

ABSTRACT

Clearly Business Plan

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Director: Don Carpenter

Clearly, Inc. connects healthcare providers and insurers to provide prompt and accurate medical cost estimates to patients. By using Clearly's estimation software, healthcare providers can reduce estimate generation time, increase estimation accuracy, and redirect financial assistance labor. By providing timely cost estimates Clearly aims to relieve the stress of seeking medical care, ultimately representing Christ through both end products and daily operations. Clearly operates on a software as a service fee structure, charging healthcare providers a monthly fee for its estimation media. Based on financial projections supported by various primary and secondary sources, Clearly will be cashflow positive in month 30 with run rate monthly cash flow of ~\$64,000 at the end of year three. Clearly will need \$235,000 of capital over the course of two fundraising rounds to achieve this growth, representing a 100%+ internal rate of return for investors based on a 4x sales multiple.

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CLEARLY BUSINESS PLAN

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By
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CHAPTER ONE

Company Overview and Industry Positioning

Definition of Success

There are various yard sticks for financial success: internal rate of return (IRR), times money returned, or simply being profitable. Internal rate of return most appropriately measures Clearly's investment profile, risk, and timeline. Given the all equity capital structure (not including minimal short-term borrowing to cover minimum cash preference), Clearly should have an appropriately high IRR. Clearly will raise \$35,000 in funding at the beginning of year one followed by another round of \$200,000 at the beginning of year two. Given industry standards, the first funding round should match or exceed seed/startup target IRRs (50%-100%). Given Clearly's forecasted operational performance after one year, the second round of funding should match first stage target IRRs (40%-60%).

Non-financial success is obviously significantly more subjective, consisting of personal development and community impact rather than pecuniary returns. Given my limited work and entrepreneurial experience, I define non-financial success as creating lasting relationships with all parties involved (advisors, investors, patients, doctors, healthcare organizations, employees, and insurers), gaining considerable personal experience, and making a positive impact on the U.S. healthcare system (as measured by reduced estimation generation lag, increased estimation accuracy, and reduced overall healthcare cost through more efficient automation). I value these non-financial goals as they prepare me for further entrepreneurial success (gaining experience and creating

relationships) as well as allow me to fulfill my personal desire to be a good steward and representative of Christ (positively impacting the healthcare system and creating lasting relationships).

Business Mission

Clearly connects healthcare providers and insurers to provide prompt and accurate medical cost estimates to patients. By providing timely financial estimates in the context of one of life's most stressful circumstances, Clearly aims to relieve the burden of seeking medical care and ultimately represent Christ through both end products and daily operations.

Primary Sources

As with any business venture, long term success hinges on maximization of strengths as well as recognition and mitigation of weaknesses. Given the founder's limited healthcare experience, Clearly's financial projections and operational strategy rely heavily on a number of advisors, mentors, and primary data sources. As these sources are referenced throughout this business plan, they are briefly described below.

Steven Elwell, M.D.

Dr. Elwell has over 20 years of medical experience, including leading the doctors' group at Ascension Providence Hospital where he currently works. Dr. Elwell emphasized the ubiquitous demand for medical cost estimation services, pointing out the need for an easily digestible consumer-focused estimation tool. He also described various parties

involved throughout the medical payment process (healthcare providers, patients, insurers, and the federal government) noting the huge role Medicare and Medicaid play in price setting.

Thomas Webb, M.D.

Dr. Webb currently works in the Waco Family Health Center network of community clinics. Whereas Dr. Elwell provided a more administrative perspective, Dr. Webb emphasized the value of having an easily digestible estimation tool in everyday operations. While Clearly's services would most likely be used by financial counselors, Dr. Webb highlighted the need to compare average healthcare prices while with a patient. He mentioned he frequently uses GoodRx while he is with patients to help them find more economical pharmacy options.

Joel Allison

Mr. Allison offered a wealth of knowledge and insight used throughout the business plan development process, drawing on his 18 years as CEO of Baylor Scott & White Health as well as his 3 years as Chairman of the Baylor board of regents. Mr. Allison noted a regulatory shift forcing healthcare providers to deliver more prompt and accurate cost estimates. He also detailed some of the difficulties in providing medical cost estimates such as multi-party pricing (a single medical procedure can trigger billing negotiations from the healthcare facility, medical doctor, anesthesiologist, insurer, and federal government) and the discrepancy between average procedure cost and actual individual cost outcomes.

Alan Ying

After founding and successfully exiting Mercury M.D., a revolutionary patient information tracking system, Mr. Ying continued his entrepreneurial success, serving on the board of six medical companies. Mr. Ying pointed out the immense competition in the healthcare sector and suggested finding a very specific niche to reduce competition. This insight fundamentally shifted Clearly's mission from a general healthcare information technology company to one that specifically facilitates medical cost estimates.

Bill Kampine

With a background in medical claims adjudication, Mr. Kampine founded one of Clearly's main competitors, Healthcare Bluebook. He explained the complexity of medical claims data and the adjudication process, highlighting the need for specific knowledge and experience to be competitive in the healthcare industry. He provided some insight into Healthcare Bluebook's expenses which feed directly into the financial model.

Joley Tamplin

Mrs. Tamplin works at Baylor Scott & White Hillcrest Hospital in Waco as a financial counselor. She was critical in understanding the estimation production process and provided several weak points in Hillcrest's current estimation facilitation service provider (Recondo). She also provided estimates of what healthcare providers would be willing to pay for Clearly's services based on what Hillcrest pays for Recondo.

Christine O'Donnell

As the executive director of customer experience at Fair Health, a medical data aggregator and distributor, Mrs. O'Donnell provided a unique insight into the value of medical data and how Clearly could leverage possible data collection to propel long-term revenue through data licenses. She detailed Fair Health's program development strategy, providing development and maintenance cost estimates. She was influential in the decision to hire a programming firm rather than an in-house programmer.

Anna Ilyina

Mrs. Ilyina works as a program development consultant for Syberry corporation, a program development firm. She detailed the program development process and provided cost estimates that feed directly into the financial projections. She was critical in planning Clearly's capital expenditures.

Hall Martin

Mr. Martin has extensive angel investing experience, founding or directing six angel networks in Texas. He played a critical role in developing Clearly's funding structure and provides a key ongoing resource to execute fund raising.

David Grubbs

Mr. Grubbs has extensive entrepreneurial experience, founding five successful entrepreneurial ventures. He provided several key resources which feed directly into Clearly's projected sales funnel and marketing budget. He shared his company's extensive

marketing strategy including website optimization, split testing, and customer acquisition efficiency metrics.

Operating Model

Clearly's overall customer engagement strategy leverages a direct sales and demonstration team to identify sales leads, engage directly (via phone calls, emails, and website contact options), host in-person or virtual demonstrations with client provided sample data, and ultimately provide value-add services on a recurring basis. Clearly's target clients (large healthcare providers) already have teams of financial advisors that facilitate cost estimation and financial assistance as this service is legally required and integral to healthcare providers' operations. As such, Clearly will benefit from widespread awareness of the cost estimation process.

As highlighted by Joley Tamplin, many healthcare providers already use a similar estimation facilitator service. Recondo alone provides estimation services for over 900 hospitals and health systems. For large potential clients, Clearly's engagement strategy hinges on highlighting the advantages of Clearly's product offering over current providers through in-person and virtual demonstrations. These advantages include competitive pricing, automatic Current Procedural Terminology (CPT) code generation, and integration with current scheduling technology. For smaller healthcare providers who do not already use an estimation facilitator, Clearly's engagement process includes the aforementioned competitive advantages as well as more universal benefits of automated cost estimation such as reduced estimate generation lag and increased labor efficiency.

As outlined in the Sales Funnel (see appendix), Clearly will begin engaging customers in month 7, converting the first lead into a sale by month 9. This first lead and conversion will likely come from a local healthcare provider such as Ascension Providence Hospital, Baylor Scott & White Hillcrest Hospital, or the Waco Family Health Center. For these initial leads, Clearly will reach out to potential clients through previous contacts such as Joel Allison, Dr. Steven Elwell, Joley Tamplin, or Dr. Thomas Webb. These initial clients will likely require special attention to ensure retention as well as smooth service. Healthcare providers within large networks such as Baylor Scott & White Hillcrest Hospital and Ascension Providence Hospital may have restrictions on estimation facilitation service providers due to possible network wide contracts or mandates. However, the Waco Family Health Center, local doctor's offices, and charity healthcare organizations provide alternative potential clients.

Year two is characterized by geographic expansion aided by increased sales labor and marketing. Clearly will hire a part time business development consultant in month 16 who will transition to a full-time position in month 22. While financial projections use hourly wages for simplicity, this position would be well suited to a typical sales compensation program combining base pay and commissions. Lead generation rates are based on the sales industry average of 150 to 200 leads generated per business development consultant per month. This number is adjusted down to reflect part-time employment, a learning period for new hires, and a conservative buffer.

Clearly's sales process includes initial leads, sales calls and emails, in-person or virtual demonstrations, and ultimately a sale. Intermediary conversion rates detailed in the appendix represent industry averages with the overall lead conversion rate of ~8% also in

line with the Healthcare industry average. These initial lead conversion rate projections are consistent with primary sources' estimates, specifically those of David Grubbs.

In year three, Clearly will continue to invest in its salesforce, hiring an additional full-time and a part-time business development consultant. Based on the aforementioned lead generation and sales conversion rates, Clearly anticipates generating ~75 leads per month by the end of year three with a monthly new sales target of ~6 hospitals per month. Given the aforementioned target rate of 150 to 200 leads per sales representative per month and the fact that there are over 5,500 hospitals in the U.S., these lead generation and conversion projections include a conservative buffer and seem reasonably achievable.

Industry Overview

Business Environment

Clearly provides a highly specific service and therefore competes in a very niche environment. Because Clearly's business services fall broadly into the Electronic Medical Record (EMR) System industry, it faces competitive threats from similarly niche competitors as well as companies with more broad operations that could potentially reposition to acquire part of Clearly's customer base.

Due to a continued increase in total health care spending, along with legislative incentives to implement EMR systems nationwide, the industry has seen a 3.8% annual growth rate over the past 5 years. While over 1,700 companies belong to the EMR industry nationally, Clearly will operate in the Waco area in its first year and thus faces significantly reduced initial competition. With a population of 138,000, median annual income of

\$36,000, and a median age of 28, Waco represents a relatively smaller market. While Waco supports a limited set of potential clients, it offers a number of advantages for Clearly's nascent stage: founder connections to potential clients, reduced local competition, potential funding from grants supporting local businesses, and a lower cash burn rate as a function of Waco's lower cost of living. As Clearly grows and refines its software, larger metroplexes will provide the client base necessary for operational scale. As such, Clearly will expand to Houston in year two which has a population of 2.3 million people and is home to 85+ hospitals.

Competition

While Clearly faces competition from numerous companies, the four competitors identified below pose the greatest and most present threat.

Denver based Recondo Technology provides the most similar and directly competitive service (medical cost estimation software) as well as a suite of complementary healthcare technology services such as benefits eligibility verification, payer authorization, and claim status monitoring. Founded in 2007, Recondo remains private, backed by the private equity firm Lemhi Ventures. With 170 clients across 4,500 locations, Recondo represents a heavily entrenched competitor. However, Recondo also provides a general template of the potential client runway Clearly can pursue. With large clients such as Atrium Health, Baylor Scott & White, Mercy Health, and Stanford Healthcare Recondo aids in millions of transactions annually. Of Recondo's ~400 million annual transactions, over 70 million were completely automated. Obviously, this widespread automation

allows healthcare providers to focus resources on providing quality care rather than managing administrative duties.

Fair Health, another top competitor, was founded in 2009 after then-New York Attorney General Andrew Cuomo recognized conflicts of interest in the methods health insurers were using to determine patients' insurance reimbursement. Part of the financial settlement went towards creating Fair Health, a nonprofit organized to give patients access to healthcare costs and insurance information in easily digestible formats as well as assist in healthcare research. While Fair Health started in New York, it has encouraged transparency on a national level. As an independent national nonprofit organization, Fair Health's primary concern is providing unbiased and accessible data to the marketplace. The data collected and shared is from more than 60 health plans, insurance carriers and third-party administrators. In addition to the free consumer estimation tool, Fair Health licenses its data to various parties including university researchers, insurers, and healthcare providers. While Fair Health does offer rough estimates of medical costs to consumers, it lacks the specificity that Clearly can offer, basing estimates on aggregated data instead of a patient's specific insurance coverage and chosen provider. Though Fair Health does not immediately and directly compete with Clearly, its massive data resources, well-established relationships, and government support would allow Fair Health to quickly develop into a major competitor.

Healthcare Bluebook provides consumer facing mobile and desktop medical cost estimates. Since 2008, Healthcare Bluebook has aggregated adjudicated medical claims data to provide estimates of what consumers actually pay for medical care rather than what is billed. The amount billed for medical services is often considerably higher than what is

actually paid and generally has minimal correlation to the cost of providing the service. Patients can use Healthcare Bluebook to search various medical services and providers, ultimately receiving a cost estimate for a specific provider as well as where that cost estimate falls in relation to what other patients typically pay.

While this service seems clearly beneficial, it has several drawbacks:

1. Consumers rarely use estimation services, even when those services are free of charge.
2. In emergencies, consumers do not have the time to look up service prices and locations.
3. For regularly scheduled visits, consumers prefer seeing their traditional provider. Rather than pursue the cheapest service, patients pay significantly more to see a familiar or historic provider.
4. Those who do use the estimation software end up paying more on average for services, inferring care quality based on price.
5. Patients rarely know all the inputs to a particular service or procedure. As such, cost estimates vary widely from actual individual bills and payments.

Though Healthcare Bluebook could pose a competitive threat in the future, it currently operates in a similar but competitively distinct space. Additionally, Healthcare Bluebook sells its services to self-insured businesses rather than healthcare providers.

Epic primarily develops and sells proprietary electronic medical record software applications. Epic provides an integrated suite of medical software centered around its Chronicles database management system. Epic's software supports broad patient care

related functions including: registration and scheduling; clinical systems for doctors, nurses, first responders and other caregivers; laboratory technician record keeping; systems used by pharmacists and radiologists; and insurance company billing systems. Unique to Epic, they provide their record management system service to hospitals to maintain their patients' data. They charge roughly \$5,000 a year for their systems. As the data management service is fully integrated with other Epic software, hospitals are additionally incentivized to join Epic's software ecosystem. While Epic does not currently support medical cost estimation, its broad adoption and integration make it a formidable potential competitor. As one of Clearly's competitive advantages over Recondo is estimation integration with Epic to automatically generate rough estimates, Epic could terminate any integration agreements and thus undermine one of Clearly's competitive advantages. At the same time however, Epic could provide a substantial partnership through integration and cross-selling.

