Haunted House, Inc.

Strategic Business and Marketing Plan

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Confidentiality Agreement

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Signature Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name (typed or printed)

Table of Contents

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1.0 Executive Summary

The purpose of this business plan is to raise **[AMOUNT]** for the development of a haunted house amusement facility and retail facility while showcasing the expected financials and operations over the next three years. **Haunted House, Inc.** (“the Company”) is a **[YOUR STATE]** based corporation that will operate a haunted house facility in October while concurrently providing a number of Halloween costumers, cosmetics, and other related products to customers in its targeted market. The Company was founded in **[YEAR]** by **[FOUNDER].**

1.1 The Products and Service

The primary revenue center will come from the operation of the Company’s haunted house facility during the month of October. This will be a seasonal business, and Management will secure a long term lease for a large outdoor facility (such as a barn within an orchard/farm) to ensure that the business can continue to operate its haunted house facility on a yearly basis. The Company will generate substantial gross margins from the sale of admission tickets to the haunted house.

The secondary product line for the business will be Halloween costumes, face paint, and other items related to Halloween. This business will generate a substantial majority of its revenues during August, September and October. The Company will earn significant margins on the products sold throughout the business.

The third section of the business plan will further describe the services offered by the Haunted House.

1.2 Financing

**Mr. Doe** is seeking to raise **$50,000** from as a bank loan. The interest rate and loan agreement are to be further discussed during negotiation. This business plan assumes that the business will receive a 10 year loan with a 9% fixed interest rate. The financing will be used for the following:

* Development of the Company’s Haunted House location.
* Financing for the first six months of operation.
* Capital to purchase the Company’s equipment for the haunted house and inventory.

**Mr. Doe** will contribute $10,000 to the venture.

1.3 Mission Statement

**The Haunted House’s** mission is to provide customers with an exciting and amusing haunted house experience while concurrently offering a diverse selection of Halloween costumes and related items.

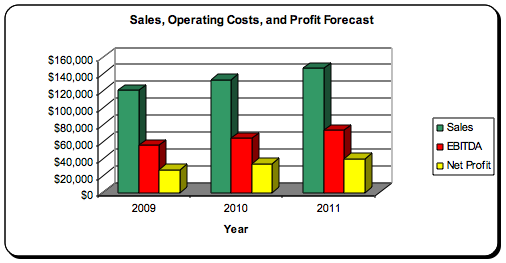
1.4 Management Team

The Company was founded by **John Doe. Mr. Doe** has more than 10 years of experience in the retail management industry. Through his expertise, he will be able to bring the operations of the business to profitability within its first year of operations.

1.5 Sales Forecasts

**Mr. Doe** expects a strong rate of growth at the start of operations. Below are the expected financials over the next three years.

|  |  |  |  |
| --- | --- | --- | --- |
| Proforma Profit and Loss (Yearly) | |  |  |
| Year | 2009 | 2010 | 2011 |
| Sales | $121,000 | $133,100 | $146,410 |
| Operating Costs | $50,087 | $52,425 | $54,901 |
| EBITDA | $55,713 | $63,955 | $73,117 |
| Taxes, Interest, and Depreciation | $28,754 | $30,038 | $33,314 |
| Net Profit | $26,959 | $33,917 | $39,803 |



1.6 Expansion Plan

The Founder expects that the business will aggressively expand during the first three years of operation. **Mr. Doe** intends to implement marketing campaigns that will effectively target individuals within the target market during the Halloween season.

2.0 Company and Financing Summary

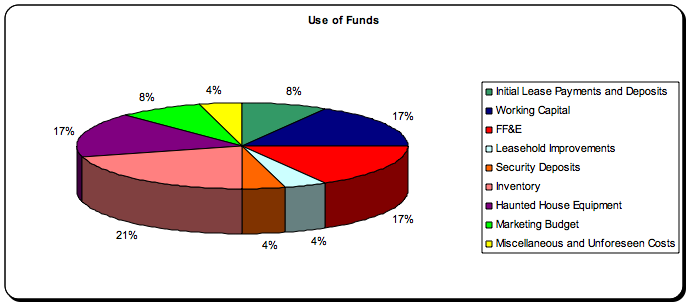
2.1 Registered Name and Corporate Structure

The Company is registered as a corporation in the State of **STATE**.

