstanding Bills)	$0
Other Current Liabilities (interest-free)	$0
Total Liabilities	$61,917
Capital	
Planned Investment	
Owner	$500
Other	$0
Other	$0
Additional Investment Requirement	$0
Total Planned Investment	$500
Loss at Start-up (Start-up Expenses)	($1,817)
Total Capital	($1,317)
Total Capital and Liabilities	$60,600
Total Funding	$62,417



2.2 Company Locations and Facilities

The salon will be located in a retail strip mall at 1234 Stylish Road, MyTown. The salon will utilize 1,540 square feet. The location is strategically situated on one of the busiest streets in MyTown. It is a high profile area, with easy access from all parts of town.

3.0 Products and Services

Trend Setters is considered an upscale full-service beauty salon. We will offer a wide range of services that include:

- **Hair**: cuts, relaxers, perms, colors, shampoo, conditioning, curling, reconstructing, weaving, waving.
- **Nails**: manicures, pedicures, polish, sculptured nails.
- **Skin Care**: European facials, body waxing, massage.

3.1 Competitive Comparison

Trend Setters wants to set itself apart from other beauty salons that may offer only one or two types of services. Having come from such a salon, Stacey has realized, from talking with her clients, that they desire all of the services that we are proposing, but they remain frustrated because they must get their hair done at one place, and nails done at another. Although the focus of Trend Setters is hair services, we do wish to offer our clients the convenience of these other services in one location.

There are a number of salons like ours, but they are mainly in the very high income parts of MyTown and surrounding areas. We do not intend to compete with these so called "Day Spas." We wish to offer a middle ground for those clients who can't quite afford those high-end luxury salons.

Our business atmosphere will be a relaxing one where clients can kick back and be pampered. Soft drinks will be offered to clients as they enter for service. Televisions will be located in the waiting and hair-drying area area.

4.0 Marketing Strategy

Our marketing strategy is a simple one: satisfied clients are our best marketing tool. When a client leaves our business with a new look, he or she is broadcasting our name and quality to the public. Most of our clients will be referrals from existing clients.

No major advertising campaigns are anticipated. Our research has shown that word of mouth is the best advertising for this type of business. We will, however, run specials throughout the week. We will also ask clients for referrals, and reward them with discounted or free services depending on the number of clients they bring. We will also offer discounts to the new clients who have been referred. There are plans for a lottery that will offer a free trip to, say, Cancun. A client would simply refer new clients to us, and we will place a card in a box for each client he or she brings. The more they bring, the more chances they have of winning the trip.

