

Full Business Plan

Blue Water Boatworks, Inc.

Blue Water Boatworks is a well done plan, which falls between the full business plan and the operational plan. While the plan generally follows the outline from Chapter 8, Table 8.3, it shows how plans are adjusted based on the thinking of the entrepreneur and the purpose the plan serves. In putting this plan together, JP wanted to demonstrate to potential customers and bankers (the plan was going to be funded from his own capital and a line of credit from a bank) that he had thought through the business. For that reason he included a section on the “operational plan.” This gave a general overview of operations, but fell short of the level of detail you would see in a true operational plan, which would be used as an internal “how-to” book for the business.

Note also that JP did a *very* detailed section on critical risks. This was done to assure the banker that JP did recognize the problems of a start-up and had taken steps to anticipate the problems and solve them if they appeared. JP did this plan as he was just finishing his undergraduate degree in entrepreneurship at Saint Louis University, and he realized that his youth and lack of experience in owning and running a business (or paying back a loan) were going to be major factors for the banker. It is also important to note what is *not* present, namely the balance sheet in the financials. From the standpoint of the banker, since the loan would have to be paid back from cash flow, the balance sheet was seen as JP’s concern, not the bank’s. Leaving off a balance sheet is not recommended as a “best practice,” but in this case it did not cause a problem. You can find out how JP and BWB did in the postscript at the end of the plan.

Blue Water Boatworks, Inc.

St. Louis, Missouri

J. P. Keating—President & CEO

Table of Contents

- I. Executive Summary
- II. Company Description
- III. Description of Services
- IV. Marketing Plan
- V. Operational Plan
- VI. Management and Organization
- VII. Exit Strategy
- VIII. Critical Risks
- IX. Financial Plan
- X. Financial Projection
 - a. Projected Cash Flow and Income Statements by Month for Four Years
- XI. Attachments

I. EXECUTIVE SUMMARY

Blue Water Boatworks Inc. is a watercraft detailing and cleaning service in the St. Louis area catering strictly to watercraft dealers and marinas. Blue Water Boatworks (BWB) will specialize in servicing recreational fiberglass and aluminum watercraft; bass boats, cruisers, yachts, etc., for the purposes of resale. Monthly cleaning services will be offered to marinas as well. Operations are scheduled to begin in January 2004.

BWB offers on-site only detailing and cleaning and will go to the customer. By conducting business this way, BWB expects to reduce its own liability and keep costs low for the customer. BWB will seek to enter into contracts with marinas and boat dealerships in the St. Louis area to service their sales inventory or customers’ boats.

Based upon the financial projections, it is estimated that \$175,000 is required to begin operations successfully. \$145,000 is needed from bank loans and \$30,000 will be invested by the principal owner. The estimated interest rate on the \$145,000 loan is projected to be about 8 percent. The funds will be used for start-up and three month's operating expenses.

MARKET POTENTIAL There are over 20 boat dealerships in the St. Louis area as well as over a dozen marinas. However, BWB will focus on just a handful of dealers and marinas in the first few years. BWB plans to contract with two large dealerships and one marina during the first year of operation. An increase of one to two additional dealers and one marina per year is the projected growth rate of the company after the first year. Service for a total of four dealers and two marinas is projected in years 3 and 4.

DISTINCTIVE COMPETENCE BWB will provide a much needed and reliable service to the watercraft dealer and marina owner. BWB can offer the boat dealer a cost savings in personnel (wages, insurance, benefits), materials, facilities and any other costs associated with having a cleaning shop or department. BWB can be contracted on an as-needed basis if services are needed for only a few boats or services can be contracted for dozens of boats. BWB is flexible and will be able to accommodate the needs of large and small dealers and marinas.

There is no operation comparable to Blue Water Boatworks in the area. There are detailing and clean-up shops in most dealerships and a few marinas, as well as one or two small mobile detailing operations in the area. However, dealers and marinas can have difficulties with employees or can incur excess costs related to personnel. The other small operations in the area deal specifically with retail customers—individual boat owners. BWB will deal strictly on a commercial basis, working mainly as a wholesale service provider.

FINANCIAL SUMMARY Based on detailed financial projections, Blue Water Boatworks will require debt financing and is expected to repay the loan in four years. The first operating profit is projected to occur in the third month of operations. Future growth is expected to be funded through generated earnings.

II. Company Description

The goal of BWB is to offer clients a valuable service at a reasonable cost while helping them become more profitable. Professionally detailed boats can return higher profits for the dealer; increased returns could range from 1 percent to over 100 percent depending on the original condition of the boat. It is also known that clients want their merchandise ready to sell as soon as possible so quick turnaround is a necessity. BWB can offer the dealer several options. For example, if the dealer is large enough and has a high turnover rate of inventory, BWB can assign a crew to its location on a somewhat permanent basis to handle the backlog of work. Dealers which also have repair shops or storage facilities could offer cleaning and detailing services to their customers as an additional service. A quick profit can be made by marking up BWB's service.

BWB can offer marinas cleaning services for their customers. Monthly cleaning services can be offered by BWB which in turn could be sold by the marina for a profit. No personnel and scheduling issues for the marina owner, just pure profit every month.

BWB will strive to offer its customer the highest quality service with the greatest amount of professionalism. Attention to detail and the needs of the customer will always come first.

III. Description of Services

BWB is an entirely mobile operation able to provide services to dealers and marinas in the St. Louis metropolitan area. There are three types of services we provide:

- Detailing
- Marina service
- General cleaning

Detailing is the most expensive service we offer because it requires the most time and materials to provide. Everything on the boat is meticulously cleaned and polished to ready it for resale by the dealer. Boat dealers need to present their inventory in flawless condition to make higher profits on the sale. Detailing will normally include:

- Hull cleaning
- Interior cleaning and detailing
- Hull waxing and sealing
- Carpet and upholstery cleaning
- Chrome and stainless polishing
- Plastic and glass maintenance
- Sealing
- Bilge cleaning
- Canvas and vinyl cleaning
- Cleaning and treatment of fenders
- Sealing
- Engine cleaning

The price for this type of service would be broken down as follows:

Open bow boats from 15'–26' will cost \$350.

Cabin boats with lengths up to 25' will be \$450.

Anything over that length would have to be inspected by BWB management to determine a price. These prices were formulated barring any extenuating circumstances which could include severe oxidation, severe stains, etc.