2.2 Required Funds

At this time, the Haunted House requires **$50,000** of debt funds. Below is a breakdown of how these funds will be used:

|  |  |
| --- | --- |
| Projected Startup Costs |  |
| Business Startup Year | 2009 |
| Initial Lease Payments and Deposits | $5,000 |
| Working Capital | $10,000 |
| FF&E | $10,000 |
| Leasehold Improvements | $2,500 |
| Security Deposits | $2,500 |
| Inventory | $12,500 |
| Haunted House Equipment | $10,000 |
| Marketing Budget | $5,000 |
| Miscellaneous and Unforeseen Costs | $2,500 |
| Total Startup Costs | $60,000 |



2.3 Investor Equity

**Mr. Doe** is not seeking an investment from a third party at this time.

2.4 Management Equity

**John Doe** owns 100% of the Haunted House, Inc.

2.5 Exit Strategy

If the business is very successful, **Mr. Doe** may seek to sell the business to a third party for a significant earnings multiple. Most likely, the Company will hire a qualified business broker to sell the business on behalf of the Haunted House. Based on historical numbers, the business could fetch a sales premium of up to 2 times earnings plus the value of FF&E and inventory.

3.0 Products and Services

Below is a description of the services and products offered by the Haunted House.

3.1 Haunted House Operations

The primary source of revenue for the business will come during the month of October when the Company opens its haunted house facility. As stated in the executive summary, the Company will lease a large scale facility (most likely a barn style facility on an orchard/farm) that will allow the Company to install the lighting and sound equipment to produce a haunted house. The business will charge admission of **$5** per customer. During its three weeks of operation, Management anticipates that the Company will generate nearly $60,000 of revenue. The business may also offer a “haunted hay ride” to compliment and expand the revenues of the Haunted House. As will be discussed below, the Haunted House facility will also act as a retail center for the sale of Halloween related goods.

**Mr. Doe** will seek to secure an ongoing lease arrangement with a local farm/orchard/etc. so that the business can successfully operate this seasonal business on a year to year basis.

3.2 Halloween Product Sales

The secondary source of revenue for the business come during the months of September and October when the Company will revamp its store operations to focus on the sale of Halloween costumes, related cosmetics, and related costume products. The Company will also sell prepackaged Halloween candy, plastic pumpkins, lighting, and other items related to the season.

The business will generate substantial margins from the sales of these products during the pre-Halloween season. **Mr. Doe** has planned an extensive marketing campaign that will be used throughout August, September, and October to ensure that the business maintains maximum visibility for its busy season. The retail portion of the facility will be located within the Haunted House facility.

In this section of the business plan, you should further describe the products and services that you intend to offer to your customers.

4.0 Strategic and Market Analysis

4.1 Economic Outlook

This section of the analysis will detail the economic climate, the Halloween and Haunted House industry, the customer profile, and the competition that the business will face as it progresses through its business operations.

Currently, the economic market condition in the United States is in recession. This slowdown in the economy has also greatly impacted real estate sales, which has halted to historical lows. Many economists expect that this recession will continue until mid-2009, at which point the economy will begin a prolonged recovery period. However, the Haunted House is a highly specialized seasonal business and the pricing point associated with the Company’s products and services is very low. Additionally, many parents want to provide their children with a fun Halloween, and as such, Management does not expect that the current economic climate will have a substantial impact on the Company’s ability to produce top line income.

4.2 Industry Analysis

Based on information from the Federal Government, the total yearly expenditures on Halloween related products and services (including admission to Haunted Houses) totaled $8 billion dollars in 2014. The revenues generated by the industry for 2015 are expected to remain similar to 2014 given the harsh economic climate that the US economy is currently facing.

The growth rate of this business is expected to remain in lockstep with that of the economy and population. There are approximately 10,000 companies in the United States that specialize in the retail sale and distribution of Halloween based products and the operation of Haunted Houses on a seasonal basis.

4.3 Customer Profile

The Haunted House’s average client will be a middle to upper middle class man or woman with children living in the Company’s target market. Common traits among clients will include:

* Annual household income exceeding $50,000
* Lives no more than 15 miles from the Company’s location.
* Will spend $25 to $50 per visit to Haunted House, Inc.

In this section of the analysis, you should describe the type of customer you are seeking to acquire. These traits include income size, type of business/occupation; how far away from your business is to your customer, and what the customer is looking for. In this section, you can also put demographic information about your target market including population size, income demographics, level of education, etc.

4.4 Competition

This is one of the sections of the business plan that you must write completely on your own. The key to writing a strong competitive analysis is that you do your research on the local competition. Find out who your competitors are by searching online directories and searching in your local Yellow Pages. If there are a number of competitors in the same industry (meaning that it is not feasible to describe each one) then showcase the number of businesses that compete with you, and why your business will provide customers with service/products that are of better quality or less expensive than your competition.