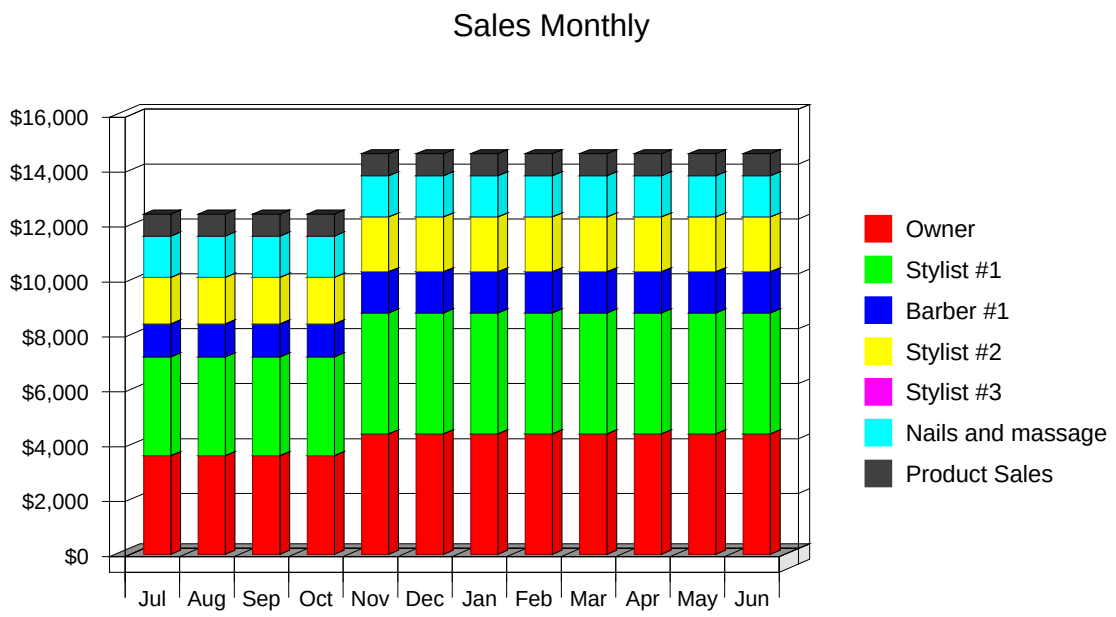
4.1 Sales Forecast

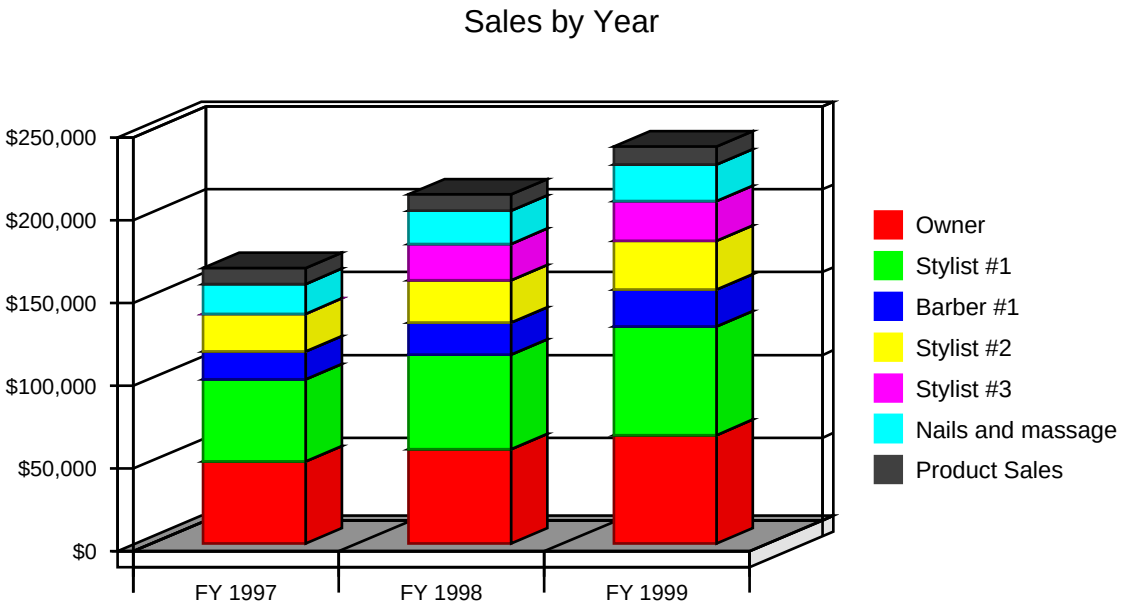
The following table and charts show our projected sales. We expect income to increase steadily over the next three years, as the reputation of the salon, its stylists and services become apparent to the general public. Second year revenues also anticipate the addition of one new stylist.

Note that we list no direct cost of sales here for services, only for products, since our service costs are more accurately tracked as regular monthly expenses for supplies in the Profit and Loss table.