A general cleaning can also be used by dealers to maintain their inventory. This type of service would consist of a rinsing, drying, and wiping down boats which may have collected dust or light dirt from sitting on the dealer's lot for a few weeks. This service is not as expensive as a detail because a lesser amount of materials and labor are used. The price for this type of

service would be approximately \$80 per boat. A modified general cleaning service may also be offered. This would be offered to dealers who own storage facilities or repair shops. Dealers could offer this service to customers who wanted to get their boat cleaned after a repair or before the boat was winterized. Some other services could be added to the general cleaning like waxing the hull, cleaning and sealing vinyl or canvas, cleaning fenders, etc. The pricing for this service would have to be determined by the job.

A marina service consists of a monthly maintenance contract with a marina. This type of service is similar to a general cleaning service except that it is done for an entire marina. The marina owner would charge the boat owner a specific price for this service, and BWB will provide the service. The marina owner is able to charge whatever he or she wants over the wholesale price and realize another revenue source. A crew would most likely be permanently assigned to the marina to handle this service because a job of this nature can take up to a month to complete. The services included are:

- Hull cleaning to waterline
- Plastic and glass maintenance
- Wipe down of all hardware

This type of service will be charged by the foot. The wholesale price will be \$2.75 per foot.

All of the prices listed are tentative and can be negotiated. For example, volume discounts can be offered for dealer services. Prices may also increase due to rising materials costs.

It is projected that that 60 percent of BWB business will be detailing, 35 percent will be marina servicing, and 5 percent will be general cleaning services.

All of the cleaning products used by BWB (boat washes, polishes, waxes, sealers, plastic cleaners, etc.) are premium brand, environmentally friendly and are specifically formulated for a marine environment.

IV. Marketing Plan

BWB will be a strictly commercial operation, marketing only to boat dealers and marinas. There are over a dozen marinas and over twenty boat dealers in the St. Louis metropolitan area. However, only a few dealers and a few marinas will be targeted during start-up. The main target market is boat dealers, with marinas being second. Dealers are in need of this service because their boats need to be in exceptional condition in order to increase sales and achieve acceptable profits. Having in-house cleaning crews and clean up shops can be expensive for a dealer to operate. BWB provides value for the dealers by alleviating their employment burden and the costs associated with maintaining an in-house cleaning facility. BWB can provide boat detailing services on an on-call basis or on a longer-term contractual basis. For example, smaller dealers may only require BWB on-call services for a few boats a week. Larger dealers who need detailing services on a dozen or more boats a week may need a dedicated crew for an extended period of time. BWB will have 15 employees to serve clients, so someone will always be able to support a dealership.

Marinas will also be able to benefit from the services of BWB. BWB will offer cleaning services which marinas can resell to their customers. Basic cleaning services, which include exterior washing and cleaning and drying, will be the standard offering. This type of service allows boat owners to enjoy their boats on the weekends and not spend hours cleaning them every time they come out to use them. We can offer this service at a wholesale price to marina owners which they can mark up as high as they like and then sell for retail. They too will benefit from the convenience of not employing an in-house cleaning crew.

There is no other way to market this service except through the use of personal sales calls. Dealers need their inventory processed and ready to go as soon as possible so they

can resell and make a profit. BWB will have to prove to them that our service is exceptional and can provide them with what they need.

A Web site may also be established in Year 2 for scheduling and customer relationship management purposes.

The owner of a local St. Louis dealership has expressed a great interest in this venture. He has agreed to aid in the acquisition of other clients (mainly other St. Louis dealers he is friendly with as well as some marina owners) if the services of BWB prove to be valuable to his business. A local Marina owner has also expressed an interest in using BWB as well as agreeing to assist in organizing additional clients. Both will be key to the success of this venture. Even though these individuals can assist in opening the door for new business, it will still be necessary to make personal visits and sales calls to dealers and marinas to sell the services and inform them of the benefits of working with BWB. If the dealer or marina can benefit from our services, we would then discuss any special needs they may have such as volume discount possibilities, or reliability. The best way to market our services will be to give a free detail to the dealer to show the quality of work that can be done by BWB. The dealers must feel that they are benefiting from using our service as opposed to having an on-site shop. If the dealer is satisfied and still interested in our services, pricing and terms for contracts would then be discussed.

The aforementioned dealership and marina will be launch customers in this venture; promoting our business by word of mouth. Since they have commanding positions in the boating industry in St. Louis, their opinions are very valuable.

BWB will focus on quality, dependability and personal service. The owner/manager of the company will visit the job sites on a daily basis and communicate with customers. Any problems or questions that customers may have will be handled by the owner personally.

Due to the seasonality of the boating industry in St. Louis, it is inevitable that business will see a drop in the month of September and will not recover until March. BWB will not head south. The customers in St. Louis will still need our services. Marinas will still be serviced, and dealers will still need some detailing work done on their inventory. Dealers will also need our services when they present their inventory at boat shows in the fall and winter.

V. Operational Plan

BWB will be open for customer appointments Monday through Friday from 8:00 A.M.–5:00 P.M. However, there may be some instances where hours may vary; such as if there is work to be done for a boat show or similar event. BWB will be closed for most major holidays.

Depending on the needs of the customer, appointments may not be feasible. For example, if a dealer has a steady flow of boats coming through the dealership, it may be possible to permanently assign a crew to that location. The same would work for marinas. Since there is going to be a large number of boats to be cleaned in no particular order, it would be more feasible to just assign a crew to the marina. However, small dealers will more likely call on an as-needed basis. In this instance BWB would have to react rather than “ride a circuit.”

BWB will have six full-time cleaners which will be split into three crews. Two part-time employees will be hired to assist the full-time crews. If BWB works with two large dealerships, one crew will be assigned to each dealership. The third crew will be assigned to the marina. One part-time worker will be sent to the marina, and the other part-time worker will be sent to the dealership with the largest amount of work to be done. The marina crew can also act as a support crew for the other two crews in the case of excessive work orders at a dealership. Finally, the owner/manager of BWB will be traveling between dealerships and the marinas to supervise the three crews, com-

municate with dealers and marina owners, and handle any job estimates or special requests from clients. The owner will manage the daily operation of the company, be the main salesperson, and will also service all accounts. As business increases, it may be necessary to hire additional staff to service accounts.

Each day crew members will be given assignments and sent to the respective job site. Crews will always be in communication with the main office and manager through cellular phones. Once the crew reaches the job site, contact will be made with a representative of the dealership or marina to determine what special needs he or she may have. If there are any problems or questions, the crew will call the office or the manager directly and resolve the problem. Once the situation is assessed, the crew will go to work. After the service is completed, billing statements will be mailed to the dealer or marina manager.