5.0 Marketing Plan

**Haunted House** intends to maintain an extensive marketing campaign that will ensure maximum visibility for the business in its targeted market. Below is an overview of the marketing strategies and objectives of the Company.

5.1 Marketing Objectives

* Implement a local campaign with the Company’s targeted market via the use of flyers, local newspaper advertisements, and word of mouth advertising.
* Establish massive local marketing campaigns during the months of August, September, and October.

5.2 Marketing Strategies

**Mr. Doe** intends on using a number of marketing strategies that will allow the Haunted House to easily target men and women (especially those with children) within the target market. These strategies include traditional print advertisements and ads placed on search engines on the Internet.

The Haunted House will also use an internet based strategy. This is very important as many people seeking local businesses, such as Haunted Houses and Halloween stores, now the Internet to conduct their preliminary searches. **Mr. Doe** will register Haunted House, Inc. with online portals so that potential customers can reach the business. The Company will also develop its own online website, which will include information about the Haunted House location and its Halloween product lines.

During the pre-Halloween season, the Company will aggressively distribute mail flyers, place advertisements in local newspapers, and develop relationships with local school newsletter that offer advertising space. Many schools distribute “back to school” newsletters in the Fall, and Management will aggressively seek to place advertisements in these circulars.

In this section, you should expand on how you intend to implement your marketing. List publications, local newspapers, radio, and other outlets that you will use to promote your business. Discuss how much money you intend to spending on marketing.

5.3 Pricing

In this section, describe the pricing of your services and products. You should provide as much information as possible about your pricing as possible in this section. However, if you have hundreds of items, condense your product list categorically. This section of the business plan should not span more than 1 page.

6.0 Organizational Plan and Personnel Summary

6.1 Corporate Organization

Senior Management

Retail Operations

Administrative Staff

Accounting

Sales - Marketing

Administrative

Inventory Management

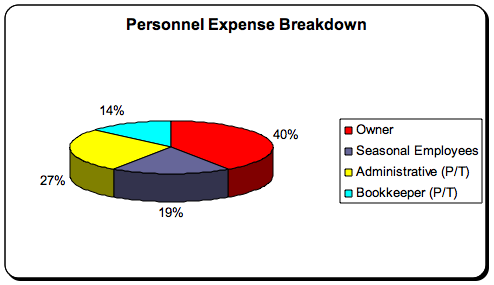
Halloween Season Operations

Haunted House Operations

6.2 Organizational Budget

|  |  |  |  |
| --- | --- | --- | --- |
| Personnel Plan - Yearly |  |  |  |
| Year | 2009 | 2010 | 2011 |
| Owner | $7,500 | $7,725 | $7,957 |
| Seasonal Employees | $3,500 | $3,605 | $3,713 |
| Administrative (P/T) | $5,000 | $5,150 | $5,305 |
| Bookkeeper (P/T) | $2,500 | $2,575 | $2,652 |
| Total | $18,500 | $19,055 | $19,627 |
|  |  |  |  |
| Numbers of Personnel |  |  |  |
| Year | 2009 | 2010 | 2011 |
| Owner | 1 | 1 | 1 |
| Seasonal Employees | 1 | 1 | 1 |
| Administrative (P/T) | 1 | 1 | 1 |
| Bookkeeper (P/T) | 1 | 1 | 1 |
| Totals | 4 | 4 | 4 |

6.2 Organizational Budget (Cont.)



6.3 Management Biographies

In this section of the business plan, you should write a two to four paragraph biography about your work experience, your education, and your skill set. For each owner or key employee, you should provide a brief biography in this section.

7.0 Financial Plan

7.1 Underlying Assumptions

The Company has based its proforma financial statements on the following:

* **Haunted House, Inc.** will have an annual revenue growth rate of 10% per year.
* The Owner will acquire $50,000 of debt funds to develop the business.
* The loan will have a 10 year term with a 9% interest rate.

7.2 Sensitivity Analysis

In the event of an economic downturn, the business may have a decline in its revenues. However, Halloween will continue to come every year, and children will still want to go to haunted houses, and purchase costumes and related products despite deleterious economic conditions. The high margin revenues generated from the sale of admission to the Haunted House coupled with the sale of Halloween related products will ensure the business’ continued profitability on a year to year basis.

