

Commercial Contractors, LLC

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Mr. Owner and Mr. Doe, Owners

Business Plan Prepared by
Mr. Doe

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Confidentiality Agreement

The reader of this business plan acknowledges that the information contained herein is personal and confidential and cannot be discussed, copied or otherwise disseminated without the prior written consent of Mr. Owner and Mr. Doe.

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Forwarded to Hibernia National Bank on November 2, 2004

Recipient

Hibernia National Bank

1.0 Executive Summary

Introduction

Commercial Contractors, LLC, is a small construction company formed from the merger of General Construction, LLC and ACME General Contractors. The company has successfully operated in the New Orleans area for the past six years working on both small and large scale construction, repair, and alteration projects focusing on residential contracting. With the business boom that is occurring in our local area and the desire to improve overall profit margins, the company is planning to shift its target market from residential clients to the larger commercial customers. The 2005-2008 business plan will lay out our goals and tasks to make this transition successful and create enough market share to succeed in this highly competitive market.

The Company

New Orleans based Commercial Contractors, LLC, began in 1998 when Mr. Owner began his own company, General Construction. In 2001 the original company was merged with another small scale local company, ACME General Contractors and the company began to bid successfully for larger scale projects.

Services

Commercial Contractors offers comprehensive services designed allow the company to do whatever it takes to finish a project. Some of these services include; design work, remodeling and alterations, permitting, site preparation, carpentry, cement foundations, painting, and plumbing and utilities installation. In addition, skills Commercial Contractors lacks can be subcontracted.

The Market

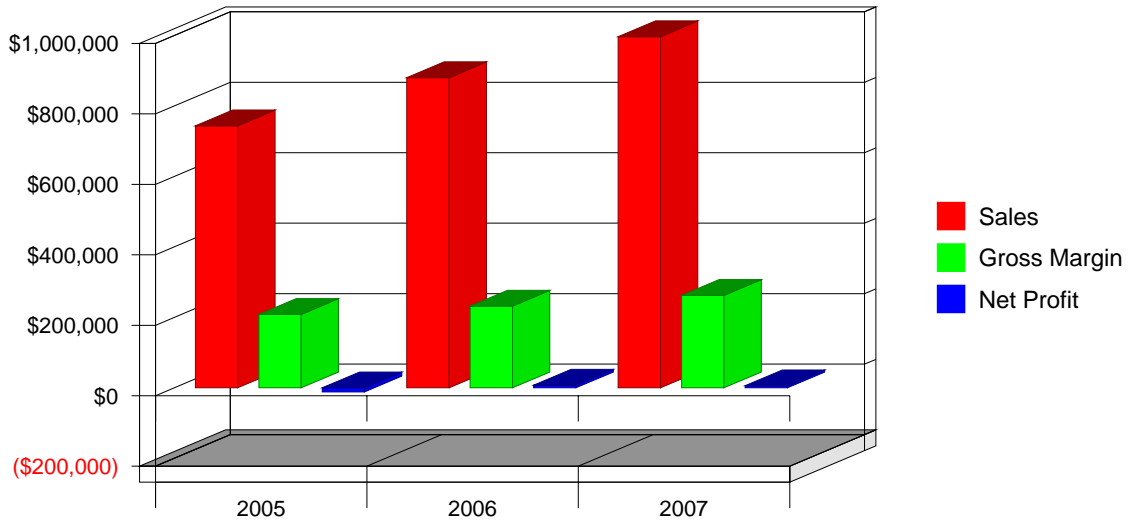
The New Orleans area is growing at this moment, overall business growth during the past seven years has averaged approximately 5.5% and is expected to continue for at least the next four years. This makes for a very attractive market for Commercial Contractors.

We will be concentrating on the customers that will provide us with the greatest margin, in other words those clients desiring office building construction. This is the fastest growing segment of commercial clients requiring our services. The other categories that we will serve include the restaurant segment, the special facilities segment, and all other potential commercial clients.

Financial Considerations

Commercial Contractors has only a small amount of debt and intends to stay that way. We expect to see increased profits from our market shift efforts by the end of 2006. Over the next three years we expect lower profits as we make inroads into this tough market. We estimate that we will be able to reduce marginal costs and increase overall profitability by 2008 or 2009 as we grow and take advantages of economies of scale.

Highlights



1.1 Objectives

Commercial Contractors plans to:

- Significantly expand into the commercial and office building contracting market to improve profit margins and increase local market share.
- Expand services and decrease costs by creating a permanent painting crew, as well as adding a bookkeeper and an accountant to our staff.
- Begin to market and offer services in the Baton Rouge area in preparation for opening an office there in 2006.

1.2 Mission

Commercial Contractors strives to offer the finest quality design, site preparation, cost estimates, construction, repair, and alteration to clients needing large scale construction services, whether it be office buildings, warehouses, large apartment complexes, public works, etc. Commercial Contractors maintains the highest standards of service in the commercial construction industry.

1.3 Keys to Success

The local commercial construction market is booming at the moment. In order to achieve a defensible position in this environment, Commercial Contractors must concentrate on the following tasks.

- Secure at least five large scale commercial contracts over the next two years.
- Expand our customer base through expansion into other geographic areas to retain a sufficient level of profitability.
- Increase marketing expenditures by 15%.

2.0 Company Summary

Commercial Contractors, LLC began in 1998 when Mr. Owner began his own company, General Construction Company in the New Orleans area. In 2001 the original company was merged with another small-scale local company, Acme General Contractors, and the company began to bid successfully for larger scale projects.

In 2002 the company's management came to the conclusion that the firm had grown sufficiently to alter its primary target market segment from the residential construction segment to the higher margin office and commercial construction segment.

2.1 Company Ownership

Commercial Contractors is a Limited Liability Company registered in the state of Louisiana. Commercial Contractors, LLC is exclusively owned by Mr. Owner (50%) and his partner, Mr. John Doe (50%).