CHAPTER TWO

Revenue Projections

Price

Pricing data is based heavily on Joley Tamplin's estimates corroborated by Joel Allison and Dr. Steven Elwell. Mrs. Tamplin suggested Hillcrest currently pays between \$15,000 and \$20,000 per month for Recondo's services. However, Recondo offers eligibility, authorization, and claims status services in addition to its estimation tool. Recondo also has a much longer history, commanding a higher price for a stronger sense of business continuity. Given Mrs. Tamplin's initial estimate adjusted for a continuity premium, we believe hospitals would initially be willing to pay \$1,000 a month for Clearly's estimation services.

As Clearly refines its software, builds relationships with more insurers, and establishes its reputation, Clearly will raise its price to \$2,000 a month after 18 months and again to \$2,500 a month after 24 months. Increasing projected expenses (direct, marketing, labor, etc.) will support these price increases. After discussing with Mr. Allison, clear and present value added primarily drives the service price. Based on his experience as CEO of Baylor Scott & White, Mr. Allison advised that medical professionals are often slow to adjust to new processes. As such, he noted that Clearly's services would have to be much more valuable to a hospital than their current solution. Mrs. Tamplin provided several key areas where Hillcrest's current service provider (Recondo) could be improved – particularly in communicating with the scheduling software Epic and automatically

generating Current Procedural Terminology (CPT) codes. These operational advantages combined with a lower price point will be critical in convincing healthcare providers to test Clearly's services in place of their current provider (or lack thereof).

Accounts Receivable Collections

Accounts Receivable collections estimates are based on a combination of typical business stage relationship leverage, industry data, and Alan Ying's personal experience. Given ~91% of health system invoices are paid by paper checks rather than electronic transfer and Clearly's minimal initial negotiating leverage, sales are projected entirely on account for in year one. Using healthcare system average days payable outstanding and Clearly's anticipated close relationship with its first customer, 100% of our first-year customers are estimated to pay for services in the first month following sale.

As Clearly grows, so will its power to negotiate credit terms. Based on his experience as a board member of four healthcare companies, Alan Ying suggested Clearly could increase its cash sales to 10% in its second year. Clearly's A/R collection period will also broaden as Clearly acquires more customers with varying DPO policies. Representing this broader DPO spread, 25% of receivables will be collected in the month of sale, 50% collected in the month following sale, 15% in the second month following sale, and 10% not collected at all. Due to limited volume and price, the 10% bad debt would not be worth pursuing.

Year three projected cash sales will remain in line with industry averages at 10%. A/R collection periods will also remain the same with the exception of bad debt expense. As Clearly's price and volume increases, pursuing potential bad debts becomes more

worthwhile. As a result of increased debt recovery efforts, bad debt expense will decrease to 5%, balanced by a 5% increase in collections in the third month after sale. Based on conversations with Bill Kampine, who manages A/R collections as Senior Vice President of Healthcare Bluebook, quality of client and Clearly's relationship with clients will most directly drive A/R collections. As Clearly grows, its A/R collections policy will shift from more relationship based to better selecting clients.

Case Based Revenue Projections

Clearly's revenue projections are simply a function of sales lead production and conversion (volume) and price, adjusted for A/R collection timing. As detailed in the appendix, base case annual revenues are projected at \$4,000 in year one, \$91,000 in year two, and \$1,030,000 in year three.

Worst case projections allow for a less efficient sales team as measured by reduced generation and conversion rates, ultimately reducing sales volume. Worst case pricing remains the same as base case price projections which already include a significant conservative buffer. Prices are projected at the floor of feasibility, meaning any lower price projections would make Clearly's business unlikely to succeed. The worst-case projections allow for adversity and adaption, rather than simply projecting the absolute worst case – one where the business does not make any money and continues to burn through cash for three years before shutting down. Worst case projected revenue is \$4,000 in year one, \$68,000 in year two, and \$830,000 in year three. While worst case revenue projections remain fairly similar to base case revenue projections, expense projections detailed in

Chapter Three show increased expenses and therefore reduced earnings and cash flow in the worst case.

Best case revenue projections similarly retain the same pricing structure as base case projections. As with the worst-case projections, projected revenue differences stem from changes in sales volume (detailed in the best-case sales funnel). Best-case revenue is projected at \$4,000 in year one, \$149,000 in year two, and \$2,263,000 in year three. While best case projections tantalize potential entrepreneurs and businesses, they are often simply embodied wishful thinking. Feasibility analysis should be based on worst- and base-case projections as entrepreneurial ventures rarely have everything go perfectly right.

CHAPTER THREE

Expense Projections

Labor

Clearly's labor can be broken down into three groups: Sales & Marketing, General & Administrative, and Programming & Data Science. Clearly's primary operational service – facilitating medical cost estimation – will be predominantly capital rather than labor intensive. However, Clearly will have ongoing expenses to support the business development process.

Clearly will outsource its Programming & Data Science needs rather than retain an in-house programmer. Clearly will further engage one of three software development firms (Syberry, Praxent, and Fingent) to handle the User Interface design, Development, Testing, and Deployment processes. The programming investment and expenses are further detailed in the Fundraising section.

Clearly's Sales & Marketing team will not need to be as highly skilled as the Programming & Data Science team. Clearly will initially rely on the management team to develop and convert leads. As Clearly refines its product offering and better establishes itself, it will hire a combination of part-time and full-time business development associates to fuel lead and sales growth.

The General & Administrative labor expense will mostly consist of paying the management team salaries contingent on positive operational performance. This expense will change based on management team needs, business performance, and investor mix.

The founders intend to work in the business for at least the first three years. Founder involvement after three years is dependent on personal needs and investor mix. Some additional General & Administrative labor expenses include outsourced Legal and Accounting labor as well as possible Marketing support.

Base Case Expense Projections

Direct Sales Cost

Like most companies, Clearly faces costs of selling in addition to labor. For software as a service (SaaS) companies specifically, this direct sales cost includes important expenses such as hosting and presentation costs, support needed to continue providing service, and any third-party products Clearly provides to its clients. SaaS companies specifically target between 10% and 20% direct sales cost as a percent of revenue. Clearly is projected to start at the upper end of this range (20%). As Clearly raises its price and becomes more efficient in its sales process, projected direct sales cost will fall to 15%.

Labor and Benefits

As previously noted, Clearly's labor expenditure can be broken down into Sales & Marketing, General & Administrative, and Programming & Data Science. Clearly's benefits are a function of its labor costs. As detailed in the appendix, Clearly will pay 6.2% FICA tax, 1.45% Medicare tax, 1% unemployment tax, and 10% in other benefits (savings match, possible equity benefits, parental leave, etc.). These competitive benefits should allow Clearly to better attract and retain labor.

Initially, Clearly will rely on its founders for Sales & Marketing labor. Clearly will hire part-time and full-time sales associates as it requires further lead generation and the founders shift their focus to more strategic issues. Coinciding with Clearly's planned geographic expansion in month 16, Clearly will hire a part time sales associate, fueling lead generation. The projected initial salary for this part-time sales associate is \$2,000 a month with a planned increase to \$3,000 per month in month 19 to reflect higher work demand and sales skill. These monthly expenditures represent an ~\$48,000 full-time equivalent salary, which would be moderately competitive in Waco when combined with Clearly's benefits and possible equity options. However, this salary equivalent would be low for Clearly's geographic expansion choice (Houston, Austin, or Dallas), and Clearly will have to adjust to reflect a higher cost of living.

Clearly will continue building its Sales & Development team through year three, converting the part-time associate into a full-time associate in month 22 supported by a new part-time associate with a similarly increasing salary over time. Clearly will hire another full-time associate in month 28 to continue lead and sales growth.

In the base-case projections, the founders will draw a cumulative \$4,000 monthly salary dependent on operational performance. While this would not represent an adequate salary, the founders will want to receive some compensation for their labor and investment before a possible exit. This \$4,000 expense likely underrepresents the value the founders provide in General & Administrative labor (as well as Sales & Marketing labor) and could be increased based on operational performance and founder preference. Bill Kampine, Co-Founder of Healthcare Bluebook, pointed out the variance in payment preference between

himself and his co-founder, and suggested budgeting a small founder labor payment with the understanding that it can vary widely.

Based on conversations with Christine O'Donnell and Alan Yang, it is advantageous for Clearly to outsource its programming labor. This will allow Clearly to bring in more highly skilled and comprehensive labor from a program development firm. Because the firm has a deep bench of programmers, it can adjust to Clearly's fluctuating workload better than a single in-house programmer. Additionally, should Clearly hire an in-house programmer it would be entirely dependent on that programmer for its operations. In contrast, hiring a programming firm offers more stability and reliability.

Rent and Utilities

Clearly will rent a physical office space in month 19, coinciding with Clearly's stronger sales efforts after refining Clearly's initial services. As Waco office space generally ranges from \$.80 to \$2 per square foot, Clearly will spend \$1,000 per month on rent. Buying on the lower end of this range (~\$1 per square foot) should provide a small office space for an initial physical address. In month 25, Clearly will increase rent expenditure to \$3,500, representing a higher quality and larger office space. These rental projections exclude utilities, estimated at 20% of rent following normal commercial utilities costs.

Telephone, Transportation, and Insurance

For the first 12 months, Clearly will use personal phone and internet service. It is not practical to enter into a commercial contract in Clearly's nascent stage nor is the

potential business tax write off significant enough to warrant paying for these services through Clearly. Based on quotes from AT&T for small business phone and internet connection, Clearly will pay \$86 per month throughout year two for basic internet connection and phone service. This expenditure will increase to \$178 and \$224 as Clearly grows its sales team and bandwidth needs in months 25 and 31, respectively.

As Clearly's initial business will be local, founders will use personal vehicles and fuel to provide transportation. Starting with the hire of the first part-time sales associate, projected transportation expense will increase to ~10% of salary. This represents a \$500 monthly allotment for transportation per full-time business development consultant to cover personal vehicle wear, gas, and possible airfare. A founder travel budget of \$250, \$500, and \$750 per month in years one through three respectively should support any founder travel needs. This allotment will cover initial sales transportation and grows over time to cover investor relations travel as well.

As Clearly will generally use personal vehicles or rental vehicles, drivers will generally use personal insurance when necessary. Due to the projected company size and cash flow, we do not see key person insurance as financially viable within the first three years. However, we recognize this possible insurance need can change based on investor preferences and operational performance. Starting in year three, \$1,000 per month is allotted for miscellaneous insurance needs that may become more apparent after two years of operations such as key person, commercial auto, renters, errors & omissions, and/or cyber insurances. While \$1,000 per month is not adequate to cover all possible insurance costs, it provides a reasonable estimate at the present to cover the most critical insurance needs that may arise.

Legal and Accounting

Legal expenses are projected at \$2,000 initially to further investigate project legality and define legal hazards. Given current legal rates, this will cover 5-10 hours of legal work. Given Recondo has offered a similar service to almost 200 clients for over a decade, it is likely that there are not any insurmountable legal obstacles. As such, it is not prudent to spend more than \$2,000 on initial legal work, particularly in light of the initial investment of \$35,000. Another \$3,000 is allotted at the start of year two to revisit legality. This second allotment is prudent given the size of additional investment at the beginning of year two. Clearly will have a \$250 monthly legal budget in year two to cover ongoing legal needs, which will increase to \$500 per month in year three.

Clearly will use QuickBooks for the first two years, projected to cost \$50 per month. While the founders will operate QuickBooks the first year, Clearly will hire an outside part-time bookkeeper for \$250 per month in year two. In year three, Clearly will hire a part time accountant to better maintain accounting records. Given the additional emphasis on and value of well-kept accounting records in private equity investment negotiations, Clearly's investment in a certified accountant should prove invaluable when considering exit possibilities.

Marketing

As Clearly's target clients are a relatively narrow set of large businesses rather than a broad array of individuals, Clearly will tailor marketing expenditure to support the Sales & Marketing team rather than a traditional widespread marketing approach. The marketing

budget will start at \$500 per month after 7 months to promote initial awareness of Clearly's services. This expenditure will increase to \$750 in month 13 and \$1,500 in month 19 to fuel further awareness. As Clearly will have a more fully refined and operational product in year three, advertising spend will increase dramatically to \$5,000 per month starting in month 25, coming in line with typical small business annual advertising spend¹. Based on conversations with David Grubbs, this allotment should be sufficient for a growing SaaS company of Clearly's projected size.

Marketing expenditure will focus on digital rather than traditional advertising. Clearly's projected advertising budget, particularly in year three, allows for a dynamic mix of outsourced advertising labor and investment in media platforms such as Google and Facebook. A portion of this advertising budget will be dedicated to website user experience optimization and split testing.

David Grubbs highlighted an important point that influenced our advertising strategy: many of our target clients already have a similar service. Rather than spending a large marketing budget on product education, Clearly will focus on highlighting its service improvements over target clients' existing estimation systems.

Office Supplies

Clearly's office supply expense should be minimal as it will have a small team with low supply needs. A \$150 monthly budget will cover general office supplies such as paper, writing utensils, a small personal printer, etc. Upon establishing a physical presence in month 19, projected office expense will increase to \$500 per month to support a commercial printer lease as well as an expanding Sales & Marketing team.

Website Expense and Depreciation

Website and app expense projections are based on conversations with Anna Ilyina, a developer at Syberry. Clearly's chosen software development firm will build out a desktop program first as target users will be hospital financial advisors. However, the chosen firm will build the program with potential app integration to allow strategic expansion options.

The program development process begins with a discovery phase costing ~\$15,000. In this phase, Syberry will work with Clearly to define the operation and intent of system modules (login, data entry, database communication), outline user levels (guest, primary user, administrator), and put together rough payment processing functionality. This two-to three-month process will provide a firm estimate of actual development cost and define expectations of the end product. This investment will be depreciated according to IRS depreciation guidelines, capitalized and depreciated over 36 months after proven viability (projected at the beginning of year two).