7.3 Source of Funds

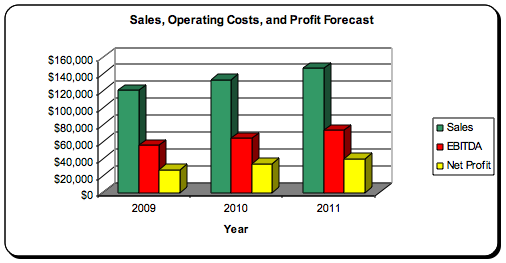
|  |  |
| --- | --- |
| Financing |  |
| Equity Contributions |  |
| Management Investment | $10,000.00 |
|  |  |
|  |  |
|  |  |
| Total Equity Financing | $10,000.00 |
| Banks and Lenders |  |
| Banks and Lenders | $50,000.00 |
| Total Debt Financing | $50,000.00 |
| Total Financing | $60,000.00 |

7.4 General Assumptions

|  |  |  |  |
| --- | --- | --- | --- |
| General Assumptions |  |  |  |
| Year | 2009 | 2010 | 2011 |
| Short Term Interest Rate | 9.5% | 9.5% | 9.5% |
| Long Term Interest Rate | 10.0% | 10.0% | 10.0% |
| Federal Tax Rate | 33.0% | 33.0% | 33.0% |
| State Tax Rate | 5.0% | 5.0% | 5.0% |
| Personnel Taxes | 15.0% | 15.0% | 15.0% |

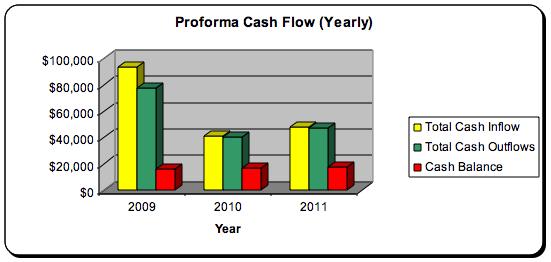
7.5 Profit and Loss Statements

|  |  |  |  |
| --- | --- | --- | --- |
| Proforma Profit and Loss (Yearly) | |  |  |
| Year | 2009 | 2010 | 2011 |
| Sales | $121,000 | $133,100 | $146,410 |
| Cost of Goods Sold | $15,200 | $16,720 | $18,392 |
| Gross Margin | 87.44% | 87.44% | 87.44% |
|  |  |  |  |
| Operating Income | $105,800 | $116,380 | $128,018 |
|  |  |  |  |
| Expenses |  |  |  |
| Payroll | $18,500 | $19,055 | $19,627 |
| General and Administrative | $8,400 | $8,736 | $9,085 |
| Marketing Expenses | $1,210 | $1,331 | $1,464 |
| Professional Fees and Licensure | $2,000 | $2,060 | $2,122 |
| Insurance Costs | $2,500 | $2,625 | $2,756 |
| Travel and Vehicle Costs | $5,000 | $5,500 | $6,050 |
| Rent and Utilities | $8,250 | $8,663 | $9,096 |
| Miscellaneous Costs | $1,452 | $1,597 | $1,757 |
| Payroll Taxes | $2,775 | $2,858 | $2,944 |
| Total Operating Costs | $50,087 | $52,425 | $54,901 |
|  |  |  |  |
| EBITDA | $55,713 | $63,955 | $73,117 |
| Federal Income Tax | $18,385 | $19,763 | $22,896 |
| State Income Tax | $2,786 | $2,994 | $3,469 |
| Interest Expense | $4,369 | $4,066 | $3,734 |
| Depreciation Expenses | $3,214 | $3,214 | $3,214 |
|  |  |  |  |
| Net Profit | $26,959 | $33,917 | $39,803 |
| Profit Margin | 22.28% | 25.48% | 27.19% |