2.2 Company History

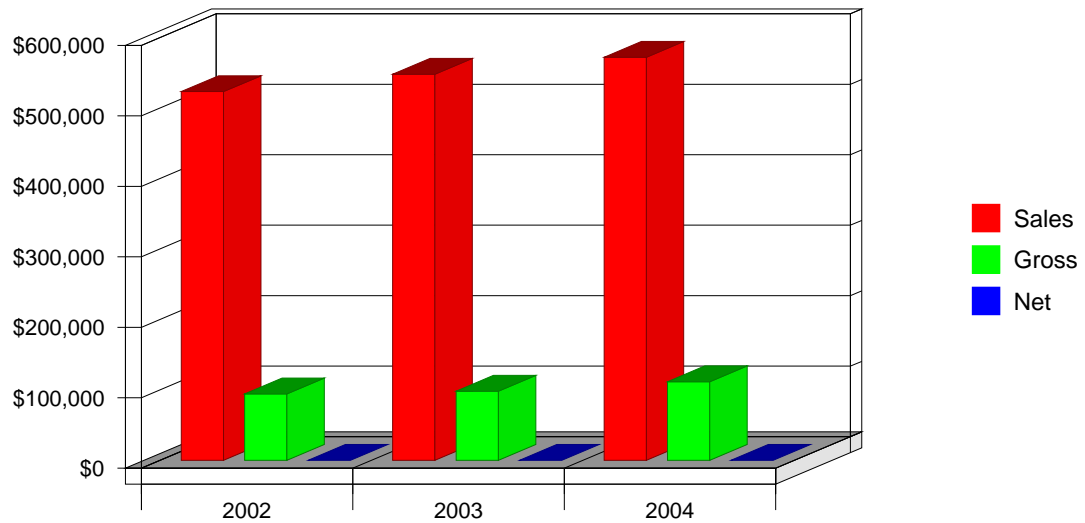
Commercial Contractors, LLC began in the New Orleans area in 1998 when Mr. Owner, who had worked in the residential construction business for ten years, began his own company, General Construction Company in the New Orleans area. For the next four years the company grew slowly, working mostly on small scale residential projects while gaining a reputation for quality services and reliability. In 2002 the original company was merged with another small-scale local company and the new company began to bid successfully for larger projects. The company maintains a General Contractor's license in the state of Louisiana.

In 2002 the company's management came to the conclusion that the firm had grown sufficiently to alter its primary target market from the residential construction segment to the higher margin office and commercial construction segment.

Table: Past Performance

Past Performance	2002	2003	2004
Sales	\$523,276	\$547,870	\$571,976
Gross Margin	\$94,190	\$98,124	\$111,364
Gross Margin %	18.00%	17.91%	19.47%
Operating Expenses	\$41,129	\$43,063	\$44,957
Collection Period (days)	42	45	48
Inventory Turnover	2.00	2.00	2.00
Balance Sheet			
Current Assets	2002	2003	2004
Cash	\$36,705	\$38,430	\$40,428
Accounts Receivable	\$18,215	\$22,403	\$23,157
Inventory	\$39,240	\$41,083	\$43,220
Other Current Assets	\$37,300	\$35,661	\$37,991
Total Current Assets	\$131,460	\$137,577	\$144,796
Long-term Assets			
Capital Assets	\$18,540	\$19,411	\$20,421
Accumulated Depreciation	\$6,000	\$7,000	\$8,000
Total Long-term Assets	\$12,540	\$12,411	\$12,421
Total Assets	\$144,000	\$149,988	\$157,217
Capital and Liabilities			
	2002	2003	2004
Accounts Payable	\$23,300	\$22,600	\$25,400
Current Borrowing	\$17,000	\$18,000	\$20,000
Other Current Liabilities	\$20,600	\$23,162	\$21,677
Subtotal Current Liabilities	\$60,900	\$63,762	\$67,077
Long-term Liabilities	\$17,438	\$18,164	\$19,039
Total Liabilities	\$78,338	\$81,926	\$86,116
Paid-in Capital	\$0	\$0	\$0
Retained Earnings	\$65,662	\$68,062	\$71,101
Earnings	\$0	\$0	\$0
Total Capital	\$65,662	\$68,062	\$71,101
Total Capital and Liabilities	\$144,000	\$149,988	\$157,217
Other Inputs			
	2002	2003	2004
Payment Days	15	15	15
Sales on Credit	\$156,983	\$164,361	\$171,593
Receivables Turnover	8.62	7.34	7.41

Past Performance



3.0 Services

Commercial Contractors offers a comprehensive package of services designed to allow the client to work with one of our managers and create a project the company can carry forward to completion. Some of the myriad services Commercial Contractors offers are:

- Remodeling and alterations
- Permitting
- Site preparation
- Carpentry
- Cement foundations
- Painting
- Plumbing and utilities installation
- Exterior renovations
- Roofing
- Subcontractor assessment and evaluation.

4.0 Market Analysis Summary

The New Orleans area is growing at this moment; overall business growth over the past seven years has averaged approximately 5.5% and is expected to continue for at least the next four years. This constitutes an attractive market for Commercial Contractors.

We will be concentrating on the customers that will provide us with the greatest margin, in other words those clients desiring office building construction. This is the fastest growing segment of all the commercial clients requiring our services. The other categories we will serve include the restaurant and special facilities segments, along with a segment we will call the general category, to serve all other potential commercial clients.

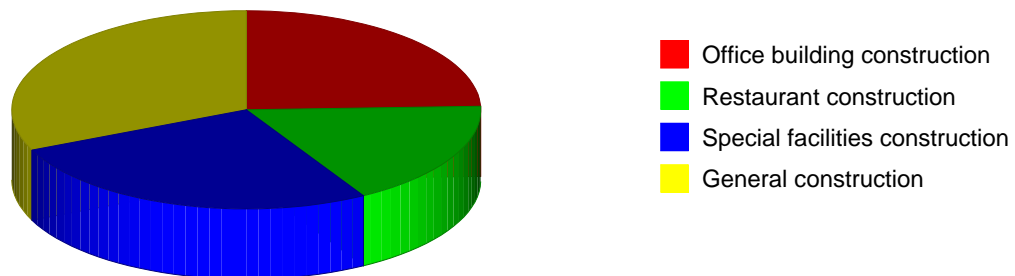
4.1 Market Segmentation

At the moment our potential list of clients includes all the various businesses in New Orleans area and its suburbs. According to the Louisiana Contractor's Association there are 3,512 firms of all types and sizes in the surrounding area. We will concentrate on the customers that can provide us with the greatest margin, in other words those clients desiring office building construction. This is the fastest growing segment of all the commercial clients requiring our services. The other categories that we will serve include the restaurant segment, the special facilities segment, such as gas stations, and theaters, and a category which we will call "general", encompassing all other potential commercial clients.