The approximate time to properly detail and clean a boat will vary. It could take from two hours to two days depending on the size and condition of the boat. A fair estimate can be three to four hours for most boats. Marina servicing can take weeks because of the number of boats at a single location. However, the time to rinse and dry a boat at a marina may take only one half of an hour with three people working on it at once. A marina with 150 boats will take approximately 9–10 days to complete. The marina crews could then assist the other two dealership crews.

BWB employees will not be permitted to operate or transport any of the watercraft which they will be servicing due to insurance reasons. For example, they will not be permitted to move the boat to a better location for servicing or operate a boat lift on which the boat is moored. The dealer or marina owners will have to do this themselves. BWB will not be responsible for hauling the boat out of the water for a complete detail job and will also not be responsible for cleaning any

part of the dock surrounding the watercraft if moored at a marina; unless of course there was a mess left by the crew. In the case of inclement weather such as snow, rain, or below freezing temperatures, services may have to be postponed until a later date at marinas. However, dealers will have less of a problem with this. BWB will be able to detail boats under 35 feet in length in almost any weather because a portable, heated, inflatable tent will be used. This tent can be completely set up and taken down in under 10 minutes. Dealers just have to pull the boat in the tent and pull it out when the service is completed.

BWB is dedicated to the preservation of the marine environment and will only use environmentally friendly products such as citrus based cleansers and detergents. Workers will also obey all laws and regulations set forth by the state regarding the preservation of the environment. For example, there will be no illegal dumping of any harsh cleaning agent such as bleach or acid into the water. Employees working at marinas will be monitored by the manager or assistant manager of BWB as well as the owner of the marina. Any employee found breaking these laws will be terminated. Our employees will also be required to obey all safety precautions necessary when working with special cleaning agents and around a marine environment. There are a few safety precautions regulated by OSHA and the Longshoreman's Act. For example, there will be no smoking near the watercraft, and everyone will wear a personal flotation device when working on a dock or on a boat. BWB will supply employees with all necessary sun screens and uniforms.

A uniform supply company such as Aramark or Cintas will be used to provide uniforms for the workers. Uniforms will consist of a blue long- or short-sleeved shirt, and navy blue pants or shorts. Insulated coats will also be supplied in the fall and winter. There will be no markings referring to BWB on the

uniforms. The only markings will be the workers' name tapes. All of the vehicles operated by BWB will also be free of any distinguishing markings; just plain white minivans. The reason for the generic uniforms is to create a low profile; making the appearance that our workers may actually be the dealer's or marina's workers. Thus the customers have no idea that the people cleaning their boats are actually outside contractors. Cleaning supplies will need to be ordered in large quantities, so orders will be placed with the manufacturers or wholesalers of these products. Office supplies, equipment, and vehicles will be purchased from local dealers. Orders for cleaning supplies will be placed during the third week of every month.

Fees are determined on the attached rate sheet. Payment can be made by cash, check, or money order. Customers can be billed later for service or will be able to pay at the time of service. If customers are billed, then payment will be due 14 days after services are rendered.

VI. Management and Organization

BWB will be set up as a close corporation under Missouri State law and a subchapter S corporation under U.S. federal law. The close corporation does not require a board of directors, bylaws, annual stockholder meetings, or more than one stockholder. However, the close corporation does provide the same type of protection to the small business owner as a general business corporation does for large corporations.

The subchapter S corporation will be chosen strictly for tax purposes. The subchapter S corporation will eliminate the corporate tax to which subchapter C corporations are subject.

BWB will have a total of 9 employees in the first year with an increase to 15 in year two. The owner will be the president/CEO/manager of the entire operation. His résumé as well as those of potential employees can be furnished upon request.

All of the potential employees being considered have all had multiple years of experience in detailing. The experienced boat detailers will train the other employees on detailing boats. One of the boat detailers will be hired as the assistant manager and will be responsible for directing the training of other employees. This employee will require some management experience in the past. The part-time workers will be high school or college students and will be hired between the months of March and September; however, part-time workers may be retained for the entire year if necessary.

The six full time employees will be split into three crews. The part-time workers will be assigned to the crews which have the largest workload during the day. The owner anticipates a yearly salary of \$45,000 and an anticipated 5 percent per year increase thereafter. The assistant manager will receive a salary of \$27,000 per year with an anticipated 3 to 4 percent increase thereafter. All other full-time employees will make \$11.00 per hour, and part-time employees will receive \$8.00 per hour initially and an anticipated annual increase of 3 percent per year thereafter. A bonus plan may also be established. All full-time employees will receive medical benefits. An answering service will be used to handle any incoming calls. The manager or the assistant manager will then handle all of the calls taken by the answering service.

VII. Exit Strategy

There has been no specific exit strategy planned. This venture is being planned as a long-term, possibly family business with plans for growth and expansion. However, there has been no succession strategy planned because the owner is neither married nor has any children. It will be determined at a later date who will take control of the business in the event that the owner dies or is incapacitated. It has been discussed that if there are any shareholders in the company that they will share control with

the assistant manager. However, no definitive plans have been made concerning this issue.

VIII. Critical Risks

There are several details of this business plan which may cause concern. These issues are discussed in the following paragraphs. The following points will be evaluated: financing, seasonality of the business and the economy, competition, and employee issues.

BWB will be a customer-financed venture. Meaning, without certain launch customers signed on prior to start-up, there will be no start-up. The dealership and marina mentioned in the marketing plan have offered to assist in compiling a consortium of boat dealers and marinas in the St. Louis area to secure an adequate amount of business for BWB. Assistance and experience in the industry will be an invaluable asset to the start-up and future of BWB. The dealership owner has also offered to assist in securing a business loan for this venture and has agreed to enter into a long-term contract with BWB to service the inventory if BWB does launch.

Another important factor to consider in the financing of this venture is cash flow. If cash flow problems arise in the future, it may be necessary to take several different courses of action. If BWB is not able to raise extra financing itself, it may be necessary to enter into prepayment contracts (discounted services based on an estimated number of cleanings) with dealers and marina owners, enter into joint ventures with customers, or even sell parts of the company. These issues will be addressed as they arise.