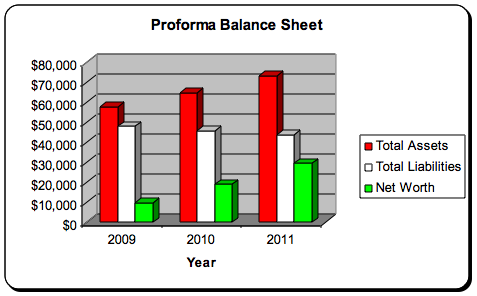
7.6 Cash Flow Analysis

|  |  |  |  |
| --- | --- | --- | --- |
| Proforma Cash Flow Analysis - Yearly | |  |  |
| Year | 2009 | 2010 | 2011 |
| Cash From Operations | $30,173 | $37,131 | $43,018 |
| Cash From Receivables | $0 | $0 | $0 |
| Operating Cash Inflow | $30,173 | $37,131 | $43,018 |
|  |  |  |  |
| Other Cash Inflows |  |  |  |
| Equity Investment | $10,000 | $0 | $0 |
| Increased Borrowings | $50,000 | $0 | $0 |
| Sales of Business Assets | $0 | $0 | $0 |
| A/P Increases | $3,790 | $4,359 | $5,012 |
| Total Other Cash Inflows | $63,790 | $4,359 | $5,012 |
|  |  |  |  |
| Total Cash Inflow | $93,963 | $41,490 | $48,030 |
|  |  |  |  |
| Cash Outflows |  |  |  |
| Repayment of Principal | $3,232 | $3,535 | $3,866 |
| A/P Decreases | $2,489 | $2,987 | $3,584 |
| A/R Increases | $0 | $0 | $0 |
| Asset Purchases | $45,000 | $9,283 | $10,754 |
| Dividends | $27,156 | $24,878 | $28,822 |
| Total Cash Outflows | $77,877 | $40,683 | $47,027 |
|  |  |  |  |
| Net Cash Flow | $16,087 | $807 | $1,003 |
| Cash Balance | $16,087 | $16,894 | $17,897 |



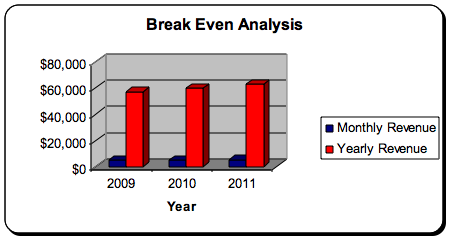
7.7 Balance Sheet

|  |  |  |  |
| --- | --- | --- | --- |
| Proforma Balance Sheet - Yearly |  |  |  |
| Year | 2009 | 2010 | 2011 |
| Assets |  |  |  |
| Cash | $16,087 | $16,894 | $17,897 |
| Amortized Expansion Costs | $12,500 | $13,428 | $14,504 |
| Merchandise Inventory | $12,500 | $19,462 | $27,528 |
| FF&E and Haunted House Equipment | $20,000 | $21,392 | $23,006 |
| Accumulated Depreciation | ($3,214) | ($6,429) | ($9,643) |
| Total Assets | $57,872 | $64,748 | $73,291 |
|  |  |  |  |
| Liabilities and Equity |  |  |  |
| Accounts Payable | $1,301 | $2,673 | $4,101 |
| Long Term Liabilities | $46,768 | $43,233 | $39,699 |
| Other Liabilities | $0 | $0 | $0 |
| Total Liabilities | $48,069 | $45,906 | $43,799 |
|  |  |  |  |
| Net Worth | $9,803 | $18,842 | $29,492 |
| Total Liabilities and Equity | $57,872 | $64,748 | $73,291 |



7.8 Breakeven Analysis

|  |  |  |  |
| --- | --- | --- | --- |
| Monthly Break Even Analysis | |  |  |
| Year | 2009 | 2010 | 2011 |
| Monthly Revenue | $4,774 | $4,996 | $5,232 |
| Yearly Revenue | $57,283 | $59,957 | $62,788 |



7.9 Business Ratios

|  |  |  |  |
| --- | --- | --- | --- |
| Business Ratios - Yearly | |  |  |
| Year | 2009 | 2010 | 2011 |
| Sales |  |  |  |
| Sales Growth | 0.0% | 10.0% | 10.0% |
| Gross Margin | 87.4% | 87.4% | 87.4% |
|  |  |  |  |
| Financials |  |  |  |
| Profit Margin | 22.28% | 25.48% | 27.19% |
| Assets to Liabilities | 1.20 | 1.41 | 1.67 |
| Equity to Liabilities | 0.20 | 0.41 | 0.67 |
| Assets to Equity | 5.90 | 3.44 | 2.49 |
|  |  |  |  |
| Liquidity |  |  |  |
| Acid Test | 0.33 | 0.37 | 0.41 |
| Cash to Assets | 0.28 | 0.26 | 0.24 |