Table: Sales Forecast

Sales Forecast			
	FY 1997	FY 1998	FY 1999
Sales			
Owner	$49,600	$57,040	$65,596
Stylist #1	$49,600	$57,040	$65,596
Barber #1	$16,800	$19,320	$22,218
Stylist #2	$22,800	$25,622	$29,465
Stylist #3	$0	$22,000	$24,000
Nails and massage	$18,000	$20,000	$22,000
Product Sales	$9,600	$10,000	$11,000
Total Sales	$166,400	$211,022	$239,875
Direct Cost of Sales	FY 1997	FY 1998	FY 1999
Product Costs	$4,320	$4,300	$4,400
Other	$0	$0	$0
Subtotal Direct Cost of Sales	$4,320	$4,300	$4,400





5.0 Management Summary

Trend Setters will be organized and managed in a creative and innovative fashion to generate very high levels of customer satisfaction, and to create a working climate conducive to a high degree of personal development and economic satisfaction for employees.

Training classes to help improve employee product knowledge and skills will be conducted on a regular basis. As the business grows, the company will consider offering an employee benefit package to include health and vacation benefits for everyone.

5.1 Management Team

Stacey T. Spinale: Owner. Stacey has been a beautician for two years. A graduate of X Beauty College in 1994, she has quickly developed the trade skills that have led to her success. She loves dealing with people, and has the drive, ambition, and discipline to manage the business and its employees. This career is her life -- her calling.

Frank D. Spinale, Jr.: Owner. Frank has a Bachelor's degree in Finance from the University of MyTown. He has extensive experience managing people and businesses. He has worked as a business consultant for Company A., and he is the owner of a financial services company with over 120 clients and over $1.2 million under management.

5.2 Personnel Plan

The personnel plan calls for a receptionist who will greet customers and receive payments for services and products. There will be five hair stylists, one barber, one nail technician, one facialist, and a massage therapist. Everyone but the receptionist will be contract workers, and will be paid a sliding commission scale based on the amount of revenue created. Future plans include the hiring of a shampoo technician as the business expands.

In the first year, assumptions are that there will only be three hair stylists, a barber, and part time nail, facial, and massage technician until the business can build a reputation that will attract others to work there.

Table: Personnel

Personnel Plan	FY 1997	FY 1998	FY 1999
Owner (Stylist)	$24,000	$25,000	$26,000
Receptionist	$14,400	$15,120	$15,876
Shampoo Tech	$8,000	$12,400	$13,000
Total People	0	0	0
Total Payroll	$46,400	$52,520	$54,876

6.0 Financial Plan

Our goal is to be a profitable business beginning in the first month. The business will not have to wait long for clients to learn about it since the stylists will already have an existing client base.

The financials that are enclosed have a number of assumptions:

Revenues will grow at an annual rate of 15%, increasing 20% in November and December due to a historical jump in revenues at this time of year. We anticipate this increase to stay steady throughout the following year to account for the normal flow of new clients coming into the salon. Estimates for sales revenue and growth are intentionally low, while anticipated expenses are exaggerated to the high side to illustrate a worst case scenario.

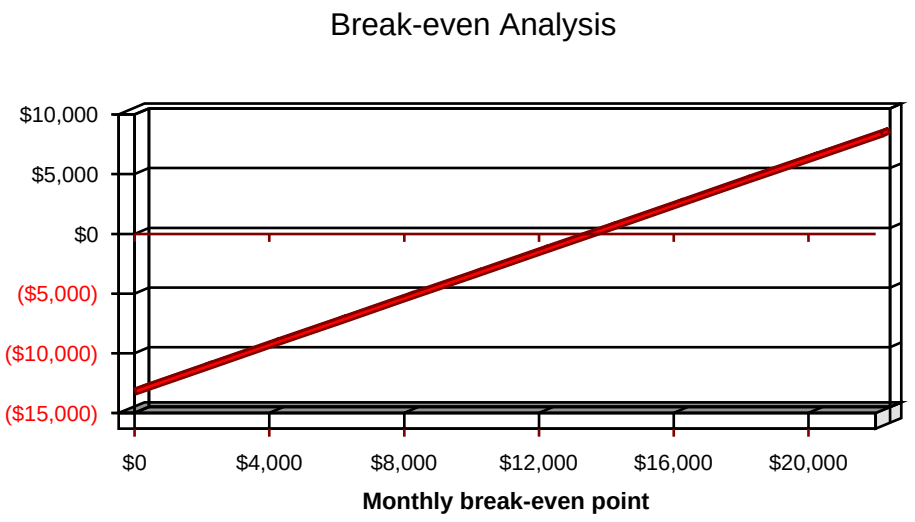
We did not use cost of goods sold in our calculations of net service sales, but included all related recurring expenses, such as payroll and supplies, in the operating expenses area of the profit and loss table. The only direct costs in the sales forecast are for projected product sales.