After the discovery phase, Clearly will have a better understanding of feasibility and will be able to better support additional capital raises with more defined projections. Mrs. Ilyina estimated Clearly's development phase would take ~6 months and cost ~\$100,000. This investment would also be depreciated over 36 months, representing a total monthly depreciation expense of \$3,194.

Mrs. Ilyina also provided ongoing support expense guidance, noting that support expense generally starts around \$2,000 and falls over time as programs become more refined and efficient. However, Mrs. Ilyina suggested budgeting \$3,000 for the first 6 months of year two to cover additional functionality and support as Clearly expands its

service to multiple clients. Projected program expense declines to \$1,500 and \$1,000 in month 19 and month 25, respectively, as Syberry streamlines the program and user experience. Any substantial added functionality after the launch phase would be considered an investment in a long-term asset and depreciated over 36 months rather than considered a support expense.

Interest Expense

As Clearly will raise all equity funding, the only interest expense will be a function of Clearly's minimum cash balance and any draw on the revolver loan. As noted in the Cash Flow section, Matt Smith estimates Clearly could secure a sufficient revolver loan at a 15% annual interest rate to cover minimum cash balance requirements. As Clearly's revolver limit would be relatively low, Clearly will not have to pay any interest on the unused portion of the revolver. Based on a 15% interest rate and projected cash draw, Clearly does not anticipate paying any interest expense in the first two years followed by ~\$3,000 in year three. Monthly cash draw and interest expense is detailed in the appendix.

Worst Case Expense Projections

Worst-case projections follow a similar pattern as best-case projections, contingent on the effectiveness of the sales team. However, worst-case projections account for non-sales obstacles. Because the projected leads generated per business development consultant is conservative in the base-case, worst-case projections retain the same lead growth rate relative to labor input. Notably, worst-case projections hinge on the Sales & Marketing teams' effectiveness, particularly in converting at the demonstration and final

sales levels. Worst-case demonstration conversion rates are projected at 25% and 30% in years two and three respectively. Final sales conversion rates are also slightly reduced to 25% in years two and three in comparison to a 30% rate in the base-case. Together, these seemingly small adjustments represent a year two lead conversion rate of 5.6% and a year three conversion rate of 6.8% (compared to an 8.1% conversion rate in the base case for both years). While these rates are low for the healthcare and technology industries, they are in line with worst-case conversion rates suggested by David Grubbs.

Labor

Though the Sales & Marketing team is much less effective in the worst-case scenario, labor projections allow for the same Sales & Marketing expenditure. Clearly will still need to build out a sales team rather than relying on the founders' labor. However, given poorer operational performance the founders will not draw any salary through the first three years. The founders will have alternative income opportunities (spousal income, part equity sale, personal loan, etc.), but they will not take a salary given its trickle-down effect on the revolver draw. At a 15% interest rate, it simply does not make sense to take a salary disbursement. This has similar aforementioned waterfall effects on absolute benefits expense, but the relative benefits expense is not projected to change.

Transportation and Marketing

In line with a less effective Sales & Marketing team, transportation expense will increase to 20% of base salary. This allows for the sales team to travel more for demonstrations. The worst-case projections also include increased marketing spend to

compensate for a less effective sales team as well as less effective marketing efforts. Projected marketing spend increases to \$2,500 in year two and \$7,500 in year three as a result.

Legal and Accounting

Worst-case projections allow for considerable legal and accounting expense, increasing dramatically in years two and three. Increasing the legal budget by over \$20,000 across two years allows for much more significant legal costs that may arise through the fundraising process as well as any operational legal issues. Additionally, increased accounting expenditure accounts for a more comprehensive accounting program and accountant labor.

Best Case Expense Projections

Best-case projections generally hinge on improved lead generation and lead conversion, impacting the selling process and increasing direct sales costs rather than General and Administrative expenses. Best-case projections are characterized by higher absolute expenses, but lower expenses as a percent of sales (more efficient sales conversion). The effects of improved lead generation and conversion are significantly more noticeable in later months.

Direct Sales Cost

The projected program development cost and timeline is fairly standardized and unlikely to change significantly, which leaves first year expenses mostly unchanged. One notable first year expense change is decreased direct sales cost as a percent of revenue. Rather than starting at 20% of revenue (the top end of the previously mentioned spectrum), best-case projections assume Clearly incurs a direct sales cost in the middle of the spectrum at 15%. Clearly further reduces direct sales costs to 10% by year three, representing the lower end of the spectrum. While increasing sales causes absolute direct sales cost to increase over 65% by month 36, the marginal sales expense decreases significantly over time.

Labor and Labor Dependent Expenses

Labor represents a substantial change in best-case projected expenses. Sales associates are projected to generate leads at a higher rate, more closely approximating the aforementioned average of 150 to 200 sales leads per associate per month. Additionally, best-case projections adjust for higher intermediary conversion rates. The demonstration conversion rate is adjusted up to 35% from 30% in the base-case for both years two and three. Additionally, final sales conversion rates are adjusted up to 35% from 30% in year two to represent higher market interest and more efficient sales team performance. These two adjustments combine to increase the overall lead conversion rate to 11% and 9.5% in years two and three respectively. Based on conversations with David Grubbs, these conversion rates would be exceptional and certainly represent a best-case scenario.

Because of this increased sales efficiency, Clearly will increase investment in its Sales & Marketing team, experiencing increased benefits, rent, and utilities expenses as a function of the increased personnel. As the program development timeline remains the same in best-case projections, these increased labor expenses coincide with the first part-time hire in month 16. As detailed in the appendix, Clearly will hire more part-time and full-time labor throughout years two and three, retaining three to four full-time and one part-time business development consultants by the end of year three compared to two-full time and one part-time consultants in the base-case projections.

This increased labor expenditure has waterfall effects on benefits expense. As benefits are a predetermined ratio based on labor expenditure, it increases in absolute terms. However, Clearly's benefits offering is relatively exceptional at ~19% of salary. As such, Clearly will not incur any change in relative benefits expense. Furthermore, the ~10% "other benefits" should be sufficient to cover any increase in personal phone use.

Increased labor expenditure also affects projected rent, utilities, and transportation expenses. As the number of employees only increases in year three, the space necessary to house those employees also only increases in year three. Given projected sales revenue, Clearly will increase rent expense to \$7,500 per month beginning in year three. This allows for an expanded central office as well as possible co-working space rental for sales associates outside of Waco. As utilities are a function of rent, they also increase in absolute terms but remain constant in relative terms. Similarly, projected transportation expense for sales associates increases in absolute terms but remains constant in relative terms.

General & Administrative and Advertising

Because of exceptional projected operational performance, founders will draw a much higher salary at the beginning of year three. As in the base-case, Clearly will begin paying founder salaries in year three as that is the inflection point in cash flow projections. This expense would be highly dependent on operational performance and founder personal preference.

Projected marketing expense remains similar to the base-case in the first year as Clearly will still be developing its program and will not experience significant revenue differences from the base-case. In year two, advertising spend will roughly double to more quickly bring Clearly's marketing spend in line with a similarly fast-growing business. In year three, marketing spend will increase to \$5,000 per month to adequately saturate Clearly's limited target audience and sales revenue.

CHAPTER FOUR

Fundraising, Cash Flow, and Exit Strategy

Fundraising

In light of base-case financial projections, Clearly will require \$35,000 of initial funding followed by an additional \$200,000 funding round at the beginning of year two. After discussion with Hall Martin, Clearly will have a few favorable funding options. Ultimately, financial projections are based on a combination of founder and angel capital.

Mr. Martin detailed several fundraising strategies, of which two best fit Clearly's timeline and financial needs. The first method involves contracting work on an ad hoc basis with hospitals. In this scenario, Clearly would approach hospitals and offer to build out an estimation facilitation platform for a lump sum. Clearly would use the funds to pay software developers to build out the program. While this method limits necessary investor capital, Clearly's management team does not have sufficient experience to convince hospitals to invest \$50,000+ without first receiving some sort of product. Additionally, many large hospitals already have an estimation facilitation service provider and would not be adequately incentivized to abandon that service for Clearly's without obvious service improvements.

The second funding mechanism discussed and ultimately used for the financial projections includes a combination of management funding and angel investing. The initial year one investment of \$35,000 would come from the founders – either from personal funds

or through family investment. This initial investment should be reasonably achievable and demonstrates adequate personal founder commitment to convince further angel investment.

Clearly will seek additional angel investment for the beginning of year two of \$200,000. While some types of funding are not ideal for Clearly's product type such as pre-sales and crowdfunding, Clearly could pursue other funding options such as an additional family and friends funding round or business competition grants. However, financial projections are based on an angel funding round as Clearly needs to build a stronger management/director roster. This stronger background will improve operational performance, strategic planning, and provide more credibility throughout the sales process.

Cash Flow

While Clearly has minimal dependent employees (particularly in the first 18 months), a conservative minimum cash balance creates a buffer between projections and reality, ultimately providing stability to employees, suppliers, and customers. Though best practices dictate a minimum cash balance of two weeks expenses, Clearly targets a cash balance sufficient to pay a month of expenses. Particularly in the first 18 months, expenses are low compared to investment. As such, Clearly seeks to protect that relatively high investment with a higher cash balance.

While Clearly relies on equity investment for a majority of its cash at first, cash flow from operations gradually grows until Clearly is cash flow positive in month 30. Though this may seem like a long time to generate positive cash flow, the time period is extended by the software development process in the first 9 months (generally with very

low operating expenses). Clearly would use the aforementioned revolver loan to cover intermediary minimum cash balances.

Exit Strategy

To achieve the goals set out at the beginning of this business plan, Clearly must begin with an exit strategy in mind and continually evaluate progress towards potential exit options. Given Clearly's projected size and competitive environment, Clearly's primary potential exit is by acquisition. Recondo provides an obvious suitor to acquire Clearly as it would expand Recondo's service offerings, increase market share, and integrate well with Recondo's current business model. Other companies ranging from healthcare technology firms to healthcare provider networks would also have an interest in Clearly upon exit. Additional exit strategies such as an IPO or private equity buyout are also possible but seem less likely than being acquired.

Clearly's projected exit value and contingent investor returns can be calculated in a variety of ways. Projected exit values are based on a 4x multiple, which should be relatively conservative given Clearly's industry (a mixture of healthcare and technology) and projected growth. As detailed in the appendix, this multiple is applied to a range of return proxies including year three EBIT, year three EBITDA, year three cash flow, and run-rate cash flow in month 36. These projected firm values are then adjusted for projected cash balance and interest-bearing debt. These exit value estimates range from ~\$1m to ~3.3M even with a low and constant exit multiple. Even the most conservative estimate (using year three cash flow) yields over 90% IRR for the founders (25% ownership) and investors (75% ownership).

APPENDICES

APPENDIX A

Base Case Financial Projections

FINANCIAL STATEMENT ASSUMPTIONS												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Units sold	-	-	-	-	-	-	-	-	1	1	1	1
New Customers	-	-	-	-	-	-	-	-	1	-	-	-
Retention Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Selling price per unit	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
% sales in cash	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% sales on account	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Accounts Receivable Collections												
% collected in month of sale	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% collected in month following	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
% collected in second month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% collected in third month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% not collected (bad debt expense)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Direct costs as a % of sales by month	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
All other direct expenses	Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.											
General and Administrative Costs	Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.											
Payroll Taxes												
FICA		0.062										
Medicare		0.0145										
Unemp		0.01										
Other Benefits		0.1										
TOTAL		0.1865										
Minimum coverage = 10% Competitive coverage = 12%+												
INTEREST (annual rate in %)												
Short-term-added to loan	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Long-term-paid month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balance Sheet Assumptions												
Minimum cash	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Land purchase	-	-	-	-	-	-	-	-	-	-	-	-
Building purchase	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	-	-	-	-	-	-	-	-	-	-	-	-
Life in months-Building	-	-	-	-	-	-	-	-	-	-	-	-
Life in months-App	36	-	-	-	-	-	-	-	-	-	-	-
Accounts payable												
% of current month's expenses paid in following month	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balance paid in current month	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Long-term loan additions(payments)												
Investments by owners	35,000	-	-	-	-	-	-	-	-	-	-	-

FINANCIAL STATEMENT ASSUMPTIONS		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
Units sold		1.2	1.4	1.6	2.0	2.5	3.1	3.4	4.2	5.3	6.8	8.7	11.2
New Customers		0.2	0.2	0.3	0.4	0.5	0.6	0.8	1.0	1.3	1.7	2.2	2.9
Retention Rate		100%	100%	100%	100%	100%	100%	85%	95%	95%	95%	95%	95%
Selling price per unit		1,000	1,000	1,000	1,000	1,000	1,000	2,000	2,000	2,000	2,000	2,000	2,000
% sales in cash		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
% sales on account		90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Accounts Receivable Collections													
% collected in month of sale		25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
% collected in month following		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
% collected in second month following		15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
% collected in third month following		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% not collected (bad debt expense)		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Direct costs as a % of sales by month		20%	20%	20%	20%	20%	20%	15%	15%	15%	15%	15%	15%
All other direct expenses		Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.											
General and Administrative Costs		Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.											
Payroll Taxes													
	FICA		0.062										
	Medicare		0.0145										
	Unemp		0.01										
	Other Benefits		0.1										
	TOTAL		0.1865										
	Medicare		Calculates as a % of salaries										
	Competitive coverage = 12%+												
INTEREST (annual rate in %)													
Short-term-added to loan		15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Long-term-paid month following		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balance Sheet Assumptions													
Minimum cash		(4,019)	8,492	8,572	13,334	13,468	13,643	17,466	17,873	18,406	23,675	24,584	25,769
Land purchase		-	-	-	-	-	-	-	-	-	-	-	-
Building purchase		-	-	-	-	-	-	-	-	-	-	-	-
Application Development		115,000	-	-	-	-	-	-	-	-	-	-	-
Life in months-Building		-	-	-	-	-	-	-	-	-	-	-	-
Life in months-App		36	-	-	-	-	-	-	-	-	-	-	-
Accounts payable													
% of current month's expenses paid in following month		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balance paid in current month		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Long-term loan additions (payments)													
Investments by owners		200,000	-	-	-	-	-	-	-	-	-	-	-