Table: Market Analysis

Market Analysis	Growth	2005	2006	2007	2008	2009	CAGR
Potential Customers							
Office building construction	6%	2,517	2,668	2,828	2,998	3,178	6.00%
Restaurant construction	3%	1,779	1,832	1,887	1,944	2,002	3.00%
Special facilities construction	3%	2,750	2,833	2,917	3,005	3,095	3.00%
General construction	2%	3,264	3,329	3,396	3,464	3,533	2.00%
Total	3.45%	10,310	10,662	11,028	11,411	11,808	3.45%

Market Analysis (Pie)



4.2 Target Market Segment Strategy

Since office building construction has the highest average profit margin, we will focus most of our marketing and servicing toward these customers. Usually these clients tend to be the most sensitive to completion times, therefore, we plan to accommodate these clients through a well established and expeditious permitting program, strict cost accounting and supply chain management, and intensive and comprehensive project management.

4.3 Service Business Analysis

The New Orleans area is growing at this moment, with overall business growth for the past seven years averaging approximately 5.5%. This growth level is expected to continue for at least the next four years. One of the prime reasons for this growth is the historically low interest rates. New Orleans is ideally situated to take advantage of these new economic conditions and is experiencing growth to prove it.

The commercial construction industry is highly fragmented across the nation. More than 86% of all construction companies in the U.S. consist of small "mom and pop" style companies employing less than ten individuals. Contrasted to this are the large companies that engage in "heavy" construction such as roads, shopping malls, etc. who often have a nationwide scope and employ several thousands of workers.

4.3.1 Competition and Buying Patterns

Currently we have three major competitors within the New Orleans area. These are ABC General Contractors, DEF Specialty Construction, and GHI Construction. Each of these companies targets the same clients and each has a fine reputation for customer satisfaction. However, the market is growing so fast that the demand is currently greater than the supply. This is an excellent opportunity to gain market share.

5.0 Strategy and Implementation Summary

Commercial Contractors plans to market itself through a variety of methods. Our plan will use referral systems, radio and published ads, leveraging of our pre-existing contacts with the local real estate companies, and industry contacts.

5.1 Competitive Edge

In the construction industry the primary ways to compete are through low cost or better project management. One of the most important processes for winning a contract is the bid process. Commercial Contractors will utilize the experience of its owners and its state-of-the-art job costing tools to gain a competitive advantage over older firms that still rely on the best "guesstimate" method.

5.2 Marketing Strategy

Commercial Contractors plans to market itself through a variety of methods. First, the company will use a referral system with local businesses. We will also air radio spots and publish ads in a variety of commercial construction trade magazines. In addition we will leverage our pre-existing contacts with the local real estate companies.

5.3 Sales Strategy

The most critical part of sales is not the marketing, but the bidding process, in which companies offer their designs, services, material quality, project timeline estimates, and costs. The company that offers the best combination of these variables is the most likely to get the contract. Therefore very detailed project planning, including supply agreements, labor needs, subcontractors, presentation, and other factors, is crucial for Commercial Contractors in winning contracts.

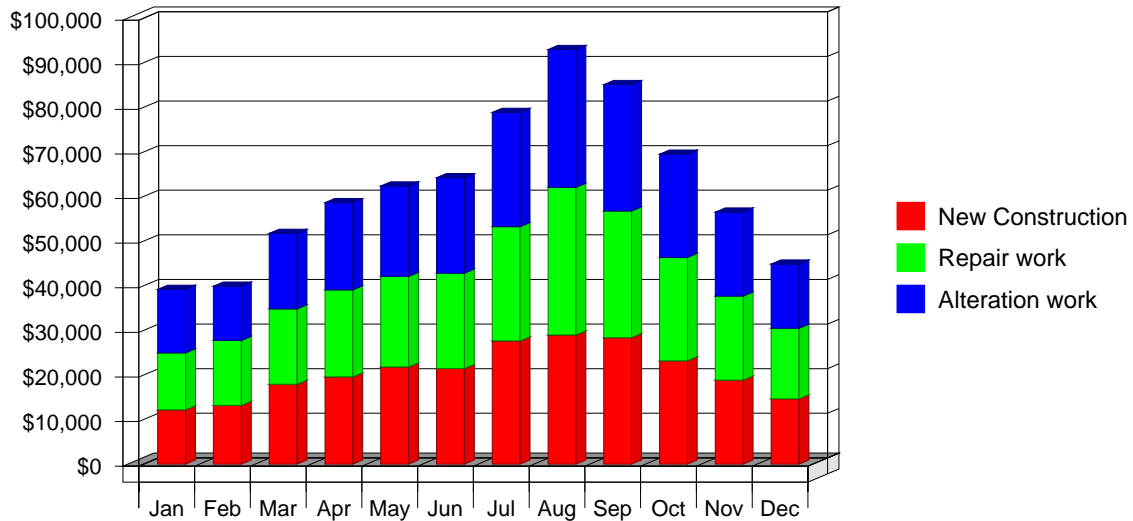
5.3.1 Sales Forecast

Sales forecasts are based on conservative estimates. We expect sales in 2005 to be lower than previously planned as we adjust to a new client base. After that, we expect sales growth to be much higher as we gain market share.