Seasonality will be a major issue for BWB. It is obvious that business will drop severely in the month of October and will not recover until March. However, as stated earlier, BWB will not head to other areas of the country in the winter months. Our services will still be needed in St. Louis. Revenues will not be strong in these months, but dealers and marinas will

still need our services. Another issue which also deals with seasonally is inclement weather and flooding. Flooding in the area would hurt marina servicing in the short term. However, after the floods are over, there may be a boom in the marina servicing business as well as some dealer servicing. Opportunities may also arise where a considerable amount of retail business could be done after a flood. If this would occur and it was a feasible plan, BWB could temporarily operate as a retail watercraft cleaning and detailing business; servicing private individuals' boats as well as servicing wholesale customers. (There have been no and there will be no estimates factored in this plan concerning retail business.)

The boating industry is a luxury industry. If the economy is waning, luxury industries will see declines in business. This will severely harm the dealer servicing part of BWB. However, there is an upside. People will have to keep their boats in good condition in order for them to hold their value or if they wish to sell them. Therefore, BWB may have to focus on some retail servicing again. If retail servicing becomes a necessity in the future, it would be done through the dealer or marina. As explained earlier in this plan, the dealer or marina would be the main contact for any retail servicing. BWB would be the subcontractor.

The next issue to address is that of competition. This business is incredibly easy to copy. Labor does not have to be very skilled, the equipment used is readily available, this operation does not require an inordinate amount of start-up capital, and quality and service is easily copied as well. The way BWB is set up makes it somewhat obscure to potential competition. First, there will be very little advertisement; direct calls to marina owners and boat dealerships only. There will be no markings on any of the uniforms or equipment stating what the company does. BWB will be somewhat "invisible" to potential competition for a period of time.

Entering into exclusive contracts with marinas and boat dealers will also help protect BWB from competition for a short time. However, when competitors begin to offer the same service for the same price with the same quality and service, sustaining business will become much more difficult. If BWB is the first to do this and can secure the necessary clients, the competition will have a difficult time breaking into the market. The key to staying ahead will be to constantly improve and innovate the way boats are cleaned and serviced.

Competition from exiting employees can also be somewhat protected against. Having all employees sign noncompete contracts will offer some protection to BWB. However, we feel that if the employees are paid fairly, given their benefits for free, and are made happy, this type of competition will be minimal. Employee issues can include human resource issues, employee mistakes, accidents, behavior, and performance.

The type of work that BWB does can at times be grueling, dirty, and tough. This would normally hurt the human resource plan because of high employee turnover. However, by paying the full-time workers approximately \$22,000 per year with a possible bonus at year end and annual increases, benefits, and paid vacation time, BWB will be able to keep most employees for a long period of time.

Employee mistakes and accidents could also cause problems for the business. For example, accidents with the vehicles, customers' boats, equipment, accidents which would cause personal injury to the employee (such as falls), and property damage could severely hinder business operations, strain cash flow, decrease productivity, and hurt quality. Therefore, a considerable amount of insurance has been taken out on this venture, expenses for safety equipment were factored into the monthly equipment costs, and minor damage costs were factored into monthly miscellaneous costs. Some examples of employee mistakes

could include damage to the exterior or interior of the boat; using the wrong types of solvents, cleaners, etc.; damaging glass, plastic, or chrome; etc. These costs would be paid out of miscellaneous expenses or if the damage is too severe, from an insurance claim.

Employee behavior and performance are also important factors to the success of this venture. If employees do not perform properly, then, as stated earlier, quality, productivity, and cash flow will suffer, therefore losing business. Employees will be expected to act accordingly when servicing clients' boats; if not, they will be reprimanded and, if necessary, terminated. Specific policies have not yet been finalized and are not included in this plan. However, BWB will adhere to all laws pertaining to employee issues. The merchandise BWB will be working on can cost from a few thousand to over one million dollars, a significantly valuable commodity for the client. There will be an acting supervisor at each job when the manager/owner is not present. The supervisors have not yet been determined but will be chosen later based on performance and experience.

Due to the fact that BWB will have a small number of clients, supervision of the crews will be manageable. The marinas and dealerships targeted are located relatively close to one another, which equates to relatively easy access to all of the crews for the owner/manager. If problems arise, it may be necessary for the assistant manager to handle some of the duties of the manager.

These are only a few foreseen problems; more may possibly arise. However, it is difficult to determine what problem will occur when. The above solutions are only options which may be exercised in the event of a future problem.

IX. Financial Plan

The following statements have been reviewed by an independent CPA. They provide financial information for years 1 through 4 for BWB.

SALES It has been estimated that the average price for a marina service is \$70 per boat. A marina of 150 boats would yield revenues of \$10,500 per month. Detailing services were calculated at 80 percent open bow (\$350 per) and 20 percent cabin boats under 26 feet in length (\$450 per). There were no boats over 26 feet taken into account for this model because pricing would depend on the type of boat and the condition. No price increases will take effect until after year 4.

COLLECTIONS Payments for services will be paid within 14 days after services rendered unless otherwise determined beforehand between BWB and the customer. Any additional fees incurred for services rendered will also be paid immediately upon completion of services unless otherwise discussed.

DISBURSEMENTS Accounts payable will be paid the first week of the following month. All orders for supplies will be done the third week of every month. Wages will be paid every two weeks.

EXPENSES Expenses for the first year will include telephone, mobile telephone, rent, utilities, fuel, advertising, supplies, benefits, and accounting and legal fees. Insurance costs will be \$25,000 per year for the first year with rates increasing as more employees and vehicles are added. (Insurance quotes were provided by an independent insurance agency.) Salary expense is \$3,750 per month for the first year with an increase of 5 percent thereafter. The full-time employees will receive \$11/hr. and the part-time employees will receive a wage of \$8.00/hr. for the first year and an increase of 3 percent thereafter. The assistant manager will receive a monthly salary of \$2,250 with an increase of 3 percent per year thereafter. Vehicle and equipment expenses will be incurred in the first month of operations. Three used GMC Safari mini vans will be purchased for \$11,000 each. These will be used as the servicing vehicles. One used GMC truck will be purchased for \$9,000. This vehicle will be used by the manager/owner

to travel between sites to supervise operations and communicate with customers. The truck can also be used as a service vehicle if a van is temporarily out of service. All of these vehicles will be purchased with less than 40,000 miles on each on them. An extended warranty can be purchased for \$720 per vehicle which extends the service warranty to 100,000 miles. Vehicles will not be leased because of the restrictive mileage requirements. Vehicles will not be purchased new because of the limited amount of capital available and the fact that the value of new vehicles drops approximately 20 percent after the purchase. If used vehicles are purchased, it is possible to recover nearly all the investment if the business needs to liquidate. (This information was supplied by a local GMC dealership.) A down payment of \$10,000 for the four vehicles is needed. The vehicles will be financed for 8 percent through GMAC. Two more vans will be purchased in year 2. All equipment (power washers, generators, buffers, brushes, sponges, etc.) will be purchased new for \$12,000. All equipment will be purchased in sets of four; one set for every van as well as a spare set if any equipment breaks. A list of all equipment needed is listed in the attachments section. Each inflatable tent will cost \$10,000. Two tents will be purchased in the first year. All office equipment, such as desks, a computer, equipment lockers, etc., has already been obtained and is not reflected in the financial statements. Also there were no volume discounts taken into consideration for this model.