Product sales are a minimal part of our market. We are not quite sure how much revenue will be derived from products, so we took a low-ball approach and estimated sales of $800 a month. Also in the sales projections table are services such as nails and massages. We are not quite sure how much revenue these two services will generate. We are certain that in time these services will be a large part of our revenue, but to err on the conservative side, we estimate revenues from these services to be only $1,500 a month for the first year.

To assure the start-up funds lender that the owners are financially stable, a personal financial statement is enclosed illustrating other sources of income that include interest and dividend income from investments ($2,840), salary income ($29,658), and commission income ($15,000).

6.1 Break-even Analysis

The break-even analysis shows that Trend Setters has a good balance of fixed costs and sufficient sales strength to remain healthy. This calculation is focused on service sales, and excludes costs related to product sales. Our conservative forecast shows the salon just passing the break-even point throughout most of the first year, but we expect actual sales to be higher.



Break-even point = where line intersects with 0

Table: Break-even Analysis

Break-even Analysis	
Monthly Revenue Break-even	$13,590
Assumptions:	
Average Percent Variable Cost	3%
Estimated Monthly Fixed Cost	$13,237

6.2 Projected Profit and Loss

The following table shows our very conservative profit and loss projections for the next three years. The table includes the payments for all independently contracted stylists and technicians, as well for all regularly occurring supply expenses associated with service sales.

Table: Profit and Loss

Pro Forma Profit and Loss	FY 1997	FY 1998	FY 1999
Sales	$166,400	$211,022	$239,875
Direct Cost of Sales	$4,320	$4,300	$4,400
Other	$0	$0	$0
	---	---	---
Total Cost of Sales	$4,320	$4,300	$4,400
Gross Margin	$162,080	$206,722	$235,475
Gross Margin %	97.40%	97.96%	98.17%
Expenses			
Payroll	$46,400	$52,520	$54,876
Marketing/Promotion	$22,800	$24,000	$26,000
Depreciation	$8,146	$8,146	$8,146
Leased Equipment	$0	$0	$0
Utilities	$4,200	$4,200	$4,200
Insurance	$1,200	$1,200	$1,200
Rent	$22,740	$22,740	$22,740
Independently Contracted Stylists	$40,400	$55,000	$69,000
Supplies	$6,000	$6,000	$6,000
Payroll Taxes	$6,960	$7,878	$8,231
Other	$0	$0	$0
	---	---	---
Total Operating Expenses	$158,846	$181,684	$200,393
Profit Before Interest and Taxes	$3,234	$25,038	$35,082
EBITDA	$11,380	$33,184	$43,228
Interest Expense	$0	$0	$0
Taxes Incurred	$911	$7,011	$9,881
Net Profit	$2,323	$18,027	$25,200
Net Profit/Sales	1.40%	8.54%	10.51%

6.3 Projected Cash Flow

We expect to manage cash flow over the next three years simply by the growth of the cash flow of the business. The business will generate more than enough cash flow to cover all of its expenses.