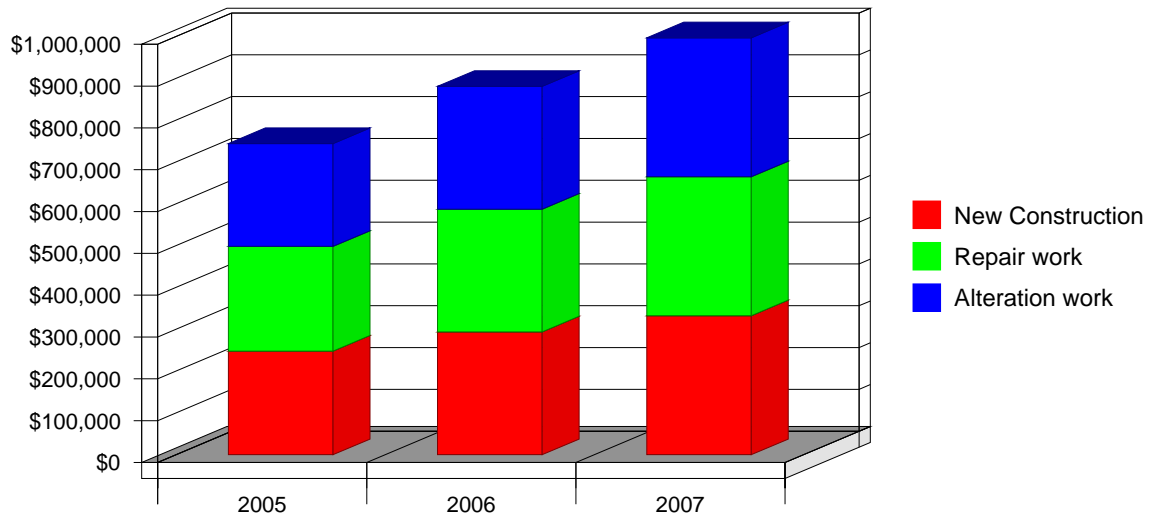
Table: Sales Forecast

Sales Forecast			
Sales	2005	2006	2007
New Construction	\$247,562	\$293,478	\$332,165
Repair work	\$250,414	\$293,478	\$332,165
Alteration work	\$245,760	\$293,478	\$332,165
Total Sales	\$743,736	\$880,434	\$996,495
Direct Cost of Sales	2005	2006	2007
New Construction	\$176,797	\$214,239	\$242,480
Repair work	\$181,004	\$214,239	\$242,480
Alteration work	\$177,723	\$220,109	\$249,124
Subtotal Direct Cost of Sales	\$535,525	\$648,586	\$734,085

Sales Monthly



Sales by Year



6.0 Management Summary

Commercial Contractors' management consists of Mr. Owner and Mr. Doe. Mr. Owner will concentrate on client contacts and bidding along with overall management of the company. Mr. Doe will be the company's General Project Manager, coordinating all project management and concentrating on cost controls, suppliers, day-to-day project supervision, labor relations, etc. Mrs. Doe will be our office manager, handling client satisfaction, invoicing, permitting, and general book keeping. Most of our labor needs will be met through Contractor-Temps a nationwide temporary labor company.

The company is planning to expand its personnel to add a number of job superintendents as soon as the number of projects increases. These superintendents will have the following duties:

- Direct supervision of all work at the job site.
- Quality control.
- Scheduling subcontractors and material deliveries.
- Verifying and insuring that all work is done in accordance with plans.
- Insuring that all work is performed in accordance with all OSHA guidelines.

In addition, as business increases, we will hire additional job superintendents and project managers as needed.

6.1 Personnel Plan

Our personnel expansion will be focused on the number of temporary laborers we will employ. The table below gives our estimate of labor costs.

Table: Personnel

Personnel Plan	2005	2006	2007
Mr. Owner, CEO	\$42,000	\$42,000	\$42,000
Mr. Doe, General Project Manager	\$42,000	\$42,000	\$42,000
Mrs. Doe, Office Manager	\$24,000	\$24,000	\$24,000
Job Supervisor	\$0	\$0	\$14,400
Temporary employees	\$72,000	\$72,000	\$90,000
Total People	9	9	12
Total Payroll	\$180,000	\$180,000	\$212,400

7.0 Financial Plan

The following sections are the financial projections for Commercial Contractors for the next three years. These tables represent a conservative estimate of revenues, expenses, and growth. We do not anticipate a significant increase in profits until 2007, as we will need time to penetrate our new market.

7.1 Important Assumptions

The following is our estimate of our financial assumptions based on previous experience.

Table: General Assumptions

General Assumptions	2005	2006	2007
Plan Month	1	2	3
Current 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%
Sales on Credit %	35.00%	35.00%	35.00%
Other	0	0	0

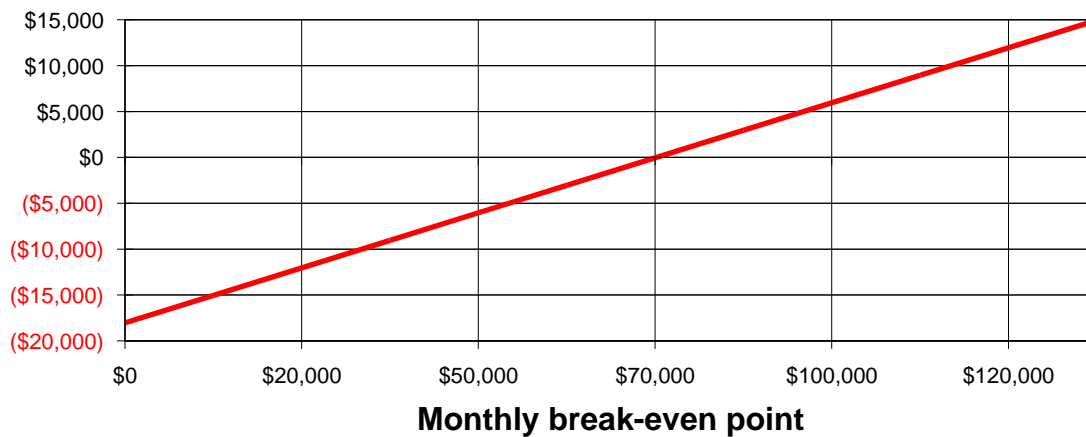
7.2 Break-even Analysis

Our break even analysis is based on average monthly fixed costs, which in turn, is based on historical figures, plus our average price per product. This estimate is also based on experience, however because of our wide range of potential projects, its accuracy lessens. The average variable costs are based on industry standards.