The loan is scheduled to be retired by late 2007. A monthly loan expense of \$3,539 was calculated on an 8 percent interest rate for \$145,000.

An estimated breakeven point is at about 75 boats per month (80% @ \$300 and 20% @ \$400) plus a marina service of over 150 boats; totaling 225 per month. However, variable costs such as fuel and supplies expense will change the breakeven point.

The financial statements for year one are based on sales for two large dealerships, one small dealership, and one marina of 150 boats. Year 2 will show an increase of one large dealership and one marina of 150 boats. (A large dealership is a dealership with sales of over \$2.5 million.) There has been an estimated increase of \$50 per boat in year 3 based on rising supply and labor costs in year 3. There will be a total of four dealers and two marinas that will be serviced. There will be no more clients added until after year 4.

X. Financial Projection

Projected Start-Up Costs for Blue Water Boatworks

| | |
|---|-----------|
| Down Payment for Four Vehicles | \$10,000 |
| Equipment for Three Vehicles plus Spare | \$12,000 |
| Two Inflatable Tents | \$20,000 |
| Legal Fees (Set-Up, Incorporation, and Contracts) | \$1,000 |
| Three Months Operating Expenses | \$109,090 |
| Reserve for Taxes and Misc. | \$20,000 |
| Expenses TOTAL | \$172,090 |
| Extra Cash | \$2,910 |

RATE SHEET:

Marina service is \$70 per boat (minimum 25 boats)

General cleaning—\$80

Open bow to 25'—\$350 per boat

Cabin Boats under 26 ft. in length—\$450 per.

Cabin Boats over 26 ft. in length—inspection required

Postscript

JP presented his plan to the owner of a local boat dealership, who was so impressed that

he took JP to his competitors to create a consortium to employ JP, and then to his own banker. The boat dealer informed the banker that JP would get the exclusive contract for boat detailing from several local dealerships, *if* the banker approved the loan. On the strength of the dealer's recommendation (and the consortium's willingness to sign long-term contracts), JP's professionalism, *and* the plan, the banker approved the loan.

BWB did not start, however. The one critical risk JP did not anticipate was that he would find the woman of his dreams, propose,

and have her accept. After she accepted and discovered she would be losing her new husband to a multiyear effort to get Blue Water Boatworks going as a profitable business, she gave JP an ultimatum—her or the business. He had a good idea in BWB and a good head on his shoulders, and he understood the four bottom lines. He chose marriage, but used his knowledge as an auditor at Boeing to work with teams involved in developing new technologies and products. To them, JP is the rare finance person who “gets” corporate entrepreneurship and innovation.

ANALYSIS FOR YEAR 1 ONLY

Projected Cash Flow Statement for Blue Water Boatworks Year 1

| Month | Start-Up Costs | Jan-04 | Feb-04 | Mar-04 | Apr-04 | May-04 |
|---|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Beginning Cash Balance | | | 148,750.07 | 154,993.47 | 168,401.51 | 187,195.68 |
| Total Sales | | \$ 18,500.00 | \$ 27,750.00 | \$ 44,400.00 | \$ 55,500.00 | \$ 44,400.00 |
| | | 50 | 75 | 120 | 150 | 120 |
| Marina Servicing (150 Boats estimated @ \$70 per) | | \$ 10,500.00 | \$ 10,500.00 | \$ 10,500.00 | \$ 10,500.00 | \$ 10,500.00 |
| Net Sales: | | \$ 29,000.00 | \$ 38,250.00 | \$ 54,900.00 | \$ 66,000.00 | \$ 54,900.00 |
| Loan: | | 145,000.00 | | | | |
| Owner's Equity | | \$30,000 | | | | |
| Total Cash Available: | | 204,000.00 | 187,000.07 | 209,893.47 | 234,401.51 | 242,095.68 |
| Disbursements: | | | | | | |
| Operating Expenses: | | | | | | |
| Telephone | | 50.00 | 60.00 | 100.00 | 100.00 | 100.00 |
| Cellular & Paging | | 150.00 | 150.00 | 300.00 | 300.00 | 300.00 |
| Rent | | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 |
| Utilities | | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 |
| Fuel | | 500.00 | 500.00 | 800.00 | 800.00 | 800.00 |
| Advertising | | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 |
| Accounting Fees | | 500.00 | | | 500.00 | |
| Legal Fees | | 1,000.00 | 200.00 | 200.00 | 200.00 | 200.00 |
| Insurance | | 6,250.00 | | | 6,250.00 | |
| Wages | | 12,750.00 | 12,750.00 | 12,750.00 | 12,750.00 | 12,750.00 |
| Owner's Salary | | 3,750.00 | 3,750.00 | 3,750.00 | 3,750.00 | 3,750.00 |
| Payroll Taxes | | | | 4,300.00 | | |
| Benefits | | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 |
| Miscellaneous (answering service, repairs, uniforms, etc.) | | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 |
| Supplies | | 1,000.00 | 1,000.00 | 2,000.00 | 2,500.00 | 2,500.00 |
| Equipment | | 12,000.00 | 200.00 | 200.00 | 200.00 | 200.00 |
| Loan Payments 8% | | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 |
| Expense for Tents | | 20,000.00 | | | | |
| Bad Debt Expense (1%) | | 290.00 | 382.50 | 549.00 | 660.00 | 549.00 |
| Total Disbursements | | 68,179.00 | 28,931.50 | 34,888.00 | 37,949.00 | 31,088.00 |
| Total Cash Flow | | (39,179.00) | 9,318.50 | 20,012.00 | 28,051.00 | 23,812.00 |
| Tax Reserve | | (12,929.07) | 3,075.11 | 6,603.96 | 9,256.83 | 7,857.96 |
| Net Cash Flow | | (26,249.93) | 6,243.40 | 13,408.04 | 18,794.17 | 15,954.04 |
| Ending Cash Balance | | 148,750.07 | 154,993.47 | 168,401.51 | 187,195.68 | 203,149.72 |
| 350 | 80% | | | | | |
| 450 | 20% | | | | | |
| 80 | | | | | | |
| \$2.75/ft | | | | | | |
| | | | (\$3,539.87) | | | |
| 60% | Detail | | | | | |
| 35% | Marina | | | | | |
| 5% | GC | | | | | |