FINANCIAL STATEMENT ASSUMPTIONS		Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
Units sold		13.8	16.6	19.7	22.9	26.4	30.3	34.4	38.9	43.8	49.2	55.0	61.3
New Customers		3.2	3.5	3.9	4.3	4.7	5.1	5.7	6.2	6.8	7.5	8.3	9.1
Retention Rate		95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Selling price per unit		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
% sales in cash		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
% sales on account		90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Accounts Receivable Collections													
% collected in month of sale		25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
% collected in month following		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
% collected in second month following		15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
% collected in third month following		5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
% not collected (bad debt expense)		5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Direct costs as a % of sales by month		15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
All other direct expenses		Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.											
General and Administrative Costs		Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.											
Payroll Taxes													
FICA			0.062										
Medicare			0.0145										
Unemp			0.01										
Other Benefits			0.1										
TOTAL			0.1865										
Enter % - Required coverage = 0%													
Minimum coverage = 10%													
Competitive coverage = 12%+													
INTEREST (annual rate in %)													
Short-term-added to loan		15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Long-term-paid month following		8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Balance Sheet Assumptions													
Minimum cash		22,399	23,087	23,827	30,340	31,200	32,131	33,165	34,262	35,457	36,758	38,178	39,729
Land purchase		-	-	-	-	-	-	-	-	-	-	-	-
Building purchase		-	-	-	-	-	-	-	-	-	-	-	-
Application Development		-	-	-	-	-	-	-	-	-	-	-	-
Life in months-Building		-	-	-	-	-	-	-	-	-	-	-	-
Life in months-App		-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable													
% of current month's expenses paid in following month		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balance paid in current month		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Long-term loan additions (payments)													
Investments by owners		-	-	-	-	-	-	-	-	-	-	-	-

Income Statement - Year 1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
Accrual Basis													
REVENUES													
Cash sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge sales	-	-	-	-	-	-	-	-	1,000	1,000	1,000	1,000	4,000
TOTAL SALES	-	-	-	-	-	-	-	-	1,000	1,000	1,000	1,000	4,000
DIRECT EXPENSES													
Direct Costs	-	-	-	-	-	-	-	-	200	200	200	200	800
Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
Hourly	-	-	-	-	-	-	-	-	-	-	-	-	-
Salary	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DIRECT EXPENSES	-	-	-	-	-	-	-	-	200	200	200	200	800
OPERATING MARGIN	-	-	-	-	-	-	-	-	800	800	800	800	3,200
Operating Margin %	0%	0%	0%	0%	0%	0%	0%	0%	80%	80%	80%	80%	80%
General & Admin. Expenses													
Salary	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone/Internet	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal & Accounting	2,050	50	50	50	50	50	50	50	50	50	50	50	2,600
Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-
Office supplies	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Website/App Expense	15,000	-	-	-	-	-	-	-	2,000	2,000	2,000	2,000	23,000
Depreciation- Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation- Website/App	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL G&A	17,450	450	450	450	450	450	950	950	2,950	2,950	2,950	2,950	33,400
EBIT	(17,450)	(450)	(450)	(450)	(450)	(450)	(950)	(950)	(2,150)	(2,150)	(2,150)	(2,150)	(30,200)
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
EARNINGS BEFORE TAXES	(17,450)	(450)	(450)	(450)	(450)	(450)	(950)	(950)	(2,150)	(2,150)	(2,150)	(2,150)	(30,200)

BALANCE SHEET - Year 1													
	Balance	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash	-	17,550	17,100	16,650	16,200	15,750	15,300	14,350	13,400	10,250	8,100	5,950	3,800
Accounts Receivable	-	-	-	-	-	-	-	-	-	1,000	1,000	1,000	1,000
Total Current Assets	-	17,550	17,100	16,650	16,200	15,750	15,300	14,350	13,400	11,250	9,100	6,950	4,800
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	-	-	-	-	-	-	-	-	-	-	-	-	-
-LESS Accum. Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	-	17,550	17,100	16,650	16,200	15,750	15,300	14,350	13,400	11,250	9,100	6,950	4,800
LIABILITIES													
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term loan inc. interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
OWNERS' EQUITY													
Investment by owner	-	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Retained earnings(loss)	-	(17,450)	(17,900)	(18,350)	(18,800)	(19,250)	(19,700)	(20,650)	(21,600)	(23,750)	(25,900)	(28,050)	(30,200)
Net equity	-	17,550	17,100	16,650	16,200	15,750	15,300	14,350	13,400	11,250	9,100	6,950	4,800
TOTAL LIAB AND OWNERS	-	17,550	17,100	16,650	16,200	15,750	15,300	14,350	13,400	11,250	9,100	6,950	4,800

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
CASH FLOW - Year 1													
Cash flow from operations													
Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable collections	-	-	-	-	-	-	-	-	-	1,000	1,000	1,000	3,000
Total receipts	-	-	-	-	-	-	-	-	-	1,000	1,000	1,000	3,000
Disbursements													
Direct expenses except bad debt	-	-	-	-	-	-	-	-	200	200	200	200	800
G&A except depreciation	17,450	450	450	450	450	450	950	950	2,950	2,950	2,950	2,950	33,400
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	17,450	450	450	450	450	450	950	950	3,150	3,150	3,150	3,150	34,200
Net cash flow from operations	(17,450)	(450)	(450)	(450)	(450)	(450)	(950)	(950)	(3,150)	(2,150)	(2,150)	(2,150)	(31,200)
Cash flow from investing activities													
Purchase of Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Application	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow from investing activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow from financing activities													
Investment by owners	35,000	-	-	-	-	-	-	-	-	-	-	-	35,000
Long-term loan additions (payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow from long-term financing activities	35,000	-	-	-	-	-	-	-	-	-	-	-	35,000
Net cash increase(decrease)	17,550	(450)	(450)	(450)	(450)	(450)	(950)	(950)	(3,150)	(2,150)	(2,150)	(2,150)	3,800
Short-term Loan increase(decrease)	-	-	-	-	-	-	-	-	-	-	-	-	-
Beginning cash	-	17,550	17,100	16,650	16,200	15,750	15,300	14,350	13,400	10,250	8,100	5,950	-
Ending cash	17,550	17,100	16,650	16,200	15,750	15,300	14,350	13,400	10,250	8,100	5,950	3,800	3,800

Income Statement - Year 2													
Accrual Basis	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL
REVENUES													
Cash sales	116	137	165	200	246	307	678	847	1,069	1,359	1,738	2,232	9,094
Charge sales	1,046	1,235	1,482	1,802	2,218	2,760	6,089	7,824	9,621	12,233	15,641	20,085	81,846
TOTAL SALES	1,162	1,373	1,646	2,002	2,465	3,066	6,777	8,471	10,691	13,592	17,379	22,317	90,940
DIRECT EXPENSES													
Direct Costs	232	275	329	400	493	613	1,017	1,271	1,604	2,039	2,607	3,347	14,227
Labor	-	-	-	2,000	2,000	2,000	3,000	3,000	3,000	3,000	5,000	5,000	30,000
Hourly	-	-	-	2,000	2,000	2,000	3,000	3,000	3,000	3,000	5,000	5,000	30,000
Salary	-	-	-	-	-	-	-	-	-	-	-	-	18,000
Benefits	-	-	-	-	373	373	560	560	560	933	933	933	12,000
Rent	-	-	-	-	-	-	-	-	-	-	-	-	5,595
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	200	200	200	300	300	300	500	500	500	3,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	105	124	148	180	222	276	610	762	962	1,223	1,564	2,008	8,185
TOTAL DIRECT EXPENSES	337	398	477	5,154	5,288	5,462	8,486	8,893	9,425	14,695	15,603	16,788	91,006
OPERATING MARGIN	825	975	1,169	(3,151)	(2,823)	(2,396)	(1,709)	(421)	1,265	(1,103)	1,775	5,528	(66)
Operating Margin %	71%	71%	71%	-157%	-115%	-78%	-25%	-5%	12%	-8%	10%	25%	0%
General & Admin. Expenses													
Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Utilities	-	-	-	-	-	-	200	200	200	200	200	200	1,200
Telephone/Internet	-	-	-	86	86	86	86	86	86	86	86	86	774
Transportation	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal & Accounting	3,050	500	500	500	500	500	500	500	500	500	500	500	8,550
Marketing	750	750	750	750	750	750	1,500	1,500	1,500	1,500	1,500	1,500	13,500
Office supplies	150	150	150	150	150	150	500	500	500	500	500	500	3,900
Website/App Expense	(12,000)	3,000	3,000	3,000	3,000	3,000	1,500	1,500	1,500	1,500	1,500	1,500	12,000
Depreciation- Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation- Website/App	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	38,333
TOTAL G&A	(4,356)	8,094	8,094	8,180	8,180	8,180	8,980	8,980	8,980	8,980	8,980	8,980	90,257
EBIT	5,181	(7,120)	(6,926)	(11,332)	(11,003)	(10,576)	(10,690)	(9,402)	(7,715)	(10,083)	(7,205)	(3,452)	(90,323)
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
EARNINGS BEFORE TAXES	5,181	(7,120)	(6,926)	(11,332)	(11,003)	(10,576)	(10,690)	(9,402)	(7,715)	(10,083)	(7,205)	(3,452)	(90,323)

BALANCE SHEET - Year 2													
	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
Cash	3,800	97,495	93,290	89,370	80,988	72,860	65,064	55,317	47,617	41,570	32,684	26,066	25,769
Accounts Receivable	1,000	680	960	1,148	1,394	1,712	2,127	4,378	5,870	7,398	9,394	12,002	15,401
Total Current Assets	4,800	98,175	94,250	90,518	82,381	74,572	67,190	59,695	53,488	48,967	42,079	38,068	41,170
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	-	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
-LESS Accum. Depreciation	-	(3,194)	(6,389)	(9,583)	(12,778)	(15,972)	(19,167)	(22,361)	(25,556)	(28,750)	(31,944)	(35,139)	(38,333)
Net Fixed Assets	-	111,806	108,611	105,417	102,222	99,028	95,833	92,639	89,444	86,250	83,056	79,861	76,667
TOTAL ASSETS	4,800	209,981	202,861	195,935	184,603	173,600	163,024	152,334	142,932	135,217	125,134	117,929	117,837
LIABILITIES													
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term loan inc. interest	-	-	-	-	-	-	-	-	-	-	-	-	3,360
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT	-	-	-	-	-	-	-	-	-	-	-	-	3,360
Long-term loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	3,360
OWNERS' EQUITY													
Investment by owner	35,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000
Retained earnings(loss)	(30,200)	(25,019)	(32,139)	(39,065)	(50,397)	(61,400)	(71,976)	(82,666)	(92,068)	(99,783)	(109,866)	(117,071)	(120,523)
Net equity	4,800	209,981	202,861	195,935	184,603	173,600	163,024	152,334	142,932	135,217	125,134	117,929	114,477
TOTAL LIAB AND OWNERS	4,800	209,981	202,861	195,935	184,603	173,600	163,024	152,334	142,932	135,217	125,134	117,929	117,837

CASH FLOW - Year 2	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL
Cash flow from operations													
Receipts													
Cash sales	116	137	165	200	246	307	678	847	1,069	1,359	1,738	2,232	9,094
Accounts Receivable collections	1,261	832	1,145	1,377	1,678	2,070	3,237	5,370	7,132	9,012	11,470	14,677	59,260
Total receipts	1,378	969	1,310	1,577	1,924	2,376	3,915	6,217	8,201	10,372	13,208	16,908	68,355
Disbursements													
Direct expenses except bad debt	232	275	329	4,973	5,066	5,186	7,876	8,130	8,463	13,471	14,039	14,780	82,822
G&A except depreciation	(7,550)	4,900	4,900	4,986	4,986	4,986	5,786	5,786	5,786	5,786	5,786	5,786	51,924
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	(7,318)	5,175	5,229	9,959	10,052	10,172	13,662	13,916	14,249	19,257	19,825	20,566	134,746
Net cash flow from operations	8,695	(4,206)	(3,920)	(8,383)	(8,128)	(7,796)	(9,747)	(7,699)	(6,048)	(8,886)	(6,618)	(3,658)	(66,391)
Cash flow from investing activities													
Purchase of Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Application	(115,000)	-	-	-	-	-	-	-	-	-	-	-	(115,000)
Net cash flow from investing activities	(115,000)	-	-	-	-	-	-	-	-	-	-	-	(115,000)
Cash flow from financing activities													
Investment by owners	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000
Long-term loan additions (payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow from long-term financing activities	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000
Net cash increase(decrease)	93,695	(4,206)	(3,920)	(8,383)	(8,128)	(7,796)	(9,747)	(7,699)	(6,048)	(8,886)	(6,618)	(3,658)	18,609
Short-term Loan increase(decrease)	-	-	-	-	-	-	-	-	-	-	-	3,360	3,360
Beginning cash	3,800	97,495	93,290	89,370	80,988	72,860	65,064	55,317	47,617	41,570	32,684	26,066	3,800
Ending cash	97,495	93,290	89,370	80,988	72,860	65,064	55,317	47,617	41,570	32,684	26,066	25,769	25,769

Income Statement - Year 3													
Accrual Basis	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	TOTAL
REVENUES													
Cash sales	3,448	4,154	4,913	5,730	6,612	7,567	8,603	9,729	10,954	12,289	13,745	15,336	103,082
Charge sales	31,036	37,389	44,214	51,567	59,510	68,107	77,431	87,563	98,586	110,602	123,709	138,025	927,741
TOTAL SALES	34,485	41,543	49,127	57,297	66,122	75,674	86,035	97,292	109,542	122,891	137,455	153,362	1,030,823
DIRECT EXPENSES													
Direct Costs	5,173	6,231	7,369	8,595	9,918	11,351	12,905	14,594	16,431	18,434	20,618	23,004	154,623
Labor	7,000	7,000	7,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	129,000
Hourly	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Salary	5,000	5,000	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	105,000
Benefits	1,306	1,306	1,306	2,238	2,238	2,238	2,238	2,238	2,238	2,238	2,238	2,238	24,059
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	700	700	700	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	12,900
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	1,552	1,869	2,211	2,578	2,975	3,405	3,872	4,378	4,929	5,530	6,185	6,901	46,387
TOTAL DIRECT EXPENSES	22,730	24,106	25,585	38,611	40,332	42,194	44,215	46,410	48,799	51,402	54,242	57,343	495,969
OPERATING MARGIN	11,755	17,437	23,542	18,686	25,790	33,480	41,820	50,882	60,743	71,489	83,213	96,018	534,854
Operating Margin %	34%	42%	48%	33%	39%	44%	49%	52%	55%	58%	61%	63%	52%
General & Admin. Expenses													
Salaries	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Benefits	746	746	746	746	746	746	746	746	746	746	746	746	8,952
Rent	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
Utilities	700	700	700	700	700	700	700	700	700	700	700	700	8,400
Telephone/Internet	178	178	178	178	178	178	224	224	224	224	224	224	2,412
Transportation	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Legal & Accounting	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Marketing	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Office supplies	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Website/App Expense	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Depreciation - Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation - Website/App	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	38,333
TOTAL G&A	22,068	22,068	22,068	22,068	22,068	22,068	22,114	22,114	22,114	22,114	22,114	22,114	265,097
EBIT	(10,314)	(4,632)	1,473	(3,382)	3,722	11,411	19,706	28,767	38,629	49,375	61,099	73,904	269,757
Interest Expense	42	206	331	381	555	578	514	355	91	1	0	0	3,054
EARNINGS BEFORE TAXES	(10,356)	(4,838)	1,142	(3,763)	3,167	10,833	19,191	28,412	38,537	49,373	61,099	73,904	266,703