Table: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	6
Monthly Revenue Break-even	\$72,173
Assumptions:	
Average Per-Unit Revenue	\$12,000.00
Average Per-Unit Variable Cost	\$9,000.00
Estimated Monthly Fixed Cost	\$18,043

Break-even Analysis



Break-even point = where line intersects with 0

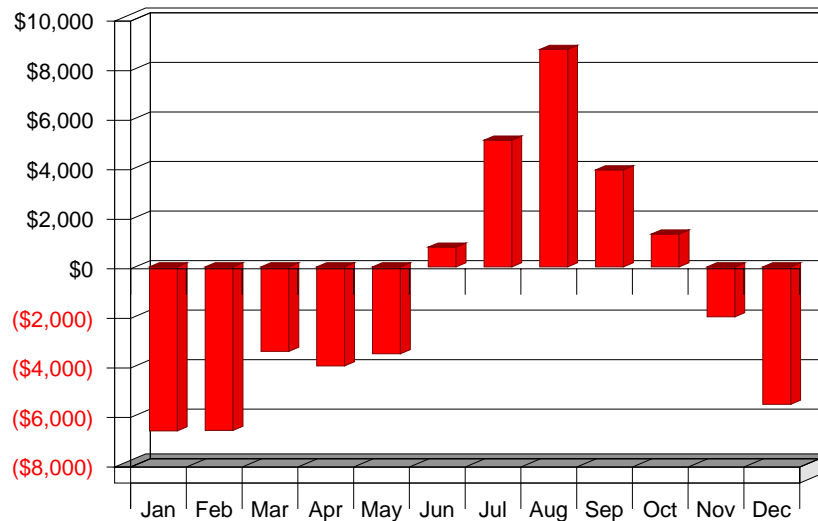
7.3 Projected Profit and Loss

The following is our best estimate of future revenues and costs, based on current market trends, past performance, and perceived revenue of our new target market. Readers will note that overall profits are quite low for 2005-2007. This is because we estimate we will be paying higher labor costs immediately and the overall revenues will lag somewhat. We will also have fewer initial clients as we attempt to exert our presence in the commercial contracting market.

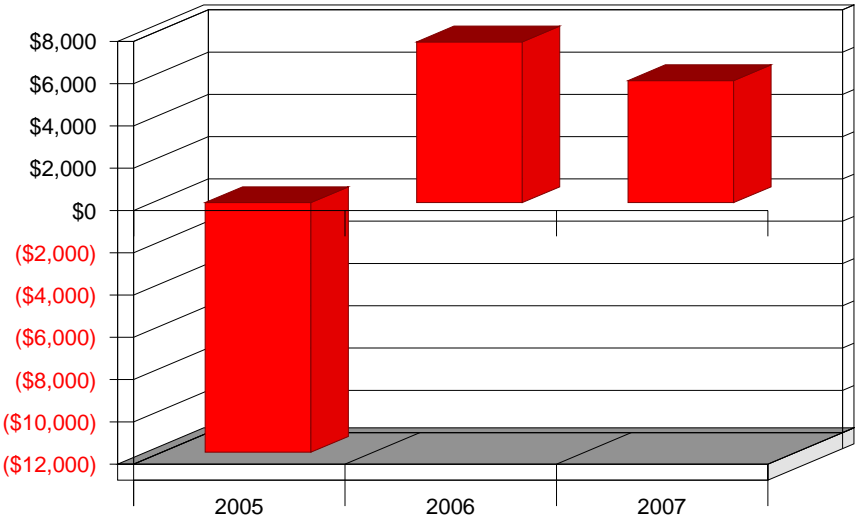
Table: Profit and Loss

Pro Forma Profit and Loss			
	2005	2006	2007
Sales	\$743,736	\$880,434	\$996,495
Direct Cost of Sales	\$535,525	\$648,586	\$734,085
Other Costs of Sales	\$0	\$0	\$0
Total Cost of Sales	\$535,525	\$648,586	\$734,085
Gross Margin	\$208,211	\$231,848	\$262,410
Gross Margin %	28.00%	26.33%	26.33%
Expenses:			
Payroll	\$180,000	\$180,000	\$212,400
Sales and Marketing and Other Expenses	\$2,400	\$2,400	\$2,400
Depreciation	\$0	\$1,000	\$1,000
Rent	\$0	\$0	\$0
Utilities	\$1,320	\$1,320	\$1,600
Insurance	\$3,600	\$3,800	\$4,200
Payroll Taxes	\$27,000	\$27,000	\$27,000
Other	\$2,200	\$2,500	\$3,000
Total Operating Expenses	\$216,520	\$218,020	\$251,600
Profit Before Interest and Taxes	(\$8,309)	\$13,828	\$10,810
Interest Expense	\$3,498	\$2,964	\$2,564
Taxes Incurred	\$0	\$3,259	\$2,474
Net Profit	(\$11,807)	\$7,605	\$5,773
Net Profit/Sales	-1.59%	0.86%	0.58%