| Jun-04 | Jul-04 | Aug-04 | Sep-04 | Oct-04 | Nov-04 | Dec-04 | Totals |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------|
| 203,149.72 | 223,585.39 | 235,351.93 | 251,305.97 | 259,470.59 | 255,397.66 | 250,603.81 | |
| \$ 55,500.00 | \$ 44,400.00 | \$ 44,400.00 | \$ 37,000.00 | \$ 18,500.00 | \$ 11,100.00 | \$ 11,100.00 | \$ 412,550.00 |
| 150 | 120 | 120 | 100 | 50 | 30 | 30 | |
| \$ 10,500.00 | \$ 10,500.00 | \$ 10,500.00 | \$ 10,500.00 | \$ 10,500.00 | \$ 10,500.00 | \$ 10,500.00 | \$ 126,000.00 |
| \$ 66,000.00 | \$ 54,900.00 | \$ 54,900.00 | \$ 47,500.00 | \$ 29,000.00 | \$ 21,600.00 | \$ 21,600.00 | \$ 538,550.00 |
| | | | | | | | 145,000.00 |
| 269,149.72 | 278,485.39 | 290,251.93 | 298,805.97 | 288,470.59 | 276,997.66 | 272,203.81 | |
| 100.00 | 100.00 | 100.00 | 100.00 | 50.00 | 50.00 | 50.00 | 960.00 |
| 300.00 | 300.00 | 300.00 | 300.00 | 150.00 | 150.00 | 150.00 | 2,850.00 |
| 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 12,000.00 |
| 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 2,400.00 |
| 800.00 | 800.00 | 800.00 | 800.00 | 500.00 | 500.00 | 500.00 | 8,100.00 |
| 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 2,400.00 |
| | | | | | | 500 | 1,500.00 |
| 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 3,200.00 |
| | 6,250.00 | | | 6250.00 | | | 25,000.00 |
| 12,750.00 | 12,750.00 | 12,750.00 | 12,750.00 | 12,750.00 | 12,750.00 | 12,750.00 | 153,000.00 |
| 3,750.00 | 3,750.00 | 3,750.00 | 3,750.00 | 3,750.00 | 3,750.00 | 3,750.00 | 45,000.00 |
| 4,300.00 | | | 4300.00 | | | 4300.00 | 17,200.00 |
| 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 36,000.00 |
| 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 24,000.00 |
| 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 1,000.00 | 1,000.00 | 1,000.00 | 22,000.00 |
| 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 14,200.00 |
| 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 42,468.00 |
| 660.00 | 549.00 | 549.00 | 475.00 | 290.00 | 216.00 | 216.00 | 5,385.50 |
| 35,499.00 | 37,338.00 | 31,088.00 | 35,314.00 | 35,079.00 | 28,755.00 | 33,555.00 | 437,663.50 |
| 30,501.00 | 17,562.00 | 23,812.00 | 12,186.00 | (6,079.00) | (7,155.00) | (11,955.00) | 100,886.50 |
| 10,065.33 | 5,795.46 | 7,857.96 | 4,021.38 | (2,006.07) | (2,361.15) | (3,945.15) | 33,292.55 |
| 20,435.67 | 11,766.54 | 15,954.04 | 8,164.62 | (4,072.93) | (4,793.85) | (8,009.85) | 67,593.96 |
| 223,585.39 | 235,351.93 | 251,305.97 | 259,470.59 | 255,397.66 | 250,603.81 | 242,593.96 | |

ANALYSIS FOR YEAR 1 ONLY**Income Statement for Blue Water Boatworks Year 1**

| | Jan-04 | Feb-04 | Mar-04 | Apr-04 | May-04 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Net Sales | 29000 | 38250 | 54900 | 66000 | 54900 |
| Materials | 2000 | 2000 | 2000 | 2000 | 2000 |
| Gross Profit | <u>27000</u> | <u>36250</u> | <u>52900</u> | <u>64000</u> | <u>52900</u> |
| Expenses | | | | | |
| Payroll Expense | 12750 | 12750 | 12750 | 12750 | 12750 |
| Salary Expense | 3750 | 3750 | 3750 | 3750 | 3750 |
| Rent/Utilities/Telephone/Cellular | 2400 | 2400 | 2400 | 2400 | 2400 |
| Ins., Legal and Acct | 7750 | 200 | 200 | 6950 | 200 |
| Benefits/ | 3000 | 3000 | 3000 | 3000 | 3000 |
| Office & Supplies | 500 | 500 | 500 | 500 | 500 |
| Equipment Expense | 32000 | 200 | 200 | 200 | 200 |
| Maintenance/Misc | 2000 | 2000 | 2000 | 2000 | 2000 |
| Auto Expense, Fuel | 10500 | 1610 | 1610 | 1610 | 1610 |
| Depreciation | 930 | 930 | 930 | 930 | 930 |
| Interest Expense | 967 | 950 | 932 | 915 | 897 |
| TOTAL | <u>76547</u> | <u>28290</u> | <u>28272</u> | <u>35005</u> | <u>28237</u> |
| PROFIT/LOSS | -49547 | 7960 | 24628 | 28995 | 24663 |
| Income Taxes (33%) | -16350 | 2627 | 8127 | 9568 | 8139 |
| NET PROFIT | <u>-33196</u> | <u>5334</u> | <u>16501</u> | <u>19427</u> | <u>16524</u> |