Three Year Profit and Loss Statement

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Profit and Loss Statement (First Year) | |  |  |  |
| Month | 8 | 9 | 10 | 2009 |
| Sales | $15,000 | $18,000 | $88,000 | $121,000 |
| Cost of Goods Sold | $3,000 | $3,600 | $8,600 | $15,200 |
| Gross Margin | 80.0% | 80.0% | 90.2% | 87.4% |
|  |  |  |  |  |
| Operating Income | $12,000 | $14,400 | $79,400 | $105,800 |
|  |  |  |  |  |
| Expenses |  |  |  |  |
| Payroll | $1,542 | $1,542 | $1,542 | $18,500 |
| General and Administrative | $700 | $700 | $700 | $8,400 |
| Marketing Expenses | $101 | $101 | $101 | $1,210 |
| Professional Fees and Licensure | $167 | $167 | $167 | $2,000 |
| Insurance Costs | $208 | $208 | $208 | $2,500 |
| Travel and Vehicle Costs | $417 | $417 | $417 | $5,000 |
| Rent and Utilities | $688 | $688 | $688 | $8,250 |
| Miscellaneous Costs | $121 | $121 | $121 | $1,452 |
| Payroll Taxes | $231 | $231 | $231 | $2,775 |
| Total Operating Costs | $4,174 | $4,174 | $4,174 | $50,087 |
|  |  |  |  |  |
| EBITDA | $7,826 | $10,226 | $75,226 | $55,713 |
| Federal Income Tax | $2,279 | $2,735 | $13,371 | $18,385 |
| State Income Tax | $345 | $414 | $2,026 | $2,786 |
| Interest Expense | $361 | $359 | $357 | $4,369 |
| Depreciation Expense | $268 | $268 | $268 | $3,214 |
|  |  |  |  |  |
| Net Profit | $4,573 | $6,450 | $59,204 | $26,959 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Profit and Loss Statement (Second Year) | |  |  |  |  |
|  |  |  |  |  |  |
| Quarter | Q1 | Q2 | Q3 | Q4 | 2010 |
| Sales | $0 | $0 | $0 | $133,100 | $133,100 |
| Cost of Goods Sold | $0 | $0 | $0 | $16,720 | $16,720 |
| Gross Margin | 0.0% | 0.0% | 0.0% | 87.4% | 87.4% |
|  |  |  |  |  |  |
| Operating Income | $0 | $0 | $0 | $116,380 | $116,380 |
|  |  |  |  |  |  |
| Expenses |  |  |  |  |  |
| Payroll | $0 | $0 | $0 | $19,055 | $19,055 |
| General and Administrative | $0 | $0 | $0 | $8,736 | $8,736 |
| Marketing Expenses | $0 | $0 | $0 | $1,331 | $1,331 |
| Professional Fees and Licensure | $0 | $0 | $0 | $2,060 | $2,060 |
| Insurance Costs | $0 | $0 | $0 | $2,625 | $2,625 |
| Travel and Vehicle Costs | $0 | $0 | $0 | $5,500 | $5,500 |
| Rent and Utilities | $0 | $0 | $0 | $8,663 | $8,663 |
| Miscellaneous Costs | $0 | $0 | $0 | $1,597 | $1,597 |
| Payroll Taxes | $0 | $0 | $0 | $2,858 | $2,858 |
| Total Operating Costs | $0 | $0 | $0 | $52,425 | $52,425 |
|  |  |  |  |  |  |
| EBITDA | $0 | $0 | $0 | $63,955 | $63,955 |
| Federal Income Tax | $0 | $0 | $0 | $19,763 | $19,763 |
| State Income Tax | $0 | $0 | $0 | $2,994 | $2,994 |
| Interest Expense | $1,046 | $1,027 | $1,007 | $986 | $4,066 |
| Depreciation Expense | $804 | $804 | $804 | $804 | $3,214 |
|  |  |  |  |  |  |
| Net Profit | -$1,849 | -$1,830 | -$1,810 | $39,407 | $33,917 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Profit and Loss Statement (Third Year) | |  |  |  |  |
|  |  |  |  |  |  |
| Quarter | Q1 | Q2 | Q3 | Q4 | 2011 |
| Sales | $0 | $0 | $0 | $146,410 | $146,410 |
| Cost of Goods Sold | $0 | $0 | $0 | $18,392 | $18,392 |
| Gross Margin | 0.0% | 0.0% | 0.0% | 87.4% | 87.4% |
|  |  |  |  |  |  |
| Operating Income | $0 | $0 | $0 | $128,018 | $128,018 |
|  |  |  |  |  |  |
| Expenses |  |  |  |  |  |
| Payroll | $0 | $0 | $0 | $19,627 | $19,627 |
| General and Administrative | $0 | $0 | $0 | $9,085 | $9,085 |
| Marketing Expenses | $0 | $0 | $0 | $1,464 | $1,464 |
| Professional Fees and Licensure | $0 | $0 | $0 | $2,122 | $2,122 |
| Insurance Costs | $0 | $0 | $0 | $2,756 | $2,756 |
| Travel and Vehicle Costs | $0 | $0 | $0 | $6,050 | $6,050 |
| Rent and Utilities | $0 | $0 | $0 | $9,096 | $9,096 |
| Miscellaneous Costs | $0 | $0 | $0 | $1,757 | $1,757 |
| Payroll Taxes | $0 | $0 | $0 | $2,944 | $2,944 |
| Total Operating Costs | $0 | $0 | $0 | $54,901 | $54,901 |
|  |  |  |  |  |  |
| EBITDA | $0 | $0 | $0 | $73,117 | $73,117 |
| Federal Income Tax | $0 | $0 | $0 | $22,896 | $22,896 |
| State Income Tax | $0 | $0 | $0 | $3,469 | $3,469 |
| Interest Expense | $966 | $945 | $923 | $901 | $3,734 |
| Depreciation Expense | $804 | $804 | $804 | $804 | $3,214 |
|  |  |  |  |  |  |
| Net Profit | -$1,769 | -$1,748 | -$1,727 | $45,047 | $39,803 |