BALANCE SHEET - Year 3													
	Month 24	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
Cash	25,769	22,399	23,087	23,827	30,340	31,200	32,131	33,165	34,262	58,583	99,940	152,102	215,957
Accounts Receivable	15,401	24,738	32,379	39,979	46,810	54,181	62,155	70,799	80,185	90,395	101,517	113,646	126,890
Total Current Assets	41,170	47,138	55,467	63,806	77,149	85,381	94,286	103,963	114,448	148,978	201,456	265,748	342,846
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
-LESS Accum. Depreciation	(38,333)	(41,528)	(44,722)	(47,917)	(51,111)	(54,306)	(57,500)	(60,694)	(63,889)	(67,083)	(70,278)	(73,472)	(76,667)
Net Fixed Assets	76,667	73,472	70,278	67,083	63,889	60,694	57,500	54,306	51,111	47,917	44,722	41,528	38,333
TOTAL ASSETS	117,837	120,610	125,745	130,890	141,038	146,076	151,786	158,269	165,559	196,895	246,179	307,276	381,180
LIABILITIES													
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term loan inc. interest	3,360	16,489	26,461	30,464	44,375	46,246	41,124	28,415	7,292	91	1	0	0
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT	3,360	16,489	26,461	30,464	44,375	46,246	41,124	28,415	7,292	91	1	0	0
Long-term loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	3,360	16,489	26,461	30,464	44,375	46,246	41,124	28,415	7,292	91	1	0	0
OWNERS' EQUITY													
Investment by owner	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000
Retained earnings(loss)	(120,523)	(130,879)	(135,717)	(134,574)	(138,337)	(135,170)	(124,337)	(105,146)	(76,733)	(38,196)	11,177	72,276	146,180
Net equity	114,477	104,121	99,283	100,426	96,663	99,830	110,663	129,854	158,267	196,804	246,177	307,276	381,180
TOTAL LIAB AND OWNERS	117,837	120,610	125,745	130,890	141,038	146,076	151,786	158,269	165,559	196,895	246,179	307,276	381,180

CASH FLOW - Year 3													
	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	TOTAL
Cash flow from operations													
Receipts													
Cash sales	3,448	4,154	4,913	5,730	6,612	7,567	8,603	9,729	10,954	12,289	13,745	15,336	103,082
Accounts Receivable collections	20,148	27,878	34,403	42,159	49,163	56,727	64,916	73,798	83,448	93,950	105,394	117,881	769,865
Total receipts	23,596	32,032	39,316	47,889	55,775	64,295	73,520	83,527	94,402	106,239	119,140	133,217	872,948
Disbursements													
Direct expenses except bad debt	21,178	22,237	23,375	36,033	37,356	38,789	40,343	42,032	43,869	45,872	48,056	50,442	449,582
G&A except depreciation	18,874	18,874	18,874	18,874	18,874	18,874	18,920	18,920	18,920	18,920	18,920	18,920	226,764
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	40,052	41,111	42,249	54,907	56,230	57,663	59,263	60,952	62,789	64,792	66,976	69,362	676,346
Net cash flow from operations	(16,456)	(9,078)	(2,932)	(7,018)	(455)	6,632	14,256	22,575	31,613	41,448	52,164	63,855	196,602
Cash flow from investing activities													
Purchase of Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Application	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow from investing activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow from financing activities													
Investment by owners	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term loan additions(payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow from long-term financing activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash increase(decrease)	(16,456)	(9,078)	(2,932)	(7,018)	(455)	6,632	14,256	22,575	31,613	41,448	52,164	63,855	196,602
Short-term Loan increase(decrease)	13,086	9,767	3,672	13,531	1,316	(5,700)	(13,223)	(21,478)	(7,292)	(91)	(1)	(0)	(6,414)
Beginning cash	25,769	22,399	23,087	23,827	30,340	31,200	32,131	33,165	34,262	58,583	99,940	152,102	25,769
Ending cash	22,399	23,087	23,827	30,340	31,200	32,131	33,165	34,262	58,583	99,940	152,102	215,957	215,957

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total	Lead Growth Rate	Manual
Leads	0	0	0	0	0	0	1	1	1	0	0	0	3		
Conversion Rate	0%	0%	0%	0%	0%	0%	100%	100%	100%	0%	0%	0%	25%		
Sales Call/Email	0	0	0	0	0	0	1	1	1	0	0	0	3		
Conversion Rate	0%	0%	0%	0%	0%	0%	0%	100%	100%	0%	0%	0%	17%		
Demonstration	0	0	0	0	0	0	0	1	1	0	0	0	2		
Conversion Rate	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	8%		
Sales	0	0	0	0	0	0	0	0	1	0	0	0	1		33.3%
Month 13															
Leads	2	2.6	3.4	4.4	5.7	7.4	9.7	12.5	16.3	21.2	27.6	35.8	TOTAL	149	
Conversion Rate	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	30%
Sales Call/Email	2	2	3	4	5	7	9	11	15	19	25	32	134		
Conversion Rate	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Demonstration	1	1	1	1	2	2	3	3	4	6	7	10	40		
Conversion Rate	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Sales	0.2	0.2	0.3	0.4	0.5	0.6	0.8	1.0	1.3	1.7	2.2	2.9	12		8.1%
Month 25															
Leads	39.4	43.4	47.7	52.5	57.7	63.5	69.8	76.8	84.5	93.0	102.3	112.5	TOTAL	843	
Conversion Rate	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	10%
Sales Call/Email	35	39	43	47	52	57	63	69	76	84	92	101	759		
Conversion Rate	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Demonstration	11	12	13	14	16	17	19	21	23	25	28	30	228		
Conversion Rate	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Sales	3.2	3.5	3.9	4.3	4.7	5.1	5.7	6.2	6.8	7.5	8.3	9.1	68		8.1%

APPENDIX B

Worst Case Financial Projections

FINANCIAL STATEMENT ASSUMPTIONS												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Units sold	-	-	-	-	-	-	-	-	1	1	1	1
New Customers	-	-	-	-	-	-	-	-	1	-	-	-
Retention Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Selling price per unit	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
% sales in cash	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% sales on account	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Accounts Receivable Collections												
% collected in month of sale	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% collected in month following	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
% collected in second month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% collected in third month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% not collected (bad debt expense)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Direct costs as a % of sales by month	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
All other direct expenses	Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.											
General and Administrative Costs	Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.											
Payroll Taxes												
FICA		0.062										
Medicare		0.0145										
Unemp		0.01										
Other Benefits		0.1										
TOTAL		0.1865										
Minimum coverage = 10% Competitive coverage = 12%+												
INTEREST (annual rate in %)												
Short-term-added to loan	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Long-term-paid month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balance Sheet Assumptions												
Minimum cash	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Land purchase	-	-	-	-	-	-	-	-	-	-	-	-
Building purchase	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	15,000	-	-	-	-	-	-	-	-	-	-	-
Life in months-Building	-	-	-	-	-	-	-	-	-	-	-	-
Life in months-App	36	-	-	-	-	-	-	-	-	-	-	-
Accounts payable												
% of current month's expenses paid in following month	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balance paid in current month	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Long-term loan additions (payments)												
Investments by owners	35,000	-	-	-	-	-	-	-	-	-	-	-

FINANCIAL STATEMENT ASSUMPTIONS												
	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
Units sold	1.1	1.3	1.4	1.7	2.0	2.4	2.6	3.2	3.9	4.9	6.2	7.9
New Customers	0.1	0.1	0.2	0.2	0.3	0.4	0.5	0.7	0.9	1.2	1.6	2.0
Retention Rate	100%	100%	100%	100%	100%	100%	85%	95%	95%	95%	95%	95%
Selling price per unit	1,000	1,000	1,000	1,000	1,000	1,000	2,000	2,000	2,000	2,000	2,000	2,000
% sales in cash	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
% sales on account	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Accounts Receivable Collections												
% collected in month of sale	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
% collected in month following	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
% collected in second month following	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
% collected in third month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% not collected (bad debt expense)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Direct costs as a % of sales by month	20%	20%	20%	20%	20%	20%	15%	15%	15%	15%	15%	15%
All other direct expenses	Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.											
General and Administrative Costs	Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.											
Payroll Taxes												
FICA		0.062										
Medicare		0.0145										
Unemp		0.01										
Other Benefits		0.1										
TOTAL		0.1865										
Medicare		Calculates as a % of salaries										
Competitive coverage = 12%+												
INTEREST (annual rate in %)												
Short-term-added to loan	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Long-term-paid month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balance Sheet Assumptions												
Minimum cash	16,717	10,709	10,765	15,695	15,788	15,910	18,894	19,170	19,534	24,785	25,411	26,229
Land purchase	-	-	-	-	-	-	-	-	-	-	-	-
Building purchase	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	100,000	-	-	-	-	-	-	-	-	-	-	-
Life in months-Building	-	-	-	-	-	-	-	-	-	-	-	-
Life in months-App	36	-	-	-	-	-	-	-	-	-	-	-
Accounts payable												
% of current month's expenses paid in following month	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balance paid in current month	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Long-term loan additions (payments)	-	-	-	-	-	-	-	-	-	-	-	-
Investments by owners	200,000	-	-	-	-	-	-	-	-	-	-	-

FINANCIAL STATEMENT ASSUMPTIONS												
	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
Units sold	10.2	12.6	15.2	18.0	21.0	24.2	27.7	31.5	35.7	40.2	45.1	50.4
New Customers	2.7	2.9	3.2	3.5	3.9	4.3	4.7	5.2	5.7	6.3	6.9	7.6
Retention Rate	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Selling price per unit	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
% sales in cash	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
% sales on account	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Accounts Receivable Collections												
% collected in month of sale	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
% collected in month following	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
% collected in second month following	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
% collected in third month following	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
% not collected (bad debt expense)	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Direct costs as a % of sales by month												
All other direct expenses	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.												
Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.												
General and Administrative Costs												
Payroll Taxes												
FICA		0.062										
Medicare		0.0145										
Unemp		0.01										
Other Benefits		0.1										
TOTAL		0.1865										
Minimum coverage = 10%												
Competitive coverage = 12%+												
INTEREST (annual rate in %)												
Short-term-added to loan	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Long-term-paid month following	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Balance Sheet Assumptions												
Minimum cash	21,254	21,843	22,474	29,118	29,848	30,637	31,514	32,440	33,446	34,541	35,734	37,036
Land purchase	-	-	-	-	-	-	-	-	-	-	-	-
Building purchase	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	-	-	-	-	-	-	-	-	-	-	-	-
Life in months-Building	-	-	-	-	-	-	-	-	-	-	-	-
Life in months-App	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable												
% of current month's expenses paid in following month												
Balance paid in current month	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Long-term loan additions(payments)												
Investments by owners	-	-	-	-	-	-	-	-	-	-	-	-

Income Statement - Year 1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
Accrual Basis													
REVENUES													
Cash sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge sales	-	-	-	-	-	-	-	-	1,000	1,000	1,000	1,000	4,000
TOTAL SALES	-	-	-	-	-	-	-	-	1,000	1,000	1,000	1,000	4,000
DIRECT EXPENSES													
Direct Costs													
Labor													
Hourly	-	-	-	-	-	-	-	-	200	200	200	200	800
Salary	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DIRECT EXPENSES	-	-	-	-	-	-	-	-	200	200	200	200	800
OPERATING MARGIN	-	-	-	-	-	-	-	-	800	800	800	800	3,200
Operating Margin %	0%	0%	0%	0%	0%	0%	0%	0%	80%	80%	80%	80%	80%
General & Admin. Expenses													
Salary	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone/Internet	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal & Accounting	2,050	50	50	50	50	50	50	50	50	50	50	50	2,600
Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-
Office supplies	-	-	-	-	-	-	500	500	500	500	500	500	3,000
Website/App Expense	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Depreciation- Building	-	-	-	-	-	-	-	-	2,000	2,000	2,000	2,000	8,000
Depreciation- Website/App	417	417	417	417	417	417	417	417	417	417	417	417	5,000
TOTAL G&A	2,867	867	867	867	867	867	1,367	1,367	3,367	3,367	3,367	3,367	23,400
EBIT	(2,867)	(867)	(867)	(867)	(867)	(867)	(1,367)	(1,367)	(2,567)	(2,567)	(2,567)	(2,567)	(20,200)
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
EARNINGS BEFORE TAXES	(2,867)	(867)	(867)	(867)	(867)	(867)	(1,367)	(1,367)	(2,567)	(2,567)	(2,567)	(2,567)	(20,200)