| Jun-04 | Jul-04 | Aug-04 | Sep-04 | Oct-04 | Nov-04 | Dec-04 |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 66000 | 54900 | 54900 | 47500 | 29000 | 21600 | 21600 |
| 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 |
| <u>64000</u> | <u>52900</u> | <u>52900</u> | <u>45500</u> | <u>27000</u> | <u>19600</u> | <u>19600</u> |
| 12750 | 12750 | 12750 | 12750 | 12750 | 12750 | 12750 |
| 3750 | 3750 | 3750 | 3750 | 3750 | 3750 | 3750 |
| 2400 | 2400 | 2400 | 2400 | 2400 | 2400 | 2400 |
| 200 | 6450 | 200 | 200 | 6450 | 200 | 700 |
| 3000 | 3000 | 3000 | 3000 | 3000 | 3000 | 3000 |
| 500 | 500 | 500 | 500 | 500 | 500 | 500 |
| 200 | 200 | 200 | 200 | 200 | 200 | 200 |
| 2000 | 2000 | 2000 | 2000 | 2000 | 2000 | 2000 |
| 1610 | 1610 | 1610 | 1610 | 1610 | 1610 | 1610 |
| 930 | 930 | 930 | 930 | 930 | 930 | 930 |
| 862 | 844 | 826 | 808 | 790 | 772 | 753 |
| <u>28202</u> | <u>34434</u> | <u>28166</u> | <u>28148</u> | <u>34380</u> | <u>28112</u> | <u>28593</u> |
| 35798 | 18466 | 24734 | 17352 | -7380 | -8512 | -8993 |
| 11813 | 6094 | 8162 | 5726 | -2435 | -2809 | -2968 |
| <u>23985</u> | <u>12372</u> | <u>16572</u> | <u>11626</u> | <u>-4945</u> | <u>-5703</u> | <u>-6025</u> |
| | | 69375.15 | 189393.59 | 238556.18 | 238401.41 | |

ANALYSIS FOR YEAR 2 ONLY

| Projected Cash Flow Statement for Blue Water Boatworks Year 2 | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Month | Jan-05 | Feb-05 | Mar-05 | Apr-05 | May-05 |
| Beginning Cash Balance | 242,593.96 | 232,752.46 | 253,776.46 | 279,353.96 | 334,462.96 |
| Total Sales | \$ 27,750.00 | \$ 40,700.00 | \$ 64,750.00 | \$ 77,700.00 | \$ 64,750.00 |
| | 75 | 110 | 175 | 210 | 175 |
| Marina Servicing (300 Boats estimated @ \$70 per) | <u>\$ 21,000.00</u> | <u>\$ 21,000.00</u> | <u>\$ 21,000.00</u> | <u>\$ 21,000.00</u> | <u>\$ 21,000.00</u> |
| Net Sales: | \$ 48,750.00 | \$ 61,700.00 | \$ 85,750.00 | \$ 98,700.00 | \$ 85,750.00 |
| Loan: | | | | | |
| Total Cash Available: | 291,343.96 | 294,452.46 | 339,526.46 | 378,053.96 | 420,212.96 |
| Disbursements: | | | | | |
| Operating Expenses: | | | | | |
| Telephone | 75.00 | 80.00 | 125.00 | 125.00 | 125.00 |
| Cellular & Paging | 200.00 | 400.00 | 600.00 | 600.00 | 600.00 |
| Rent | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 |
| Utilities | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 |
| Fuel | 500.00 | 500.00 | 800.00 | 800.00 | 800.00 |
| Advertising | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 |
| Accounting Fees | 750.00 | | | | |
| Legal Fees | 1,000.00 | 300.00 | 300.00 | 300.00 | 300.00 |
| Insurance | | | 10,000.00 | | |
| Wages | 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 |
| Owner's Salary | 3,940.00 | 3,940.00 | 3,940.00 | 3,940.00 | 3,940.00 |
| Payroll Taxes | | | 6,711.00 | | |
| Benefits | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 |
| Miscellaneous (answering service, repairs, uniforms, etc.) | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 |
| Supplies (80% Cleaning Supplies, 20% Office Supplies) | 1,500.00 | 1,500.00 | 3,500.00 | 3,500.00 | 3,500.00 |
| Equipment | 7,000.00 | 200.00 | 200.00 | 200.00 | 200.00 |
| Loan Payments | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 |
| Expense for Tents | 10,000.00 | | | | |
| Bad Debt Expense (1%) | 487.50 | 617.00 | 857.50 | 987.00 | 857.50 |
| Total Disbursements | 58,591.50 | 40,676.00 | 60,172.50 | 43,591.00 | 43,461.50 |
| Total Cash Flow | (9,841.50) | 21,024.00 | 25,577.50 | 55,109.00 | 42,288.50 |
| Tax Reserve | (3,247.70) | 6,937.92 | 8,440.58 | 18,185.97 | 13,955.21 |
| Net Cash Flow | (6,593.81) | 14,086.08 | 17,136.93 | 36,923.03 | 28,333.30 |
| Ending Cash Balance | 232,752.46 | 253,776.46 | 279,353.96 | 334,462.96 | 376,751.46 |

| Jun-05 | Jul-05 | Aug-05 | Sep-05 | Oct-05 | Nov-05 | Dec-05 | Totals |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------|
| 376,751.46 | 415,149.46 | 456,687.96 | 498,976.46 | 515,396.46 | 523,304.96 | 520,724.46 | |
| \$ 77,700.00 | \$ 64,750.00 | \$ 64,750.00 | \$ 55,500.00 | \$ 27,750.00 | \$ 16,650.00 | \$ 16,650.00 | \$ 599,400.00 |
| 210 | 175 | 175 | 150 | 75 | 45 | 45 | |
| \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 252,000.00 |
| \$ 98,700.00 | \$ 85,750.00 | \$ 85,750.00 | \$ 76,500.00 | \$ 48,750.00 | \$ 37,650.00 | \$ 37,650.00 | \$ 851,400.00 |
| 475,451.46 | 500,899.46 | 542,437.96 | 575,476.46 | 564,146.46 | 560,954.96 | 558,374.46 | |
| 125.00 | 125.00 | 125.00 | 125.00 | 75.00 | 75.00 | 75.00 | 1,255.00 |
| 600.00 | 600.00 | 600.00 | 600.00 | 200.00 | 200.00 | 200.00 | 5,400.00 |
| 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 12,000.00 |
| 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 3,600.00 |
| 800.00 | 800.00 | 800.00 | 800.00 | 500.00 | 500.00 | 500.00 | 8,100.00 |
| 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 3,600.00 |
| | 750.00 | | | | | 750 | 2,250.00 |
| 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 4,300.00 |
| 10,000.00 | | | 10,000.00 | | | 10,000.00 | 40,000.00 |
| 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 | 21,500.00 | 258,000.00 |
| 3,940.00 | 3,940.00 | 3,940.00 | 3,940.00 | 3,940.00 | 3,940.00 | 3,940.00 | 47,280.00 |
| 6,711.00 | | | 6,711.00 | | | 6,711.00 | 26,844.00 |
| 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 42,000.00 |
| 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 36,000.00 |
| 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 2,000.00 | 1,500.00 | 1,500.00 | 32,500.00 |
| 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 9,200.00 |
| 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | |
| 987.00 | 857.50 | 857.50 | 765.00 | 487.50 | 376.50 | 376.50 | 8,514.00 |
| 60,302.00 | 44,211.50 | 43,461.50 | 60,080.00 | 40,841.50 | 40,230.50 | 57,691.50 | 593,311.00 |
| 38,398.00 | 41,538.50 | 42,288.50 | 16,420.00 | 7,908.50 | (2,580.50) | (20,041.50) | 258,089.00 |
| 12,671.34 | 13,707.71 | 13,955.21 | 5,418.60 | 2,609.81 | (851.57) | (6,613.70) | 85,169.37 |
| 25,726.66 | 27,830.80 | 28,333.30 | 11,001.40 | 5,298.70 | (1,728.94) | (13,427.81) | 172,919.63 |
| 415,149.46 | 456,687.96 | 498,976.46 | 515,396.46 | 523,304.96 | 520,724.46 | 500,682.96 | |