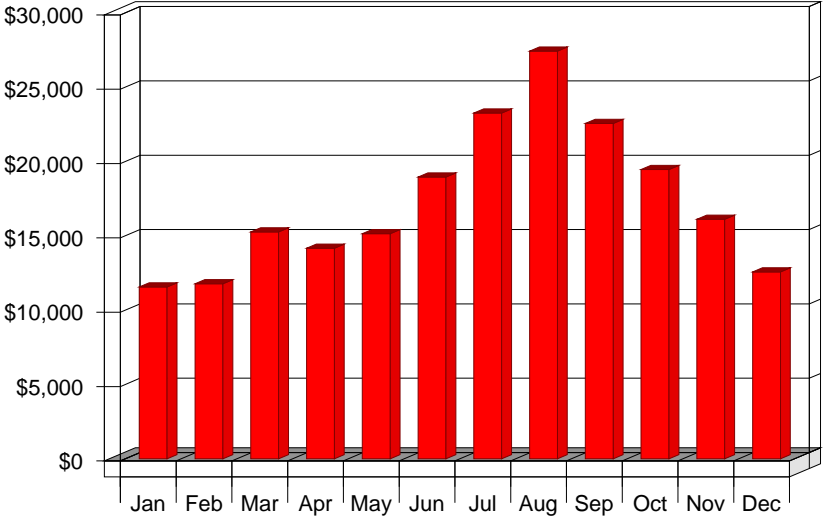
Profit Monthly



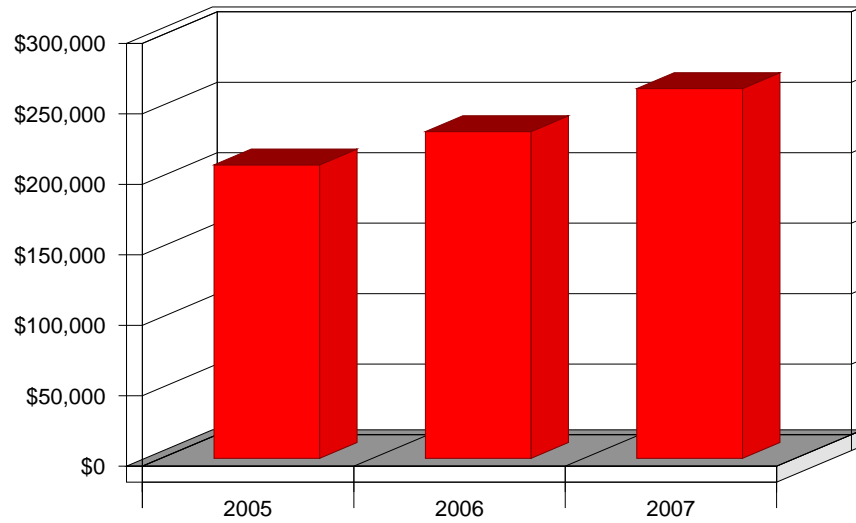
Profit Yearly



Gross Margin Monthly



Gross Margin Yearly



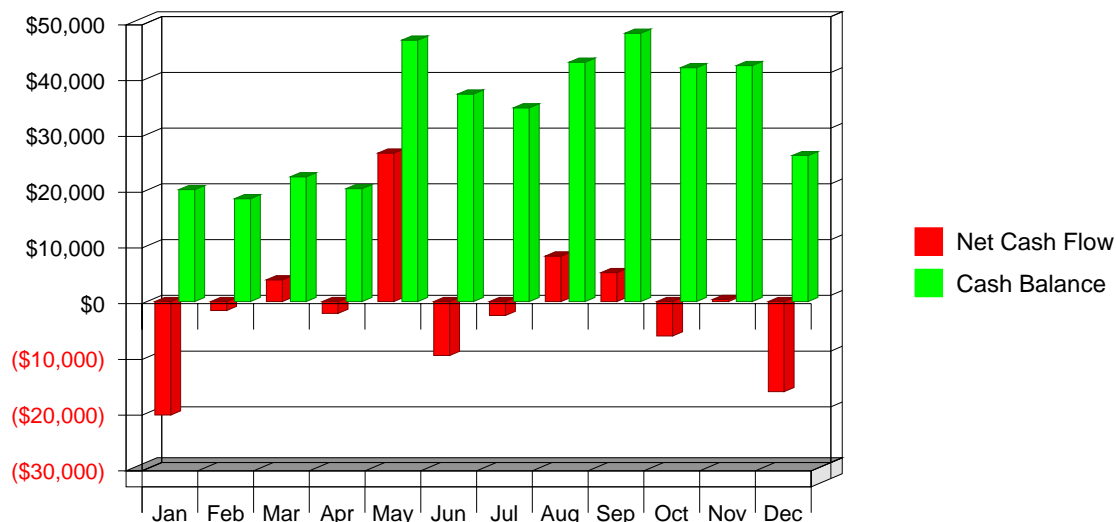
7.4 Projected Cash Flow

We do not expect to have any serious cash flow problems in the future. We plan on having all short-term debts paid off in 2008 and long-term debts by 2013. The declining cash account during the period covered by this plan, and is to be expected as we build our new customer base. Once we reach a sufficient volume of sales, we will take advantages of economies of scale to decrease costs and improve profit margin.

Table: Cash Flow

Pro Forma Cash Flow			
	2005	2006	2007
Cash Received			
Cash from Operations:			
Cash Sales	\$483,428	\$572,282	\$647,722
Cash from Receivables	\$259,465	\$303,741	\$345,028
Subtotal Cash from Operations	\$742,893	\$876,023	\$992,750
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	\$742,893	\$876,023	\$992,750
Expenditures			
Expenditures from Operations:			
Cash Spending	\$180,000	\$180,000	\$212,400
Payment of Accounts Payable	\$569,723	\$694,035	\$779,195
Subtotal Spent on Operations	\$749,723	\$874,035	\$991,595
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$5,000	\$2,000	\$2,000
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$2,400	\$2,000	\$2,000
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$757,123	\$878,035	\$995,595
Net Cash Flow	(\$14,230)	(\$2,012)	(\$2,845)
Cash Balance	\$26,198	\$24,186	\$21,341

Cash



7.5 Projected Balance Sheet

The following is a presentation of assets and liabilities. Because we have low debt, our net worth is higher than other comparable companies.

Table: Balance Sheet

Pro Forma Balance Sheet			
Assets	2005	2006	2007
Current Assets			
Cash	\$26,198	\$24,186	\$21,341
Accounts Receivable	\$24,000	\$28,411	\$32,156
Inventory	\$22,000	\$26,044	\$29,477
Other Current Assets	\$37,991	\$37,991	\$37,991
Total Current Assets	\$110,189	\$116,632	\$120,965
Long-term Assets			
Long-term Assets	\$20,421	\$20,421	\$20,421
Accumulated Depreciation	\$8,000	\$9,000	\$10,000
Total Long-term Assets	\$12,421	\$11,421	\$10,421
Total Assets	\$122,610	\$128,053	\$131,386
Liabilities and Capital			
Current Liabilities	2005	2006	2007
Accounts Payable	\$10,000	\$11,838	\$13,399
Current Borrowing	\$15,000	\$13,000	\$11,000
Other Current Liabilities	\$21,677	\$21,677	\$21,677
Subtotal Current Liabilities	\$46,677	\$46,515	\$46,076
Long-term Liabilities	\$16,639	\$14,639	\$12,639
Total Liabilities	\$63,316	\$61,154	\$58,714
Paid-in Capital	\$0	\$0	\$0
Retained Earnings	\$71,101	\$59,294	\$66,899
Earnings	(\$11,807)	\$7,605	\$5,773
Total Capital	\$59,294	\$66,899	\$72,671
Total Liabilities and Capital	\$122,610	\$128,053	\$131,386
Net Worth	\$59,294	\$66,899	\$72,671

7.6 Business Ratios

The following is a presentation of industry standard ratios vs. our own projections. Our SIC industry class is currently Commercial and office building, new construction - **1542.0101**. For the most part, we follow the industry averages. We expect to see higher growths than average over the next two years due to our new ventures. Also our company is relatively debt-free, meaning we have higher than average net worth.