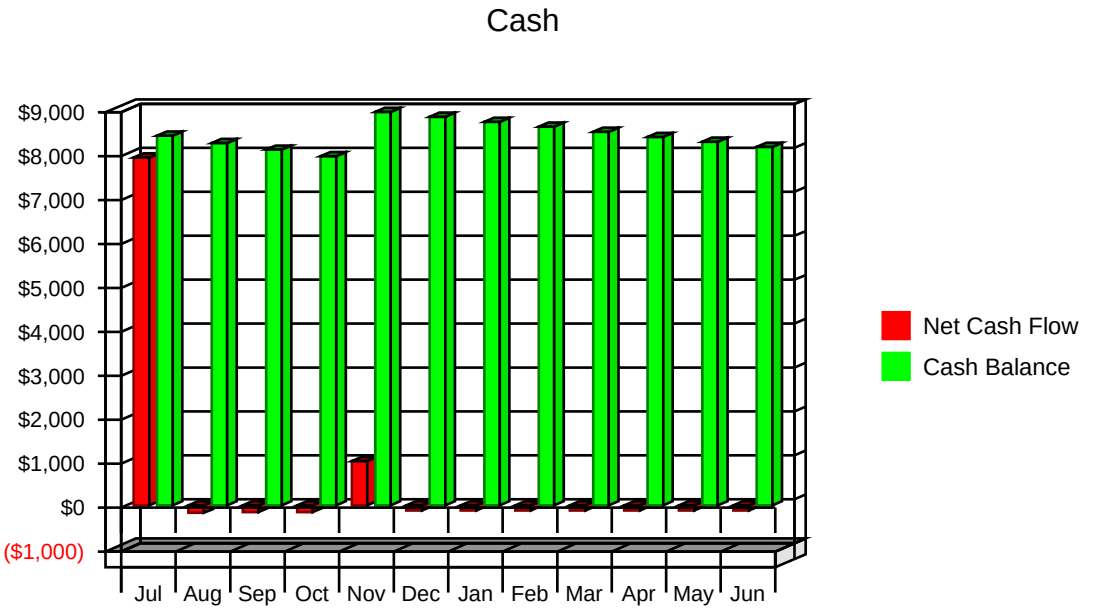


Table: Cash Flow

Pro Forma Cash Flow	FY 1997	FY 1998	FY 1999
Cash Received			
Cash from Operations			
Cash Sales	$166,400	$211,022	$239,875
Subtotal Cash from Operations	$166,400	$211,022	$239,875
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 Current Assets	$0	$0	$0
Sales of Long-term Assets	$0	$0	$0
New Investment Received	$0	$0	$0
Subtotal Cash Received	$166,400	$211,022	$239,875
Expenditures	FY 1997	FY 1998	FY 1999
Expenditures from Operations			
Cash Spending	$46,400	$52,520	$54,876
Bill Payments	$100,334	$130,649	$150,064
Subtotal Spent on Operations	$146,734	$183,169	$204,940
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	$12,000	$12,000	$12,000
Purchase Other Current Assets	$0	$0	$0
Purchase Long-term Assets	$0	$0	$0
Dividends	$0	$0	$0
Subtotal Cash Spent	$158,734	$195,169	$216,940
Net Cash Flow	$7,666	$15,853	$22,935
Cash Balance	$8,166	$24,019	$46,953

6.4 Projected Balance Sheet

As shown in the balance sheet, we expect a healthy growth in net worth.

Table: Balance Sheet

Pro Forma Balance Sheet	FY 1997	FY 1998	FY 1999
Assets			
Current Assets			
Cash	$8,166	$24,019	$46,953
Other Current Assets	$600	$600	$600
Total Current Assets	$8,766	$24,619	$47,553
Long-term Assets			
Long-term Assets	$59,500	$59,500	$59,500
Accumulated Depreciation	$8,146	$16,292	$24,438
Total Long-term Assets	$51,354	$43,208	$35,062
Total Assets	$60,120	$67,827	$82,615
Liabilities and Capital	FY 1997	FY 1998	FY 1999
Current Liabilities			
Accounts Payable	$9,197	$10,876	$12,465
Current Borrowing	$0	$0	$0
Other Current Liabilities	$0	$0	$0
Subtotal Current Liabilities	$9,197	$10,876	$12,465
Long-term Liabilities	$49,917	$37,917	$25,917
Total Liabilities	$59,114	$48,793	$38,382
Paid-in Capital	$500	$500	$500
Retained Earnings	($1,817)	$506	$18,533
Earnings	$2,323	$18,027	$25,200
Total Capital	$1,006	$19,033	$44,233
Total Liabilities and Capital	$60,120	$67,827	$82,615
Net Worth	$1,006	$19,033	$44,233

