

Enter your Company Name here																
		Year 1														
	Unit Costs	Start Up	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	TOTAL	
			J	A	S	O	N	D	J	F	M	A	M	J		
<b>Income</b>																
\$ Average Sale			12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	
# Sales per Day			12	12	12	14	16	18	18	14	12	12	12	12		
# Days per Month			30	30	30	30	30	30	30	30	30	30	30	30		
# Sales per month			360	360	360	420	480	540	540	420	360	360	360	360	4,920.00	
\$ Income per month			4,320.00	4,320.00	4,320.00	5,040.00	5,760.00	6,480.00	6,480.00	5,040.00	4,320.00	4,320.00	4,320.00	4,320.00	59,040.00	
<b>Beginning Cash Balance</b>			-	12,500.00	12,356.25	12,316.90	12,277.55	12,454.40	13,289.86	14,533.91	15,470.36	15,724.41	15,627.46	15,338.11	15,298.76	-
<b>Cash Inflows (Income):</b>																
Owners Investment - 20% is normal		3,000.00														3,000.00
Sales - Main line			4,320.00	4,320.00	4,320.00	5,040.00	5,760.00	6,480.00	6,480.00	5,040.00	4,320.00	4,320.00	4,320.00	4,320.00	59,040.00	
Sales - 2nd line																-
Taxes - Sales	8.00%		345.60	345.60	345.60	403.20	460.80	518.40	518.40	403.20	345.60	345.60	345.60	345.60	4,723.20	
Loan Proceeds		10,000.00	-													10,000.00
less loan fee		(500.00)														(500.00)
Accts. Rec. Collections																-
Other:																-
<b>Total Cash Inflows</b>			12,500.00	4,665.60	4,665.60	4,665.60	5,443.20	6,220.80	6,998.40	6,998.40	5,443.20	4,665.60	4,665.60	4,665.60	4,665.60	76,263.20
<b>Available Cash Balance</b>			12,500.00	17,165.60	17,021.85	16,982.50	17,720.75	18,675.20	20,288.26	21,532.31	20,913.56	20,390.01	20,293.06	20,003.71	19,964.36	76,263.20
<b>Cash Outflows (Expenses):</b>																
Advertising		Research	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	120.00	
Bank Service Charges		Research	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	60.00	
Computer Expense		Research	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	120.00	
Credit Card Fees	1.25%	Research	54.00	54.00	54.00	63.00	72.00	81.00	81.00	63.00	54.00	54.00	54.00	54.00	738.00	
Commissions		Research	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	
Employee Payroll	5.00	Research	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00	
Employee - Taxes	10.00%	Research	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	180.00	
Employee - Benefits		Research	-	-	-	-	-	-	-	-	-	-	-	-	-	
Employee - Unemployment Ir	4.00%	Research	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	72.00	
Employee - Workers Comp		Research														-
Food and Entertainment		Research	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	24.00	
Insurance	1,200.00	Research	450.00			250.00			250.00			250.00		450.00	1,650.00	
Inventory - COGS	22.00%	Research	950.40	950.40	950.40	1,108.80	1,267.20	1,425.60	1,425.60	1,108.80	950.40	950.40	950.40	950.40	12,988.80	
Loan Interest	4.95%	Research	38.95	38.95	38.95	38.95	38.95	38.95	38.95	38.95	38.95	38.95	38.95	38.95	467.44	
Miscellaneous		Research	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00	
Photocopies / Reproduction		Research	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	
Postage and Delivery		Research	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	
Professional Fees		Research	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	300.00	
Rent - Main location		Research	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	18,000.00	
Rent - other storage		Research	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	4,800.00	
Subscriptions and Dues		Research	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	
Supplies		Research	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	240.00	
Taxes & Licenses		Research	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	
Taxes - Sales	shift 30d	Research	-	345.60	345.60	345.60	403.20	460.80	518.40	518.40	403.20	345.60	345.60	345.60	4,377.60	
Telephone		Research	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00	
Transportation and Travel		Research	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00	
Utilities		Research	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	
Other:		Research														-
<b>Subtotal</b>			-	3,842.35	3,737.95	3,737.95	4,155.35	4,130.35	4,355.35	4,662.95	4,078.15	3,795.55	3,987.95	3,737.95	4,187.95	48,409.84
<b>Other Cash Out Flows:</b>																
Loan Principal			103.00	103.00	103.00	103.00	103.00	103.00	103.00	103.00	103.00	103.00	103.00	103.00	1,235.95	
Capital Purchases																-
Owner's Draw	20.00%		864.00	864.00	864.00	1,008.00	1,152.00	1,296.00	1,296.00	1,008.00	864.00	864.00	864.00	864.00	11,808.00	
Other:																-
<b>Subtotal</b>			-	967.00	967.00	967.00	1,111.00	1,255.00	1,399.00	1,399.00	1,111.00	967.00	967.00	967.00	13,043.95	
<b>Total Cash Outflows</b>			-	4,809.35	4,704.95	4,704.95	5,266.35	5,385.35	5,754.35	6,061.95	5,189.15	4,762.55	4,954.95	4,704.95	61,453.79	
<b>Ending Cash Balance</b>			12,500.00	12,356.25	12,316.90	12,277.55	12,454.40	13,289.86	14,533.91	15,470.36	15,724.41	15,627.46	15,338.11	15,298.76	14,809.41	14,809.41
<b>Monthly Net</b>			(143.75)	(39.35)	(39.35)	176.85	835.45	1,244.05	936.45	254.05	(96.95)	(289.35)	(39.35)	(489.35)	14,809.41	

### **FORM III: SAMPLE INCOME STATEMENT EXPLANATIONS**

**Gross Sales:** First year based on projections from your business plan. Second year gross sales based on a 5 percent growth rate and 4 percent inflation.

**Cost of Sales:** Used industry ratio of "X" percent.

**Gross Profit:** Difference between gross sales and cost of sales.

#### **VARIABLE EXPENSES**

**Salaries and Wages:** First year based on business plan projections. Salaries and wages are projected to increase 5 percent the second year and 5 percent the third year.

**Other Employee Expenses:** Includes employer's share of Social Security and assigned rate for unemployment compensation.

**Utilities:** (Industry ratio -- "X" percent) Includes electricity, gas, water and trash removal.

**Office Supplies:** (Industry ratio -- "X" percent) For stationery, forms, photocopy paper, etc.

**Miscellaneous:** 0.5 percent allotted for postage, petty cash, etc.

**Advertising:** (Industry ratio -- "X" percent) For advertising in local papers, yellow pages and trade magazines. Four percent of sales is allocated in the first year to cover initial promotion of \$1,000, \$250 of which will be spent prior to opening day (see Marketing Strategy section of business plan.)

**Legal/Accounting:** (Industry ratio -- 1 percent) For legal services, bookkeeping and necessary accounting and tax services.

(Explain other items as appropriate.)

#### **FIXED EXPENSES**

**Rent:** Based on lease agreement.

**Insurance:** Includes workers' compensation, life insurance on president, general liability, automobile and equipment.

**Taxes/Licenses:** Occupational licenses for each city served by the business.

**Professional License(s):** Based on renewal period.

**Interest:** 6-7 percent interest per year on unpaid balance of 5-year bank loan (\$800 first year on unpaid balance of \$8,000). A loan payment of \$1,600 will be made at the end of the first year, decreasing the interest paid in the second year to 10 percent on the unpaid balance of \$6,400 (or \$640), and the same amount in the third year.