Table: Ratios

Ratio Analysis	2005	2006	2007	Industry Profile
Sales Growth	30.03%	18.38%	13.18%	4.60%
Percent of Total Assets				
Accounts Receivable	19.57%	22.19%	24.47%	24.47%
Inventory	17.94%	20.34%	22.44%	26.16%
Other Current Assets	30.99%	29.67%	28.92%	37.01%
Total Current Assets	89.87%	91.08%	92.07%	87.64%
Long-term Assets	10.13%	8.92%	7.93%	12.36%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities				
Long-term Liabilities	38.07%	36.32%	35.07%	40.60%
Total Liabilities	13.57%	11.43%	9.62%	12.11%
Net Worth	51.64%	47.76%	44.69%	52.71%
	48.36%	52.24%	55.31%	47.29%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	28.00%	26.33%	26.33%	15.22%
Selling, General & Administrative Expenses	29.58%	25.47%	25.75%	7.62%
Advertising Expenses	0.00%	0.00%	0.00%	0.24%
Profit Before Interest and Taxes	-1.12%	1.57%	1.08%	1.94%
Main Ratios				
Current	2.36	2.51	2.63	1.93
Quick	1.89	1.95	1.99	0.94
Total Debt to Total Assets	51.64%	47.76%	44.69%	4.32%
Pre-tax Return on Net Worth	-19.91%	16.24%	11.35%	56.40%
Pre-tax Return on Assets	-9.63%	8.48%	6.28%	9.90%
Additional Ratios				
Net Profit Margin	2005	2006	2007	
Return on Equity	-1.59%	0.86%	0.58%	n.a
	-19.91%	11.37%	7.94%	n.a
Activity Ratios				
Accounts Receivable Turnover	10.85	10.85	10.85	n.a
Collection Days	31	31	32	n.a
Inventory Turnover	14.28	27.00	26.44	n.a
Accounts Payable Turnover	55.43	58.78	58.27	n.a
Payment Days	19	6	6	n.a
Total Asset Turnover	6.07	6.88	7.58	n.a
Debt Ratios				
Debt to Net Worth	1.07	0.91	0.81	n.a
Current Liab. to Liab.	0.74	0.76	0.78	n.a
Liquidity Ratios				
Net Working Capital	\$63,512	\$70,117	\$74,889	n.a
Interest Coverage	-2.38	4.67	4.22	n.a
Additional Ratios				
Assets to Sales	0.16	0.15	0.13	n.a
Current Debt/Total Assets	38%	36%	35%	n.a
Acid Test	1.38	1.34	1.29	n.a
Sales/Net Worth	12.54	13.16	13.71	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Appendix Table: Sales Forecast

Sales Forecast												
Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
New Construction	\$12,170	\$13,170	\$17,909	\$19,539	\$21,777	\$21,410	\$27,615	\$28,966	\$28,366	\$23,163	\$18,842	\$14,635
Repair work	\$12,777	\$14,555	\$16,909	\$19,539	\$20,285	\$21,410	\$25,615	\$33,111	\$28,366	\$23,163	\$18,842	\$15,842
Alteration work	\$14,222	\$12,170	\$16,909	\$19,539	\$20,285	\$21,410	\$25,615	\$30,861	\$28,366	\$23,163	\$18,842	\$14,378
Total Sales	\$39,169	\$39,895	\$51,727	\$58,617	\$62,347	\$64,230	\$78,845	\$92,938	\$85,098	\$69,489	\$56,526	\$44,855
Direct Cost of Sales												
Direct Cost of Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
New Construction	\$8,580	\$9,285	\$12,626	\$13,775	\$15,353	\$15,094	\$19,469	\$20,421	\$19,998	\$17,372	\$13,849	\$10,976
Repair work	\$9,008	\$10,261	\$11,921	\$15,338	\$15,924	\$15,094	\$18,059	\$23,343	\$21,275	\$16,330	\$13,284	\$11,169
Alteration work	\$10,027	\$8,580	\$11,921	\$15,338	\$15,924	\$15,094	\$18,059	\$21,757	\$21,275	\$16,330	\$13,284	\$10,136
Subtotal Direct Cost of Sales	\$27,614	\$28,126	\$36,468	\$44,451	\$47,200	\$45,282	\$55,586	\$65,521	\$62,547	\$50,032	\$40,416	\$32,281

Appendix Table: Profit and Loss

Pro Forma Profit and Loss												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	\$39,169	\$39,895	\$51,727	\$58,617	\$62,347	\$64,230	\$78,845	\$92,938	\$85,098	\$69,489	\$56,526	\$44,855
Direct Cost of Sales	\$27,614	\$28,126	\$36,468	\$44,451	\$47,200	\$45,282	\$55,586	\$65,521	\$62,547	\$50,032	\$40,416	\$32,281
Other Costs of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$27,614	\$28,126	\$36,468	\$44,451	\$47,200	\$45,282	\$55,586	\$65,521	\$62,547	\$50,032	\$40,416	\$32,281
Gross Margin	\$11,555	\$11,769	\$15,259	\$14,166	\$15,147	\$18,948	\$23,259	\$27,417	\$22,551	\$19,457	\$16,110	\$12,574
Gross Margin %	29.50%	29.50%	29.50%	24.17%	24.29%	29.50%	29.50%	29.50%	26.50%	28.00%	28.50%	28.03%
Expenses:												
Payroll	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Sales and Marketing and Other Expenses	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110
Insurance	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Payroll Taxes	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250
Other	\$0	\$200	\$500	\$0	\$500	\$0	\$0	\$500	\$500	\$0	\$0	\$0
Total Operating Expenses	\$17,860	\$18,060	\$18,360	\$17,860	\$18,360	\$17,860	\$17,860	\$18,360	\$18,360	\$17,860	\$17,860	\$17,860
Profit Before Interest and Taxes	(\$6,305)	(\$6,291)	(\$3,101)	(\$3,694)	(\$3,213)	\$1,088	\$5,399	\$9,057	\$4,191	\$1,597	(\$1,750)	(\$5,286)
Interest Expense	\$320	\$314	\$309	\$304	\$299	\$294	\$289	\$284	\$279	\$274	\$269	\$264
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$6,625)	(\$6,605)	(\$3,410)	(\$3,999)	(\$3,512)	\$794	\$5,111	\$8,773	\$3,912	\$1,323	(\$2,019)	(\$5,550)
Net Profit/Sales	-16.92%	-16.56%	-6.59%	-6.82%	-5.63%	1.24%	6.48%	9.44%	4.60%	1.90%	-3.57%	-12.37%