Expanded Cash Flow Analysis

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Cash Flow Analysis (First Year) | |  |  |  |  |  |  |  |
| Month | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Cash From Operations | -$375 | -$373 | -$371 | -$369 | -$367 | -$365 | -$363 | $4,840 |
| Cash From Receivables | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Operating Cash Inflow | -$375 | -$373 | -$371 | -$369 | -$367 | -$365 | -$363 | $4,840 |
|  |  |  |  |  |  |  |  |  |
| Other Cash Inflows |  |  |  |  |  |  |  |  |
| Equity Investment | $10,000 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Increased Borrowings | $50,000 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Sales of Business Assets | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| A/P Increases | $316 | $316 | $316 | $316 | $316 | $316 | $316 | $316 |
| Total Other Cash Inflows | $60,316 | $316 | $316 | $316 | $316 | $316 | $316 | $316 |
|  |  |  |  |  |  |  |  |  |
| Total Cash Inflow | $59,941 | -$57 | -$55 | -$53 | -$51 | -$49 | -$47 | $5,156 |
|  |  |  |  |  |  |  |  |  |
| Cash Outflows |  |  |  |  |  |  |  |  |
| Repayment of Principal | $258 | $260 | $262 | $264 | $266 | $268 | $270 | $272 |
| A/P Decreases | $207 | $207 | $207 | $207 | $207 | $207 | $207 | $207 |
| A/R Increases | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Asset Purchases | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $45,000 |
| Dividends | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Cash Outflows | $466 | $468 | $470 | $472 | $474 | $476 | $478 | $45,480 |
|  |  |  |  |  |  |  |  |  |
| Net Cash Flow | $59,475 | -$525 | -$525 | -$525 | -$525 | -$525 | -$525 | -$40,323 |
| Cash Balance | $59,475 | $58,950 | $58,425 | $57,900 | $57,375 | $56,850 | $56,325 | $16,002 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Cash Flow Analysis (First Year Cont.) | |  |  |  |  |
| Month | 9 | 10 | 11 | 12 | 2009 |
| Cash From Operations | $6,718 | $59,472 | -$4,529 | -$4,527 | $30,173 |
| Cash From Receivables | $0 | $0 | $0 | $0 | $0 |
| Operating Cash Inflow | $6,718 | $59,472 | -$4,529 | -$4,527 | $30,173 |
|  |  |  |  |  |  |
| Other Cash Inflows |  |  |  |  |  |
| Equity Investment | $0 | $0 | $0 | $0 | $10,000 |
| Increased Borrowings | $0 | $0 | $0 | $0 | $50,000 |
| Sales of Business Assets | $0 | $0 | $0 | $0 | $0 |
| A/P Increases | $316 | $316 | $316 | $316 | $3,790 |
| Total Other Cash Inflows | $316 | $316 | $316 | $316 | $63,790 |
|  |  |  |  |  |  |
| Total Cash Inflow | $7,033 | $59,788 | -$4,213 | -$4,211 | $93,963 |
|  |  |  |  |  |  |
| Cash Outflows |  |  |  |  |  |
| Repayment of Principal | $274 | $276 | $278 | $281 | $3,232 |
| A/P Decreases | $207 | $207 | $207 | $207 | $2,489 |
| A/R Increases | $0 | $0 | $0 | $0 | $0 |
| Asset Purchases | $0 | $0 | $0 | $0 | $45,000 |