BALANCE SHEET - Year 1												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Balance												
Cash	-	17,550	17,100	16,650	16,200	15,300	14,350	13,400	10,250	8,100	5,950	3,800
Accounts Receivable	-	-	-	-	-	-	-	-	1,000	1,000	1,000	1,000
Total Current Assets	-	17,550	17,100	16,650	16,200	15,300	14,350	13,400	11,250	9,100	6,950	4,800
Land	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
-LESS Accum. Depreciation	-	(417)	(833)	(1,250)	(1,667)	(2,500)	(2,917)	(3,333)	(3,750)	(4,167)	(4,583)	(5,000)
Net Fixed Assets	-	14,583	14,167	13,750	13,333	12,500	12,083	11,667	11,250	10,833	10,417	10,000
TOTAL ASSETS	-	32,133	31,267	30,400	29,533	27,800	26,433	25,067	22,500	19,933	17,367	14,800
LIABILITIES												
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-
Short-term loan inc. interest	-	-	-	-	-	-	-	-	-	-	-	-
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT	-	-	-	-	-	-	-	-	-	-	-	-
Long-term loans	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-
OWNERS' EQUITY												
Investment by owner	-	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Retained earnings(loss)	-	(2,867)	(3,733)	(4,600)	(5,467)	(7,200)	(8,567)	(9,933)	(12,500)	(15,067)	(17,633)	(20,200)
Net equity	-	32,133	31,267	30,400	29,533	27,800	26,433	25,067	22,500	19,933	17,367	14,800
TOTAL LIAB AND OWNERS	-	32,133	31,267	30,400	29,533	27,800	26,433	25,067	22,500	19,933	17,367	14,800

CASH FLOW - Year 1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
Cash flow from operations													
Receipts													
Cash sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable collections	-	-	-	-	-	-	-	-	-	1,000	1,000	1,000	3,000
Total receipts	-	-	-	-	-	-	-	-	-	1,000	1,000	1,000	3,000
Disbursements													
Direct expenses except bad debt	-	-	-	-	-	-	-	-	200	200	200	200	800
G&A except depreciation	2,450	450	450	450	450	450	950	950	2,950	2,950	2,950	2,950	18,400
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,450	450	450	450	450	450	950	950	3,150	3,150	3,150	3,150	19,200
Net cash flow from operations	(2,450)	(450)	(450)	(450)	(450)	(450)	(950)	(950)	(3,150)	(2,150)	(2,150)	(2,150)	(16,200)
Cash flow from investing activities													
Purchase of Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Application	(15,000)	-	-	-	-	-	-	-	-	-	-	-	(15,000)
Net cash flow from investing activities	(15,000)	-	-	-	-	-	-	-	-	-	-	-	(15,000)
Cash flow from financing activities													
Investment by owners	35,000	-	-	-	-	-	-	-	-	-	-	-	35,000
Long-term loan additions (payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow from long-term financing activities	35,000	-	-	-	-	-	-	-	-	-	-	-	35,000
Net cash increase(decrease)	17,550	(450)	(450)	(450)	(450)	(450)	(950)	(950)	(3,150)	(2,150)	(2,150)	(2,150)	3,800
Short-term Loan increase(decrease)	-	-	-	-	-	-	-	-	-	-	-	-	-
Beginning cash	17,550	17,100	17,100	16,650	16,650	16,200	15,300	14,350	13,400	10,250	8,100	5,950	-
Ending cash	17,550	17,100	16,650	16,200	15,750	15,300	14,350	13,400	10,250	8,100	5,950	3,800	3,800

Income Statement - Year 2													
Accrual Basis	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL
REVENUES													
Cash sales	111	126	145	170	202	244	523	638	789	988	1,249	1,590	6,774
Charge sales	1,001	1,133	1,304	1,526	1,816	2,192	4,703	5,739	7,103	8,896	11,243	14,310	60,965
TOTAL SALES	1,113	1,259	1,449	1,696	2,017	2,435	5,226	6,376	7,893	9,884	12,492	15,900	67,739
DIRECT EXPENSES													
Direct Costs	223	252	290	339	403	487	784	956	1,184	1,483	1,874	2,385	10,659
Labor	-	-	-	2,000	2,000	2,000	3,000	3,000	3,000	3,000	5,000	5,000	30,000
Hourly	-	-	-	2,000	2,000	2,000	3,000	3,000	3,000	3,000	5,000	5,000	30,000
Salary	-	-	-	-	-	-	-	-	-	-	-	-	18,000
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	12,000
Rent	-	-	-	373	373	373	560	560	560	933	933	933	5,595
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	400	400	400	600	600	600	1,000	1,000	1,000	6,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	100	113	130	153	182	219	470	574	710	890	1,124	1,431	6,096
TOTAL DIRECT EXPENSES	323	365	420	5,265	5,358	5,479	8,414	8,690	9,054	14,305	14,931	15,748	88,351
OPERATING MARGIN	790	894	1,029	(3,569)	(3,341)	(3,044)	(3,188)	(2,314)	(1,161)	(4,421)	(2,439)	151	(20,612)
Operating Margin %	71%	71%	71%	-210%	-166%	-125%	-61%	-36%	-15%	-45%	-20%	1%	-30%
General & Admin. Expenses													
Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Utilities	-	-	-	-	-	-	200	200	200	200	200	200	1,200
Telephone/Internet	-	-	-	86	86	86	86	86	86	86	86	86	774
Transportation	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal & Accounting	7,050	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	18,050
Marketing	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Office supplies	150	150	150	150	150	150	500	500	500	500	500	500	3,900
Website/App Expense	3,000	3,000	3,000	3,000	3,000	3,000	1,500	1,500	1,500	1,500	1,500	1,500	27,000
Depreciation- Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation- Website/App	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	38,333
TOTAL G&A	16,394	10,344	10,344	10,430	10,430	10,430	10,480	10,480	10,480	10,480	10,480	10,480	131,257
EBIT	(15,605)	(9,451)	(9,316)	(13,999)	(13,771)	(13,475)	(13,668)	(12,794)	(11,641)	(14,901)	(12,919)	(10,329)	(151,869)
Interest Expense	-	-	-	-	-	-	-	-	-	65	295	450	810
EARNINGS BEFORE TAXES	(15,605)	(9,451)	(9,316)	(13,999)	(13,771)	(13,475)	(13,668)	(12,794)	(11,641)	(14,966)	(13,214)	(10,779)	(152,679)

BALANCE SHEET - Year 2	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
Cash	3,800	91,739	85,247	78,995	68,020	57,222	46,654	34,491	23,842	19,534	24,765	25,411	26,229
Accounts Receivable	1,000	651	887	1,018	1,188	1,409	1,697	3,386	4,436	5,478	6,848	8,642	10,988
Total Current Assets	4,800	92,390	86,134	80,012	69,207	58,631	48,351	37,877	28,277	25,012	31,633	34,053	37,216
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	15,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
-LESS Accum. Depreciation	(5,000)	(8,194)	(11,389)	(14,583)	(17,778)	(20,972)	(24,167)	(27,361)	(30,556)	(33,750)	(36,944)	(40,139)	(43,333)
Net Fixed Assets	10,000	106,806	103,611	100,417	97,222	94,028	90,833	87,639	84,444	81,250	78,056	74,861	71,667
TOTAL ASSETS	14,800	199,195	189,745	180,429	166,430	152,659	139,184	125,516	112,721	106,262	109,688	108,914	108,883
LIABILITIES													
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term loan inc. interest	-	-	-	-	-	-	-	-	-	5,182	23,574	36,014	46,762
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT	-	-	-	-	-	-	-	-	-	5,182	23,574	36,014	46,762
Long-term loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	5,182	23,574	36,014	46,762
OWNERS' EQUITY													
Investment by owner	35,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000
Retained earnings(loss)	(20,200)	(35,805)	(45,255)	(54,571)	(68,570)	(82,341)	(95,816)	(109,484)	(122,279)	(133,920)	(148,886)	(162,100)	(172,879)
Net equity	14,800	199,195	189,745	180,429	166,430	152,659	139,184	125,516	112,721	101,080	86,114	72,900	62,121
TOTAL LIAB AND OWNERS	14,800	199,195	189,745	180,429	166,430	152,659	139,184	125,516	112,721	106,262	109,688	108,914	108,883

CASH FLOW - Year 2	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL
Cash flow from operations													
Receipts													
Cash sales	111	126	145	170	202	244	523	638	789	988	1,249	1,590	6,774
Accounts Receivable collections	1,250	784	1,043	1,204	1,413	1,685	2,544	4,115	5,351	6,636	8,324	10,533	44,881
Total receipts	1,362	910	1,188	1,373	1,614	1,928	3,066	4,753	6,140	7,625	9,573	12,123	51,654
Disbursements													
Direct expenses except bad debt	223	252	290	5,112	5,176	5,260	7,943	8,116	8,343	13,415	13,806	14,317	82,254
G&A except depreciation	13,200	7,150	7,150	7,236	7,236	7,236	7,286	7,286	7,286	7,286	7,286	7,286	92,924
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	13,423	7,402	7,440	12,348	12,412	12,496	15,229	15,402	15,629	20,701	21,092	21,603	175,178
Net cash flow from operations	(12,061)	(6,492)	(6,252)	(10,975)	(10,798)	(10,568)	(12,163)	(10,649)	(9,490)	(13,076)	(11,519)	(9,480)	(123,524)
Cash flow from investing activities													
Purchase of Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Application	(100,000)	-	-	-	-	-	-	-	-	-	-	-	(100,000)
Net cash flow from investing activities	(100,000)	-	-	-	-	-	-	-	-	-	-	-	(100,000)
Cash flow from financing activities													
Investment by owners	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000
Long-term loan additions (payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow from long-term financing activities	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000
Net cash increase(decrease)	87,939	(6,492)	(6,252)	(10,975)	(10,798)	(10,568)	(12,163)	(10,649)	(9,490)	(13,076)	(11,519)	(9,480)	(23,524)
Short-term Loan increase(decrease)	-	-	-	-	-	-	-	-	5,182	18,327	12,145	10,298	45,953
Beginning cash	3,800	91,739	85,247	78,995	68,020	57,222	46,654	34,491	23,842	19,534	24,785	25,411	3,800
Ending cash	91,739	85,247	78,995	68,020	57,222	46,654	34,491	23,842	19,534	24,785	25,411	26,229	26,229

Income Statement - Year 3													
Accrual Basis	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	TOTAL
REVENUES													
Cash sales	2,553	3,158	3,805	4,500	5,249	6,058	6,934	7,884	8,916	10,039	11,263	12,598	82,957
Charge sales	22,981	28,419	34,243	40,501	47,243	54,525	62,407	70,955	80,244	90,351	101,365	113,381	746,614
TOTAL SALES	25,534	31,576	38,048	45,001	52,492	60,583	69,341	78,839	89,160	100,390	112,628	125,979	829,571
DIRECT EXPENSES													
Direct Costs	3,830	4,736	5,707	6,750	7,874	9,087	10,401	11,826	13,374	15,068	16,884	18,897	124,436
Labor	7,000	7,000	7,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	129,000
Hourly	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Salary	5,000	5,000	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	105,000
Benefits	1,306	1,306	1,306	2,238	2,238	2,238	2,238	2,238	2,238	2,238	2,238	2,238	24,059
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	1,400	1,400	1,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	25,800
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	1,149	1,421	1,712	2,025	2,362	2,726	3,120	3,548	4,012	4,518	5,068	5,669	37,331
TOTAL DIRECT EXPENSES	21,685	22,863	24,125	37,413	38,874	40,452	42,159	44,012	46,024	48,214	50,600	53,204	469,625
OPERATING MARGIN	3,849	8,713	13,923	7,588	13,618	20,131	27,181	34,828	43,135	52,176	62,027	72,775	359,946
Operating Margin %	15%	28%	37%	17%	26%	33%	39%	44%	48%	52%	55%	58%	43%
General & Admin. Expenses													
Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
Utilities	700	700	700	700	700	700	700	700	700	700	700	700	8,400
Telephone/Internet	178	178	178	178	178	178	224	224	224	224	224	224	2,412
Transportation	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Legal & Accounting	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Marketing	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
Office supplies	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Website/App Expense	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Depreciation- Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation- Website/App	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	38,333
TOTAL G&A	20,822	20,822	20,822	20,822	20,822	20,822	20,868	20,868	20,868	20,868	20,868	20,868	250,145
EBIT	(18,973)	(12,109)	(6,899)	(13,234)	(7,204)	(691)	6,313	13,959	22,267	31,307	41,159	51,907	109,801
Interest Expense	585	792	999	1,145	1,441	1,596	1,679	1,684	1,601	1,423	1,140	742	14,826
EARNINGS BEFORE TAXES	(17,558)	(12,902)	(7,899)	(14,379)	(8,645)	(2,287)	4,634	12,276	20,666	29,885	40,019	51,165	94,975

BALANCE SHEET - Year 3	Month 24	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
Cash	26,229	21,254	21,843	22,474	29,118	29,848	30,637	31,514	32,440	33,446	34,541	35,734	37,036
Accounts Receivable	10,988	18,233	24,489	30,803	36,620	42,883	49,641	56,952	64,876	73,482	82,842	93,038	104,157
Total Current Assets	37,216	39,486	46,332	53,277	65,738	72,731	80,278	88,466	97,316	106,928	117,383	128,772	141,194
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
-LESS Accum. Depreciation	(43,333)	(46,528)	(49,722)	(52,917)	(56,111)	(59,306)	(62,500)	(65,694)	(68,889)	(72,083)	(75,278)	(78,472)	(81,667)
Net Fixed Assets	71,667	68,472	65,278	62,083	58,889	55,694	52,500	49,306	46,111	42,917	39,722	36,528	33,333
TOTAL ASSETS	108,883	107,959	111,610	115,360	124,627	128,425	132,778	137,771	143,428	149,845	157,106	165,300	174,527
LIABILITIES													
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term loan inc. interest	46,762	63,395	79,948	91,597	115,243	127,686	134,326	134,686	128,066	113,817	91,193	59,369	17,431
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT	46,762	63,395	79,948	91,597	115,243	127,686	134,326	134,686	128,066	113,817	91,193	59,369	17,431
Long-term loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	46,762	63,395	79,948	91,597	115,243	127,686	134,326	134,686	128,066	113,817	91,193	59,369	17,431
OWNERS' EQUITY													
Investment by owner	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000
Retained earnings(loss)	(172,879)	(190,437)	(203,338)	(211,237)	(225,616)	(234,261)	(236,548)	(231,914)	(198,972)	(198,972)	(169,088)	(129,069)	(77,904)
Net equity	62,121	44,563	31,662	23,763	9,384	739	(1,548)	3,086	15,361	36,028	65,912	105,931	157,096
TOTAL LIAB AND OWNERS	108,883	107,959	111,610	115,360	124,627	128,425	132,778	137,771	143,428	149,845	157,106	165,300	174,527