Appendix Table: Cash Flow

Pro Forma Cash Flow												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Received												
Cash from Operations:												
Cash Sales	\$25,460	\$25,932	\$33,623	\$38,101	\$40,526	\$41,750	\$51,249	\$60,410	\$55,314	\$45,168	\$36,742	\$29,156
Cash from Receivables	\$12,766	\$12,663	\$21,029	\$22,991	\$19,821	\$22,481	\$25,596	\$34,528	\$29,784	\$26,321	\$23,784	\$7,699
Subtotal Cash from Operations	\$38,226	\$38,595	\$54,652	\$61,092	\$60,347	\$64,230	\$76,845	\$94,938	\$85,098	\$71,489	\$60,526	\$36,855
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 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	\$38,226	\$38,595	\$54,652	\$61,092	\$60,347	\$64,230	\$76,845	\$94,938	\$85,098	\$71,489	\$60,526	\$36,855
Expenditures												
Expenditures from Operations:												
Cash Spending	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Payment of Accounts Payable	\$42,974	\$24,500	\$35,137	\$47,616	\$18,000	\$58,295	\$63,734	\$71,165	\$64,286	\$62,066	\$44,545	\$37,405
Subtotal Spent on Operations	\$57,974	\$39,500	\$50,137	\$62,616	\$33,000	\$73,295	\$78,734	\$86,165	\$79,286	\$77,066	\$59,545	\$52,405
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	\$400	\$500	\$400	\$400	\$500	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
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	\$58,574	\$40,200	\$50,737	\$63,216	\$33,700	\$73,895	\$79,334	\$86,765	\$79,886	\$77,666	\$60,145	\$53,005
Net Cash Flow	(\$20,348)	(\$1,605)	\$3,915	(\$2,124)	\$26,647	(\$9,665)	(\$2,489)	\$8,173	\$5,212	(\$6,177)	\$381	(\$16,150)
Cash Balance	\$20,080	\$18,474	\$22,389	\$20,265	\$46,912	\$37,248	\$34,758	\$42,931	\$48,144	\$41,967	\$42,348	\$26,198

Appendix Table: Balance Sheet

Pro Forma Balance Sheet													
Assets													
Current Assets	Starting Balances	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash	\$40,428	\$20,080	\$18,474	\$22,389	\$20,265	\$46,912	\$37,248	\$34,758	\$42,931	\$48,144	\$41,967	\$42,348	\$26,198
Accounts Receivable	\$23,157	\$24,100	\$25,400	\$22,475	\$20,000	\$22,000	\$22,000	\$24,000	\$22,000	\$22,000	\$20,000	\$16,000	\$24,000
Inventory	\$43,220	\$40,000	\$38,000	\$36,000	\$36,000	\$37,000	\$40,000	\$45,000	\$47,000	\$46,000	\$38,000	\$25,000	\$22,000
Other Current Assets	\$37,991	\$37,991	\$37,991	\$37,991	\$37,991	\$37,991	\$37,991	\$37,991	\$37,991	\$37,991	\$37,991	\$37,991	\$37,991
Total Current Assets	\$144,796	\$122,171	\$119,865	\$118,855	\$114,256	\$143,903	\$137,239	\$141,749	\$149,922	\$154,135	\$137,958	\$121,339	\$110,189
Long-term Assets													
Long-term Assets	\$20,421	\$20,421	\$20,421	\$20,421	\$20,421	\$20,421	\$20,421	\$20,421	\$20,421	\$20,421	\$20,421	\$20,421	\$20,421
Accumulated Depreciation	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Total Long-term Assets	\$12,421	\$12,421	\$12,421	\$12,421	\$12,421	\$12,421	\$12,421	\$12,421	\$12,421	\$12,421	\$12,421	\$12,421	\$12,421
Total Assets	\$157,217	\$134,592	\$132,286	\$131,276	\$126,677	\$156,324	\$149,660	\$154,170	\$162,343	\$166,556	\$150,379	\$133,760	\$122,610
Liabilities and Capital													
Current Liabilities													
Accounts Payable	\$25,400	\$10,000	\$15,000	\$18,000	\$18,000	\$51,859	\$45,000	\$45,000	\$45,000	\$45,900	\$29,000	\$15,000	\$10,000
Current Borrowing	\$20,000	\$19,600	\$19,100	\$18,700	\$18,300	\$17,800	\$17,400	\$17,000	\$16,600	\$16,200	\$15,800	\$15,400	\$15,000
Other Current Liabilities	\$21,677	\$21,677	\$21,677	\$21,677	\$21,677	\$21,677	\$21,677	\$21,677	\$21,677	\$21,677	\$21,677	\$21,677	\$21,677
Subtotal Current Liabilities	\$67,077	\$51,277	\$55,777	\$58,377	\$57,977	\$91,336	\$84,077	\$83,677	\$83,277	\$83,777	\$66,477	\$52,077	\$46,677
Long-term Liabilities													
Long-term Liabilities	\$19,039	\$18,839	\$18,639	\$18,439	\$18,239	\$18,039	\$17,839	\$17,639	\$17,439	\$17,239	\$17,039	\$16,839	\$16,639
Total Liabilities	\$86,116	\$70,116	\$74,416	\$76,816	\$76,216	\$109,375	\$101,916	\$101,316	\$100,716	\$101,016	\$83,516	\$68,916	\$63,316
Paid-in Capital													
Paid-in Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retained Earnings													
Retained Earnings	\$71,101	\$71,101	\$71,101	\$71,101	\$71,101	\$71,101	\$71,101	\$71,101	\$71,101	\$71,101	\$71,101	\$71,101	\$71,101
Earnings	\$0	(\$6,625)	(\$13,231)	(\$16,641)	(\$20,640)	(\$24,152)	(\$23,357)	(\$18,247)	(\$9,474)	(\$5,561)	(\$4,238)	(\$6,257)	(\$11,807)
Total Capital	\$71,101	\$64,476	\$57,870	\$54,460	\$50,461	\$46,949	\$47,744	\$52,854	\$61,627	\$65,540	\$66,863	\$64,844	\$59,294
Total Liabilities and Capital	\$157,217	\$134,592	\$132,286	\$131,276	\$126,677	\$156,324	\$149,660	\$154,170	\$162,343	\$166,556	\$150,379	\$133,760	\$122,610
Net Worth	\$71,101	\$64,476	\$57,870	\$54,460	\$50,461	\$46,949	\$47,744	\$52,854	\$61,627	\$65,540	\$66,863	\$64,844	\$59,294