| Dividends | $0 | $27,156 | $0 | $0 | $27,156 |
| Total Cash Outflows | $482 | $27,640 | $486 | $488 | $77,877 |
|  |  |  |  |  |  |
| Net Cash Flow | $6,552 | $32,148 | -$4,699 | -$4,699 | $16,087 |
| Cash Balance | $22,554 | $54,702 | $50,003 | $45,304 | $16,087 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Cash Flow Analysis (Second Year) | |  |  |  |  |
|  |  | 2010 |  |  |  |
| Quarter | Q1 | Q2 | Q3 | Q4 | 2010 |
| Cash From Operations | $0 | $0 | $0 | $37,131 | $37,131 |
| Cash From Receivables | $0 | $0 | $0 | $0 | $0 |
| Operating Cash Inflow | $0 | $0 | $0 | $37,131 | $37,131 |
|  |  |  |  |  |  |
| Other Cash Inflows |  |  |  |  |  |
| Equity Investment | $0 | $0 | $0 | $0 | $0 |
| Increased Borrowings | $0 | $0 | $0 | $0 | $0 |
| Sales of Business Assets | $0 | $0 | $0 | $0 | $0 |
| A/P Increases | $0 | $0 | $0 | $4,359 | $4,359 |
| Total Other Cash Inflows | $0 | $0 | $0 | $4,359 | $4,359 |
|  |  |  |  |  |  |
| Total Cash Inflow | $0 | $0 | $0 | $41,490 | $41,490 |
|  |  |  |  |  |  |
| Cash Outflows |  |  |  |  |  |
| Repayment of Principal | $854 | $874 | $893 | $914 | $3,535 |
| A/P Decreases | $0 | $0 | $0 | $2,987 | $2,987 |
| A/R Increases | $0 | $0 | $0 | $0 | $0 |
| Asset Purchases | $0 | $0 | $0 | $9,283 | $9,283 |
| Dividends | $0 | $0 | $0 | $24,878 | $24,878 |
| Total Cash Outflows | $854 | $874 | $893 | $38,061 | $40,683 |
|  |  |  |  |  |  |
| Net Cash Flow | -$854 | -$874 | -$893 | $3,429 | $807 |
| Cash Balance | $15,232 | $14,359 | $13,465 | $16,894 | $16,894 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Cash Flow Analysis (Third Year) | |  |  |  |  |
|  |  | 2011 |  |  |  |
| Quarter | Q1 | Q2 | Q3 | Q4 | 2011 |
| Cash From Operations | $0 | $0 | $0 | $43,018 | $43,018 |
| Cash From Receivables | $0 | $0 | $0 | $0 | $0 |
| Operating Cash Inflow | $0 | $0 | $0 | $43,018 | $43,018 |
|  |  |  |  |  |  |
| Other Cash Inflows |  |  |  |  |  |
| Equity Investment | $0 | $0 | $0 | $0 | $0 |
| Increased Borrowings | $0 | $0 | $0 | $0 | $0 |
| Sales of Business Assets | $0 | $0 | $0 | $0 | $0 |
| A/P Increases | $0 | $0 | $0 | $5,012 | $5,012 |
| Total Other Cash Inflows | $0 | $0 | $0 | $5,012 | $5,012 |
|  |  |  |  |  |  |
| Total Cash Inflow | $0 | $0 | $0 | $48,030 | $48,030 |
|  |  |  |  |  |  |
| Cash Outflows |  |  |  |  |  |
| Repayment of Principal | $934 | $956 | $977 | $999 | $3,866 |
| A/P Decreases | $0 | $0 | $0 | $3,584 | $3,584 |
| A/R Increases | $0 | $0 | $0 | $0 | $0 |
| Asset Purchases | $0 | $0 | $0 | $10,754 | $10,754 |
| Dividends | $0 | $0 | $0 | $28,822 | $28,822 |
| Total Cash Outflows | $934 | $956 | $977 | $44,160 | $47,027 |
|  |  |  |  |  |  |
| Net Cash Flow | -$934 | -$956 | -$977 | $3,870 | $1,003 |
| Cash Balance | $15,960 | $15,004 | $14,027 | $17,897 | $17,897 |