CASH FLOW - Year 3													
	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	TOTAL
Cash flow from operations													
Receipts													
Cash sales	2,553	3,158	3,805	4,500	5,249	6,058	6,934	7,884	8,916	10,039	11,263	12,598	82,957
Accounts Receivable collections	14,586	20,741	26,217	32,659	38,619	45,040	51,976	59,483	67,626	76,473	86,101	96,593	616,114
Total receipts	17,140	23,899	30,022	37,159	43,868	51,098	58,910	67,367	76,542	86,512	97,364	109,190	699,071
Disbursements													
Direct expenses except bad debt	20,536	21,442	22,413	35,388	36,512	37,725	39,039	40,464	42,012	43,696	45,532	47,535	432,294
G&A except depreciation	17,628	17,628	17,628	17,628	17,628	17,628	17,674	17,674	17,674	17,674	17,674	17,674	211,812
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	38,164	39,070	40,041	53,016	54,140	55,353	56,713	58,138	59,686	61,370	63,206	65,209	644,106
Net cash flow from operations	(21,024)	(15,171)	(10,019)	(15,857)	(10,272)	(4,255)	2,197	9,229	16,856	25,142	34,158	43,982	54,965
Cash flow from investing activities													
Purchase of Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Application	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow from investing activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow from financing activities													
Investment by owners	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term loan additions (payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow from long-term financing activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash increase(decrease)	(21,024)	(15,171)	(10,019)	(15,857)	(10,272)	(4,255)	2,197	9,229	16,856	25,142	34,158	43,982	54,965
Short-term Loan increase(decrease)	16,049	15,760	10,650	22,502	11,002	5,044	(1,320)	(8,303)	(15,850)	(24,047)	(32,964)	(42,680)	(44,157)
Beginning cash	26,229	21,254	21,843	22,474	29,118	29,848	30,637	31,514	32,440	33,446	34,541	35,734	26,229
Ending cash	21,254	21,843	22,474	29,118	29,848	30,637	31,514	32,440	33,446	34,541	35,734	37,036	37,036

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total	Lead Growth Rate
Leads	0	0	0	0	0	0	1	1	1	0	0	0	3	
Conversion Rate	0%	0%	0%	0%	0%	0%	100%	100%	100%	0%	0%	0%	25%	Manual
Sales Call/Email	0	0	0	0	0	0	1	1	1	0	0	0	3	
Conversion Rate	0%	0%	0%	0%	0%	0%	0%	100%	100%	0%	0%	0%	17%	
Demonstration	0	0	0	0	0	0	0	1	1	0	0	0	2	
Conversion Rate	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	8%	Lead Conversion Rate
Sales	0	0	0	0	0	0	0	0	1	0	0	0	1	33.3%
Month 13														
Leads	2	2.6	3.4	4.4	5.7	7.4	9.7	12.5	16.3	21.2	27.6	35.8	TOTAL	149
Conversion Rate	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Sales Call/Email	2	2	3	4	5	7	9	11	15	19	25	32	134	
Conversion Rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Demonstration	0	1	1	1	1	2	2	3	4	5	6	8	33	
Conversion Rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Sales	0.1	0.1	0.2	0.2	0.3	0.4	0.5	0.7	0.9	1.2	1.6	2.0	8	5.6%
Month 25														
Leads	39.4	43.4	47.7	52.5	57.7	63.5	69.8	76.8	84.5	93.0	102.3	112.5	TOTAL	843
Conversion Rate	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Sales Call/Email	35	39	43	47	52	57	63	69	76	84	92	101	759	
Conversion Rate	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Demonstration	11	12	13	14	16	17	19	21	23	25	28	30	228	
Conversion Rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Sales	2.7	2.9	3.2	3.5	3.9	4.3	4.7	5.2	5.7	6.3	6.9	7.6	57	6.8%

APPENDIX C

Best Case Financial Projections

FINANCIAL STATEMENT ASSUMPTIONS												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Units sold	-	-	-	-	-	-	-	-	1	1	1	1
New Customers	-	-	-	-	-	-	-	-	1	-	-	-
Retention Rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Selling price per unit	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
% sales in cash	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% sales on account	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Accounts Receivable Collections												
% collected in month of sale	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% collected in month following	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
% collected in second month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% collected in third month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% not collected (bad debt expense)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Direct costs as a % of sales by month	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
All other direct expenses	Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.											
General and Administrative Costs	Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.											
Payroll Taxes												
FICA		0.062										
Medicare		0.0145										
Unemp		0.01										
Other Benefits		0.1										
TOTAL		0.1865										
Minimum coverage = 10% Competitive coverage = 12%+												
INTEREST (annual rate in %)												
Short-term-added to loan	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Long-term-paid month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balance Sheet Assumptions												
Minimum cash	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Land purchase	-	-	-	-	-	-	-	-	-	-	-	-
Building purchase	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	15,000	-	-	-	-	-	-	-	-	-	-	-
Life in months-Building	-	-	-	-	-	-	-	-	-	-	-	-
Life in months-App	36	-	-	-	-	-	-	-	-	-	-	-
Accounts payable												
% of current month's expenses paid in following month	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balance paid in current month	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Long-term loan additions (payments)												
Investments by owners	35,000	-	-	-	-	-	-	-	-	-	-	-

FINANCIAL STATEMENT ASSUMPTIONS												
	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
Units sold	1.2	1.5	1.9	2.5	3.2	4.2	4.9	6.4	8.6	11.4	15.3	20.5
New Customers	0.2	0.3	0.4	0.5	0.7	1.0	1.3	1.8	2.4	3.3	4.4	6.0
Retention Rate	100%	100%	100%	100%	100%	100%	85%	95%	95%	95%	95%	95%
Selling price per unit	1,000	1,000	1,000	1,000	1,000	1,000	2,000	2,000	2,000	2,000	2,000	2,000
% sales in cash	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
% sales on account	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Accounts Receivable Collections												
% collected in month of sale	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
% collected in month following	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
% collected in second month following	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
% collected in third month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% not collected (bad debt expense)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Direct costs as a % of sales by month												
All other direct expenses	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.												
General and Administrative Costs												
Payroll Taxes	FICA											
	Medicare											
	Unemp											
Enter % - Required coverage = 0%	0.062											
Minimum coverage = 10%	0.0145											
Competitive coverage = 12%+	0.01											
	Other Benefits											
	0.1											
	TOTAL											
	0.1865											
	Calculates as a % of salaries											
	Medicare											
INTEREST (annual rate in %)												
Short-term-added to loan	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Long-term-paid month following	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Balance Sheet Assumptions												
Minimum cash	11,687	9,209	9,305	14,094	14,270	14,508	21,474	22,222	23,235	31,465	33,319	35,825
Land purchase	-	-	-	-	-	-	-	-	-	-	-	-
Building purchase	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	100,000	-	-	-	-	-	-	-	-	-	-	-
Life in months-Building	-	-	-	-	-	-	-	-	-	-	-	-
Life in months-App	36	-	-	-	-	-	-	-	-	-	-	-
Accounts payable												
% of current month's expenses paid in following month												
Balance paid in current month	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Long-term loan additions (payments)	-	-	-	-	-	-	-	-	-	-	-	-
Investments by owners	200,000	-	-	-	-	-	-	-	-	-	-	-

FINANCIAL STATEMENT ASSUMPTIONS												
	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
Units sold	25.4	30.9	37.1	44.3	52.4	61.6	72.2	84.3	98.1	113.9	132.1	153.0
New Customers	5.9	6.8	7.8	9.0	10.3	11.9	13.6	15.7	18.0	20.8	23.9	27.4
Retention Rate	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Selling price per unit	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
% sales in cash	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
% sales on account	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Accounts Receivable Collections												
% collected in month of sale	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
% collected in month following	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
% collected in second month following	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
% collected in third month following	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
% not collected (bad debt expense)	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Direct costs as a % of sales by month												
All other direct expenses	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Enter amount for each month directly on the income statement worksheet or create your own worksheet to link to the income statement.												
General and Administrative Costs												
Payroll Taxes		0.062										
FICA		0.0145										
Medicare		0.01										
Unemp		0.1										
Other Benefits		0.1865										
TOTAL												
Enter % - Required coverage = 0%												
Minimum coverage = 10%												
Competitive coverage = 12%+												
INTEREST (annual rate in %)												
Short-term-added to loan	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Long-term-paid month following	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Balance Sheet Assumptions												
Minimum cash	43,631	44,530	45,665	46,954	48,423	50,100	52,335	54,725	57,033	59,906	63,199	66,977
Land purchase	-	-	-	-	-	-	-	-	-	-	-	-
Building purchase	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	-	-	-	-	-	-	-	-	-	-	-	-
Life in months-Building	-	-	-	-	-	-	-	-	-	-	-	-
Life in months-App	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable												
% of current month's expenses paid in following month												
Balance paid in current month	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Long-term loan additions (payments)												
Investments by owners	-	-	-	-	-	-	-	-	-	-	-	-

Income Statement - Year 1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
Accrual Basis													
REVENUES	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge sales	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL SALES	-	-	-	-	-	-	-	-	-	-	-	-	-
DIRECT EXPENSES													
Direct Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
Hourly	-	-	-	-	-	-	-	-	-	-	-	-	-
Salary	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DIRECT EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
OPERATING MARGIN	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Margin %	0%	0%	0%	0%	0%	0%	0%	0%	85%	85%	85%	85%	85%
General & Admin. Expenses													
Salary	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone/Internet	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal & Accounting	2,050	50	50	50	50	50	50	50	50	50	50	50	2,600
Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-
Office supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Website/App Expense	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Depreciation- Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation- Website/App	417	417	417	417	417	417	417	417	417	417	417	417	5,000
TOTAL G&A	2,867	867	867	867	867	867	1,367	1,367	3,367	3,367	3,367	3,367	23,400
EBIT	(2,867)	(867)	(867)	(867)	(867)	(867)	(1,367)	(1,367)	(2,517)	(2,517)	(2,517)	(2,517)	(20,000)
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
EARNINGS BEFORE TAXES	(2,867)	(867)	(867)	(867)	(867)	(867)	(1,367)	(1,367)	(2,517)	(2,517)	(2,517)	(2,517)	(20,000)

BALANCE SHEET - Year 1													
	Balance	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash	-	17,550	17,100	16,650	16,200	15,750	15,300	14,350	13,400	10,300	8,200	6,100	4,000
Accounts Receivable	-	-	-	-	-	-	-	-	-	1,000	1,000	1,000	1,000
Total Current Assets	-	17,550	17,100	16,650	16,200	15,750	15,300	14,350	13,400	11,300	9,200	7,100	5,000
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
-LESS Accum. Depreciation	-	(417)	(833)	(1,250)	(1,667)	(2,083)	(2,500)	(2,917)	(3,333)	(3,750)	(4,167)	(4,583)	(5,000)
Net Fixed Assets	-	14,583	14,167	13,750	13,333	12,917	12,500	12,083	11,667	11,250	10,833	10,417	10,000
TOTAL ASSETS	-	32,133	31,267	30,400	29,533	28,667	27,800	26,433	25,067	22,550	20,033	17,517	15,000
LIABILITIES													
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term loan inc. interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
OWNERS' EQUITY													
Investment by owner	-	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Retained earnings(loss)	-	(2,867)	(3,733)	(4,600)	(5,467)	(6,333)	(7,200)	(8,067)	(8,933)	(9,800)	(10,667)	(11,533)	(12,400)
Net equity	-	32,133	31,267	30,400	29,533	28,667	27,800	26,433	25,067	22,550	20,033	17,517	15,000
TOTAL LIAB AND OWNERS	-	32,133	31,267	30,400	29,533	28,667	27,800	26,433	25,067	22,550	20,033	17,517	15,000

CASH FLOW - Year 1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
Cash flow from operations													
Receipts													
Cash sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable collections	-	-	-	-	-	-	-	-	-	1,000	1,000	1,000	3,000
Total receipts	-	-	-	-	-	-	-	-	-	1,000	1,000	1,000	3,000
Disbursements													
Direct expenses except bad debt	-	-	-	-	-	-	-	-	150	150	150	150	600
G&A except depreciation	2,450	450	450	450	450	450	950	950	2,950	2,950	2,950	2,950	18,400
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,450	450	450	450	450	450	950	950	3,100	3,100	3,100	3,100	19,000
Net cash flow from operations	(2,450)	(450)	(450)	(450)	(450)	(450)	(950)	(950)	(3,100)	(2,100)	(2,100)	(2,100)	(16,000)
Cash flow from investing activities													
Purchase of Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Application	(15,000)	-	-	-	-	-	-	-	-	-	-	-	(15,000)
Net cash flow from investing activities	(15,000)	-	-	-	-	-	-	-	-	-	-	-	(15,000)
Cash flow from financing activities													
Investment by owners	35,000	-	-	-	-	-	-	-	-	-	-	-	35,000
Long-term loan additions (payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow from long-term financing activities	35,000	-	-	-	-	-	-	-	-	-	-	-	35,000
Net cash increase(decrease)	17,550	(450)	(450)	(450)	(450)	(450)	(950)	(950)	(3,100)	(2,100)	(2,100)	(2,100)	4,000
Short-term Loan increase(decrease)	-	-	-	-	-	-	-	-	-	-	-	-	-
Beginning cash	17,550	17,100	17,100	16,650	16,650	16,200	15,300	14,350	13,400	10,300	8,200	6,100	-
Ending cash	17,550	17,100	16,650	16,200	15,750	15,300	14,350	13,400	10,300	8,200	6,100	4,000	4,000