6.5 Business Ratios

Business ratios for the years of this plan are shown below. Industry profile ratios based on the Standard Industrial Classification (SIC) Index code 7231, Beauty Shops, are shown for comparison.

Table: Ratios

Ratio Analysis	FY 1997	FY 1998	FY 1999	Industry Profile
Sales Growth	0.00%	26.82%	13.67%	7.50%
Percent of Total Assets				
Other Current Assets	1.00%	0.88%	0.73%	36.10%
Total Current Assets	14.58%	36.30%	57.56%	52.40%
Long-term Assets	85.42%	63.70%	42.44%	47.60%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	15.30%	16.04%	15.09%	31.90%
Long-term Liabilities	83.03%	55.90%	31.37%	26.80%
Total Liabilities	98.33%	71.94%	46.46%	58.70%
Net Worth	1.67%	28.06%	53.54%	41.30%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	97.40%	97.96%	98.17%	0.00%
Selling, General & Administrative Expenses	98.09%	92.51%	90.52%	73.40%
Advertising Expenses	2.08%	1.67%	1.60%	2.50%
Profit Before Interest and Taxes	1.94%	11.87%	14.62%	3.20%
Main Ratios				
Current	0.95	2.26	3.82	1.79
Quick	0.95	2.26	3.82	1.34
Total Debt to Total Assets	98.33%	71.94%	46.46%	58.70%
Pre-tax Return on Net Worth	321.52%	131.55%	79.31%	5.20%
Pre-tax Return on Assets	5.38%	36.91%	42.46%	12.50%
Additional Ratios	FY 1997	FY 1998	FY 1999	
Net Profit Margin	1.40%	8.54%	10.51%	n.a
Return on Equity	230.94%	94.72%	56.97%	n.a
Activity Ratios				
Accounts Payable Turnover	11.91	12.17	12.17	n.a
Payment Days	27	28	28	n.a
Total Asset Turnover	2.77	3.11	2.90	n.a
Debt Ratios				
Debt to Net Worth	58.77	2.56	0.87	n.a
Current Liab. to Liab.	0.16	0.22	0.32	n.a
Liquidity Ratios				
Net Working Capital	($431)	$13,742	$35,088	n.a
Interest Coverage	0.00	0.00	0.00	n.a
Additional Ratios				
Assets to Sales	0.36	0.32	0.34	n.a
Current Debt/Total Assets	15%	16%	15%	n.a
Acid Test	0.95	2.26	3.82	n.a
Sales/Net Worth	165.43	11.09	5.42	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Appendix Table: Sales Forecast

Sales Forecast		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Sales													
Owner	0%	$3,600	$3,600	$3,600	$3,600	$4,400	$4,400	$4,400	$4,400	$4,400	$4,400	$4,400	$4,400
Stylist #1	0%	$3,600	$3,600	$3,600	$3,600	$4,400	$4,400	$4,400	$4,400	$4,400	$4,400	$4,400	$4,400
Barber #1	0%	$1,200	$1,200	$1,200	$1,200	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500
Stylist #2	0%	$1,700	$1,700	$1,700	$1,700	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000
Stylist #3	0%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Nails and massage	0%	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500
Product Sales	0%	$800	$800	$800	$800	$800	$800	$800	$800	$800	$800	$800	$800
Total Sales		$12,400	$12,400	$12,400	$12,400	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600
Direct Cost of Sales		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Product Costs	0%	$360	$360	$360	$360	$360	$360	$360	$360	$360	$360	$360	$360
Other	0%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Direct Cost of Sales		$360	$360	$360	$360	$360	$360	$360	$360	$360	$360	$360	$360