Income Statement - Year 2													
Accrual Basis	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL
REVENUES	122	152	192	246	319	418	978	1,290	1,712	2,283	3,055	4,100	14,868
Cash sales	1,098	1,366	1,728	2,216	2,875	3,765	8,804	11,607	15,405	20,546	27,499	36,898	133,810
Charge sales	1,221	1,518	1,920	2,463	3,195	4,184	9,782	12,897	17,117	22,829	30,555	40,998	148,677
TOTAL SALES													
DIRECT EXPENSES													
Direct Costs	183	228	288	369	479	628	1,467	1,934	2,568	3,424	4,583	6,150	22,302
Labor	-	-	-	2,000	2,000	2,000	4,000	4,000	4,000	4,000	7,000	7,000	39,000
Hourly	-	-	-	2,000	2,000	2,000	4,000	4,000	4,000	2,000	2,000	2,000	24,000
Salary	-	-	-	-	-	-	-	-	-	5,000	5,000	5,000	15,000
Benefits	-	-	-	373	373	373	746	746	746	1,306	1,306	1,306	7,274
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	200	200	200	400	400	400	700	700	700	3,900
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	110	137	173	222	288	377	880	1,161	1,541	2,055	2,750	3,690	13,381
TOTAL DIRECT EXPENSES	293	364	461	5,164	5,340	5,577	11,494	12,241	13,254	21,485	23,339	25,845	124,856
OPERATING MARGIN	928	1,154	1,459	(2,701)	(2,145)	(1,393)	(1,712)	655	3,863	1,345	7,216	15,153	23,821
Operating Margin %	76%	76%	76%	-110%	-67%	-33%	-18%	5%	23%	6%	24%	37%	16%
General & Admin. Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Utilities	-	-	-	-	-	-	200	200	200	200	200	200	1,200
Telephone/Internet	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	86	86	86	86	86	86	86	86	86	774
Insurance	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Legal & Accounting	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	3,050	500	500	500	500	500	500	500	500	500	500	500	8,550
Office supplies	1,500	1,500	1,500	1,500	1,500	1,500	2,500	2,500	2,500	2,500	2,500	2,500	24,000
Website/App Expense	150	150	150	150	150	150	500	500	500	500	500	500	3,900
Depreciation- Building	3,000	3,000	3,000	3,000	3,000	3,000	1,500	1,500	1,500	1,500	1,500	1,500	27,000
Depreciation- Website/App	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	38,333
TOTAL G&A	11,394	8,844	8,844	8,930	8,930	8,930	9,980	9,980	9,980	9,980	9,980	9,980	115,757
EBIT	(10,467)	(7,691)	(7,385)	(11,632)	(11,075)	(10,324)	(11,692)	(9,325)	(6,117)	(8,636)	(2,764)	5,172	(91,936)
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	57	198
EARNINGS BEFORE TAXES	(10,467)	(7,691)	(7,385)	(11,632)	(11,075)	(10,324)	(11,692)	(9,325)	(6,117)	(8,636)	(2,821)	5,031	(92,134)

BALANCE SHEET - Year 2	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
Cash	4,000	97,014	92,178	87,712	78,903	70,521	62,714	50,808	42,099	36,287	31,465	33,319	35,825
Accounts Receivable	1,000	714	1,053	1,328	1,700	2,201	2,879	6,287	8,865	11,755	15,666	20,957	28,109
Total Current Assets	5,000	97,728	93,231	89,041	80,603	72,722	65,593	57,095	50,965	48,042	47,131	54,276	63,934
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	15,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
-LESS Accum. Depreciation	(5,000)	(8,194)	(11,389)	(14,583)	(17,778)	(20,972)	(24,167)	(27,361)	(30,556)	(33,750)	(36,944)	(40,139)	(43,333)
Net Fixed Assets	10,000	106,806	103,611	100,417	97,222	94,028	90,833	87,639	84,444	81,250	78,056	74,861	71,667
TOTAL ASSETS	15,000	204,533	196,843	189,457	177,825	166,750	156,426	144,734	135,409	129,292	125,187	129,137	135,601
LIABILITIES													
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term loan inc. interest	-	-	-	-	-	-	-	-	-	-	4,531	11,302	12,735
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT	-	-	-	-	-	-	-	-	-	-	4,531	11,302	12,735
Long-term loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	4,531	11,302	12,735
OWNERS' EQUITY													
Investment by owner	35,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000
Retained earnings(loss)	(20,000)	(30,467)	(38,157)	(45,543)	(57,175)	(68,250)	(78,574)	(90,266)	(99,591)	(105,708)	(114,344)	(117,165)	(112,134)
Net equity	15,000	204,533	196,843	189,457	177,825	166,750	156,426	144,734	135,409	129,292	120,656	117,835	122,866
TOTAL LIAB AND OWNERS	15,000	204,533	196,843	189,457	177,825	166,750	156,426	144,734	135,409	129,292	125,187	129,137	135,601

CASH FLOW - Year 2													
	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL
Cash flow from operations													
Receipts													
Cash sales	122	152	192	246	319	418	978	1,290	1,712	2,283	3,055	4,100	14,868
Accounts Receivable collections	1,275	891	1,280	1,623	2,086	2,711	4,515	7,868	10,975	14,580	19,459	26,056	93,320
Total receipts	1,397	1,043	1,472	1,869	2,406	3,130	5,493	9,158	12,687	16,863	22,514	30,156	108,188
Disbursements													
Direct expenses except bad debt	183	228	288	4,942	5,052	5,201	10,613	11,080	11,714	19,430	20,589	22,155	111,475
G&A except depreciation	8,200	5,650	5,650	5,736	5,736	5,736	6,786	6,786	6,786	6,786	6,786	6,786	77,424
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,383	5,878	5,938	10,678	10,788	10,937	17,399	17,866	18,500	26,216	27,375	28,941	188,899
Net cash flow from operations	(6,986)	(4,835)	(4,466)	(8,809)	(8,383)	(7,807)	(11,906)	(8,708)	(5,812)	(9,353)	(4,860)	1,215	(80,711)
Cash flow from investing activities													
Purchase of Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Application	(100,000)	-	-	-	-	-	-	-	-	-	-	-	(100,000)
Net cash flow from investing activities	(100,000)	-	-	-	-	-	-	-	-	-	-	-	(100,000)
Cash flow from financing activities													
Investment by owners	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000
Long-term loan additions (payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow from long-term financing activities	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000
Net cash increase(decrease)	93,014	(4,835)	(4,466)	(8,809)	(8,383)	(7,807)	(11,906)	(8,708)	(5,812)	(9,353)	(4,860)	1,215	19,289
Short-term Loan increase(decrease)	-	-	-	-	-	-	-	-	-	4,531	6,714	1,291	12,537
Beginning cash	4,000	97,014	92,178	87,712	78,903	70,521	62,714	50,808	42,099	36,287	31,465	33,319	4,000
Ending cash	97,014	92,178	87,712	78,903	70,521	62,714	50,808	42,099	36,287	31,465	33,319	35,825	35,825

Income Statement - Year 3													
Accrual Basis	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	TOTAL
REVENUES													
Cash sales	6,343	7,722	9,287	11,066	13,092	15,404	18,045	21,067	24,525	28,487	33,030	38,240	226,309
Charge sales	57,091	69,502	83,582	99,591	117,829	138,637	162,409	189,599	220,726	256,387	297,270	344,164	2,036,785
TOTAL SALES	63,434	77,224	92,869	110,657	130,921	154,041	180,455	210,665	245,251	284,874	330,300	382,404	2,263,094
DIRECT EXPENSES													
Direct Costs	6,343	7,722	9,287	11,066	13,092	15,404	18,045	21,067	24,525	28,487	33,030	38,240	226,309
Labor	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	228,000
Hourly	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Salary	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	180,000
Benefits	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	42,522
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	22,800
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	2,855	3,475	4,179	4,980	5,891	6,932	8,120	9,480	11,036	12,819	14,863	17,208	101,839
TOTAL DIRECT EXPENSES	41,209	43,208	45,477	48,056	50,995	54,347	58,183	62,530	66,561	71,306	76,490	82,048	518,147
OPERATING MARGIN	22,225	34,015	47,392	62,601	79,926	99,694	122,472	149,133	178,726	213,468	253,270	300,156	1,744,947
Operating Margin %	35%	44%	51%	57%	61%	65%	68%	71%	73%	75%	77%	79%	77%
General & Admin. Expenses													
Salaries	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	360,000
Benefits	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	67,140
Rent	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
Utilities	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Telephone/Internet	178	178	178	178	178	178	178	178	178	178	178	178	2,412
Transportation	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Legal & Accounting	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Marketing	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Office supplies	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Website/App Expense	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Depreciation - Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation - Website/App	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	38,333
TOTAL G&A	45,852	45,852	45,852	45,852	45,852	45,852	45,852	45,852	45,852	45,852	45,852	45,852	692,885
EBIT	(23,627)	(11,837)	1,539	16,748	34,074	53,841	79,784	109,615	140,874	177,616	216,418	257,656	1,726,820
Interest Expense	159	730	1,042	1,200	1,165	940	498	679	290	4	0	0	6,707
EARNINGS BEFORE TAXES	(23,787)	(12,567)	497	15,548	32,909	52,901	79,287	108,944	141,124	177,562	216,418	257,656	1,719,113

BALANCE SHEET - Year 3													
	Month 24	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
Cash	35,825	43,531	44,530	45,665	46,954	48,423	50,100	75,335	77,525	114,310	203,730	327,516	490,376
Accounts Receivable	28,109	45,498	60,069	75,262	89,905	106,577	125,591	147,305	172,133	200,548	233,096	270,402	313,188
Total Current Assets	63,934	89,029	104,600	120,927	136,860	155,001	175,691	222,641	249,658	314,858	436,826	597,919	803,564
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Application Development	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
-LESS Accum. Depreciation	(43,333)	(46,528)	(49,722)	(52,917)	(56,111)	(59,306)	(62,500)	(65,694)	(68,889)	(72,083)	(75,278)	(78,472)	(81,667)
Net Fixed Assets	71,667	68,472	65,278	62,083	58,889	55,694	52,500	49,306	46,111	42,917	39,722	36,528	33,333
TOTAL ASSETS	135,601	157,501	169,877	183,010	195,749	210,695	228,191	271,946	295,770	357,775	476,548	634,447	836,898
LIABILITIES													
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term loan inc. interest	12,735	58,422	83,365	96,001	93,191	75,229	39,823	54,292	23,179	290	4	0	0
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT	12,735	58,422	83,365	96,001	93,191	75,229	39,823	54,292	23,179	290	4	0	0
Long-term loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	12,735	58,422	83,365	96,001	93,191	75,229	39,823	54,292	23,179	290	4	0	0
OWNERS' EQUITY													
Investment by owner	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000
Retained earnings(loss)	(112,134)	(135,921)	(148,488)	(147,991)	(132,442)	(99,533)	(46,632)	(17,346)	37,590	122,485	241,545	399,446	601,898
Net equity	122,866	99,079	86,512	87,009	102,558	135,467	188,368	217,654	272,590	357,485	476,548	634,446	836,898
TOTAL LIAB AND OWNERS	135,601	157,501	169,877	183,010	195,749	210,695	228,191	271,946	295,770	357,775	476,548	634,447	836,898

	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	TOTAL
CASH FLOW - Year 3													
Cash flow from operations													
Receipts													
Cash sales	6,343	7,722	9,287	11,066	13,092	15,404	18,045	21,067	24,525	28,487	33,030	38,240	226,309
Accounts Receivable collections	36,846	51,455	64,210	79,968	95,265	112,691	132,575	155,291	181,274	211,020	245,100	284,170	1,649,866
Total receipts	43,190	59,178	73,497	91,034	108,357	128,095	150,620	176,358	205,799	239,507	278,130	322,410	1,876,176
Disbursements													
Direct expenses except bad debt	38,354	39,733	41,298	43,077	45,103	47,415	72,921	75,943	79,401	83,363	87,906	93,116	747,631
G&A except depreciation	42,658	42,658	42,658	42,658	42,658	42,658	66,434	66,434	66,434	66,434	66,434	66,434	654,552
Interest on long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	81,012	82,391	83,956	85,735	87,761	90,073	139,355	142,377	145,835	149,797	154,340	159,550	1,402,183
Net cash flow from operations	(37,823)	(23,214)	(10,459)	5,299	20,596	38,022	11,265	33,981	59,964	89,710	123,790	162,860	473,992
Cash flow from investing activities													
Purchase of Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Application	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow from Investing activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow from financing activities													
Investment by owners	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term loan additions (payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow from long-term financing activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash increase(decrease)	(37,823)	(23,214)	(10,459)	5,299	20,596	38,022	11,265	33,981	59,964	89,710	123,790	162,860	473,992
Short-term Loan increase(decrease)	45,528	24,213	11,593	(4,010)	(19,127)	(36,346)	13,971	(31,791)	(23,179)	(290)	(4)	(0)	(19,441)
Beginning cash	35,825	43,531	44,530	45,665	46,954	48,423	50,100	75,335	77,525	114,310	203,730	327,516	35,825
Ending cash	43,531	44,530	45,665	46,954	48,423	50,100	75,335	77,525	114,310	203,730	327,516	490,376	490,376

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total	Lead Growth Rate	Manual
Leads	0	0	0	0	0	0	1	1	1	0	0	0	3		
Conversion Rate	0%	0%	0%	0%	0%	0%	100%	100%	100%	0%	0%	0%	25%		
Sales Call/Email	0	0	0	0	0	0	1	1	1	0	0	0	3		
Conversion Rate	0%	0%	0%	0%	0%	0%	0%	100%	100%	0%	0%	0%	17%		
Demonstration	0	0	0	0	0	0	0	1	1	0	0	0	2		
Conversion Rate	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	8%		
Sales	0	0	0	0	0	0	0	0	1	0	0	0	1	Lead Conversion Rate	33.3%
Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	TOTAL			
Leads	2	2.7	3.6	4.9	6.6	9.0	12.1	16.3	22.1	29.8	40.2	54.3	204	Lead Growth Rate	35%
Conversion Rate	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%		
Sales Call/Email	2	2	3	4	6	8	11	15	20	27	36	49	183		
Conversion Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%		
Demonstration	1	1	1	2	2	3	4	5	7	9	13	17	64		
Conversion Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%		
Sales	0.2	0.3	0.4	0.5	0.7	1.0	1.3	1.8	2.4	3.3	4.4	6.0	22	Lead Conversion Rate	11.0%
Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	TOTAL			
Leads	62.4	71.8	82.6	94.9	109.2	125.6	144.4	166.1	191.0	219.6	252.6	290.5	1811	Lead Growth Rate	15%
Conversion Rate	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%		
Sales Call/Email	56	65	74	85	98	113	130	149	172	198	227	261	1630		
Conversion Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%		
Demonstration	20	23	26	30	34	40	45	52	60	69	80	91	570		
Conversion Rate	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%		
Sales	5.9	6.8	7.8	9.0	10.3	11.9	13.6	15.7	18.0	20.8	23.9	27.4	171	Lead Conversion Rate	9.5%

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