Appendix Table: Personnel

Personnel Plan		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Owner (Stylist)	0%	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000
Receptionist	0%	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200
Shampoo Tech	0%	$0	$0	$0	$0	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Total People		0	0	0	0	0	0	0	0	0	0	0	0
Total Payroll		$3,200	$3,200	$3,200	$3,200	$4,200	$4,200	$4,200	$4,200	$4,200	$4,200	$4,200	$4,200

Appendix Table: General Assumptions

General Assumptions	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current Interest Rate	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Long-term Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	30.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Other	0	0	0	0	0	0	0	0	0	0	0	0

Appendix Table: Profit and Loss

Pro Forma Profit and Loss		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Sales		$12,400	$12,400	$12,400	$12,400	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600
Direct Cost of Sales		$360	$360	$360	$360	$360	$360	$360	$360	$360	$360	$360	$360
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		---	---	---	---	---	---	---	---	---	---	---	---
Total Cost of Sales		$360	$360	$360	$360	$360	$360	$360	$360	$360	$360	$360	$360
Gross Margin		$12,040	$12,040	$12,040	$12,040	$14,240	$14,240	$14,240	$14,240	$14,240	$14,240	$14,240	$14,240
Gross Margin %		97.10%	97.10%	97.10%	97.10%	97.53%	97.53%	97.53%	97.53%	97.53%	97.53%	97.53%	97.53%
Expenses													
Payroll		$3,200	$3,200	$3,200	$3,200	$4,200	$4,200	$4,200	$4,200	$4,200	$4,200	$4,200	$4,200
Marketing/Promotion		$1,900	$1,900	$1,900	$1,900	$1,900	$1,900	$1,900	$1,900	$1,900	$1,900	$1,900	$1,900
Depreciation		$633	$683	$683	$683	$683	$683	$683	$683	$683	$683	$683	$683
Leased Equipment		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Utilities		$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350
Insurance		$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100
Rent		$1,895	$1,895	$1,895	$1,895	$1,895	$1,895	$1,895	$1,895	$1,895	$1,895	$1,895	$1,895
Independently Contracted Stylists		$2,700	$2,700	$2,700	$2,700	$3,700	$3,700	$3,700	$3,700	$3,700	$3,700	$3,700	$3,700
Supplies	0%	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500
Payroll Taxes	15%	$480	$480	$480	$480	$630	$630	$630	$630	$630	$630	$630	$630
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
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Total Operating Expenses		$11,758	$11,808	$11,808	$11,808	$13,958	$13,958	$13,958	$13,958	$13,958	$13,958	$13,958	$13,958
Profit Before Interest and Taxes		$282	$232	$232	$232	$282	$282	$282	$282	$282	$282	$282	$282
EBITDA		$915	$915	$915	$915	$965	$965	$965	$965	$965	$965	$965	$965
Interest Expense		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Taxes Incurred		$85	$65	$65	$65	$79	$79	$79	$79	$79	$79	$79	$79
Net Profit		$197	$167	$167	$167	$203	$203	$203	$203	$203	$203	$203	$203
Net Profit/Sales		1.59%	1.35%	1.35%	1.35%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%

Appendix Table: Cash Flow

Pro Forma Cash Flow		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cash Received													
Cash from Operations													
Cash Sales		$12,400	$12,400	$12,400	$12,400	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600
Subtotal Cash from Operations		$12,400	$12,400	$12,400	$12,400	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600
Additional Cash Received													
Sales Tax, VAT, HST/GST Received	0.00%	$0	$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 Current 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		$12,400	$12,400	$12,400	$12,400	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600	$14,600
Expenditures		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Expenditures from Operations													
Cash Spending		$3,200	$3,200	$3,200	$3,200	$4,200	$4,200	$4,200	$4,200	$4,200	$4,200	$4,200	$4,200
Bill Payments		$279	$8,369	$8,350	$8,350	$8,389	$9,514	$9,514	$9,514	$9,514	$9,514	$9,514	$9,514
Subtotal Spent on Operations		$3,479	$11,569	$11,550	$11,550	$12,589	$13,714	$13,714	$13,714	$13,714	$13,714	$13,714	$13,714
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		$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Purchase Other Current 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
Subtotal Cash Spent		$4,479	$12,569	$12,550	$12,550	$13,589	$14,714	$14,714	$14,714	$14,714	$14,714	$14,714	$14,714
Net Cash Flow		$7,921	($169)	($150)	($150)	$1,011	($114)	($114)	($114)	($114)	($114)	($114)	($114)
Cash Balance		$8,421	$8,252	$8,102	$7,952	$8,963	$8,849	$8,735	$8,622	$8,508	$8,394	$8,280	$8,166

Appendix Table: Balance Sheet

Pro Forma Balance Sheet		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Assets	Starting Balances												
Current Assets													
Cash	$500	$8,421	$8,252	$8,102	$7,952	$8,963	$8,849	$8,735	$8,622	$8,508	$8,394	$8,280	$8,166
Other Current Assets	$600	$600	$600	$600	$600	$600	$600	$600	$600	$600	$600	$600	$600
Total Current Assets	$1,100	$9,021	$8,852	$8,702	$8,552	$9,563	$9,449	$9,335	$9,222	$9,108	$8,994	$8,880	$8,766
Long-term Assets													
Long-term Assets	$59,500	$59,500	$59,500	$59,500	$59,500	$59,500	$59,500	$59,500	$59,500	$59,500	$59,500	$59,500	$59,500
Accumulated Depreciation	$0	$633	$1,316	$1,999	$2,682	$3,365	$4,048	$4,731	$5,414	$6,097	$6,780	$7,463	$8,146
Total Long-term Assets	$59,500	$58,867	$58,184	$57,501	$56,818	$56,135	$55,452	$54,769	$54,086	$53,403	$52,720	$52,037	$51,354
Total Assets	$60,600	$67,888	$67,036	$66,203	$65,370	$65,698	$64,901	$64,104	$63,308	$62,511	$61,714	$60,917	$60,120
Liabilities and Capital		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Current Liabilities													
Accounts Payable	$0	$8,091	$8,072	$8,072	$8,072	$9,197	$9,197	$9,197	$9,197	$9,197	$9,197	$9,197	$9,197
Current Borrowing	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Current Liabilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Current Liabilities	$0	$8,091	$8,072	$8,072	$8,072	$9,197	$9,197	$9,197	$9,197	$9,197	$9,197	$9,197	$9,197
Long-term Liabilities	$61,917	$60,917	$59,917	$58,917	$57,917	$56,917	$55,917	$54,917	$53,917	$52,917	$51,917	$50,917	$49,917
Total Liabilities	$61,917	$69,008	$67,989	$66,989	$65,989	$66,114	$65,114	$64,114	$63,114	$62,114	$61,114	$60,114	$59,114
Paid-in Capital	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500
Retained Earnings	($1,817)	($1,817)	($1,817)	($1,817)	($1,817)	($1,817)	($1,817)	($1,817)	($1,817)	($1,817)	($1,817)	($1,817)	($1,817)
Earnings	$0	$197	$364	$531	$699	$902	$1,105	$1,308	$1,511	$1,714	$1,917	$2,120	$2,323
Total Capital	($1,317)	($1,120)	($953)	($786)	($618)	($415)	($212)	($9)	$194	$397	$600	$803	$1,006
Total Liabilities and Capital	$60,600	$67,888	$67,036	$66,203	$65,370	$65,698	$64,901	$64,104	$63,308	$62,511	$61,714	$60,917	$60,120
Net Worth	($1,317)	($1,120)	($953)	($786)	($618)	($415)	($212)	($9)	$194	$397	$600	$803	$1,006