ANALYSIS FOR YEAR 2 ONLY**Income Statement for Blue Water Boatworks Year 2**

| | Jan-05 | Feb-05 | Mar-05 | Apr-05 | May-05 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Net Sales | 48750 | 61700 | 85750 | 98700 | 85750 |
| Materials | 3000 | 3000 | 3000 | 3000 | 3000 |
| Gross Profit | <u>45750</u> | <u>58700</u> | <u>82750</u> | <u>95700</u> | <u>82750</u> |
| Expenses | | | | | |
| Payroll Expense | 21500 | 21500 | 21500 | 21500 | 21500 |
| Salary Expense | 3940 | 3940 | 3940 | 3940 | 3940 |
| Rent/Utilities/Telephone/Cellular | 2725 | 2725 | 2725 | 2725 | 2725 |
| Ins., Legal and Acct | 1750 | 300 | 10300 | 300 | 300 |
| Benefits/ | 3500 | 3500 | 3500 | 3500 | 3500 |
| Office & Supplies | 500 | 500 | 500 | 500 | 500 |
| Equipment Expense | 7000 | 200 | 200 | 200 | 200 |
| Maintenance/Misc | 3000 | 3000 | 3000 | 3000 | 3000 |
| Auto Expense, Fuel | 2800 | 2550 | 2550 | 2550 | 2550 |
| Depreciation | 1382 | 1382 | 1382 | 1382 | 1382 |
| Interest Expense | 735 | 716 | 697 | 678 | 659 |
| TOTAL | <u>48832</u> | <u>40313</u> | <u>50294</u> | <u>40275</u> | <u>40256</u> |
| PROFIT/LOSS | -3082 | 18387 | 32456 | 55425 | 42494 |
| Income Taxes (33%) | -1017 | 6068 | 10710 | 18290 | 14023 |
| NET PROFIT | <u>-2065</u> | <u>12319</u> | <u>21746</u> | <u>37135</u> | <u>28471</u> |

| Jun-05 | Jul-05 | Aug-05 | Sep-05 | Oct-05 | Nov-05 | Dec-05 |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 98700 | 85750 | 85750 | 76500 | 48750 | 37650 | 37650 |
| 3000 | 3000 | 3000 | 3000 | 3000 | 3000 | 3000 |
| <u>95700</u> | <u>82750</u> | <u>82750</u> | <u>73500</u> | <u>45750</u> | <u>34650</u> | <u>34650</u> |
| 21500 | 21500 | 21500 | 21500 | 21500 | 21500 | 21500 |
| 3940 | 3940 | 3940 | 3940 | 3940 | 3940 | 3940 |
| 2725 | 2725 | 2725 | 2725 | 2725 | 2725 | 2725 |
| 10300 | 1050 | 300 | 10300 | 300 | 300 | 10300 |
| 3500 | 3500 | 3500 | 3500 | 3500 | 3500 | 3500 |
| 500 | 500 | 500 | 500 | 500 | 500 | 500 |
| 200 | 200 | 200 | 200 | 200 | 200 | 200 |
| 3000 | 3000 | 3000 | 3000 | 3000 | 3000 | 3000 |
| 2550 | 2550 | 2550 | 2550 | 2550 | 2550 | 2550 |
| 1382 | 1382 | 1382 | 1382 | 1382 | 1382 | 1382 |
| 640 | 620 | 601 | 581 | 562 | 542 | 522 |
| <u>50237</u> | <u>40967</u> | <u>40198</u> | <u>50178</u> | <u>40159</u> | <u>40139</u> | <u>50119</u> |
| 45463 | 41783 | 42552 | 23322 | 5591 | -5489 | -15469 |
| 15003 | 13788 | 14042 | 7696 | 1845 | -1811 | -5105 |
| <u>30460</u> | <u>27994</u> | <u>28510</u> | <u>15625</u> | <u>3746</u> | <u>-3877</u> | <u>-10364</u> |

ANALYSIS FOR YEAR 3 ONLY

Projected Cash Flow Statement for Blue Water Boatworks Year 3

| Month | Jan-06 | Feb-06 | Mar-06 | Apr-06 | May-06 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Cash Balance | 500,682.96 | 497,958.96 | 511,559.96 | 532,071.96 | 573,530.96 |
| Total Sales | \$ 31,500.00 | \$ 46,200.00 | \$ 73,500.00 | \$ 88,200.00 | \$ 73,500.00 |
| | 75 | 110 | 175 | 210 | 175 |
| Marina Servicing (300 Boats estimated @ \$70 per) | <u>\$ 21,000.00</u> | <u>\$ 21,000.00</u> | <u>\$ 21,000.00</u> | <u>\$ 21,000.00</u> | <u>\$ 21,000.00</u> |
| Net Sales: | \$ 52,500.00 | \$ 67,200.00 | \$ 94,500.00 | \$ 109,200.00 | \$ 94,500.00 |
| Loan: | | | | | |
| Total Cash Available: | 553,182.96 | 565,158.96 | 606,059.96 | 641,271.96 | 668,030.96 |
| Disbursements: | | | | | |
| Operating Expenses: | | | | | |
| Telephone | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 |
| Cellular & Paging | 600.00 | 600.00 | 600.00 | 600.00 | 600.00 |
| Rent | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 |
| Utilities | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 |
| Fuel | 900.00 | 900.00 | 900.00 | 900.00 | 900.00 |
| Advertising | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 |
| Accounting Fees | 750.00 | | | | |
| Legal Fees | 1,000.00 | 300.00 | 300.00 | 300.00 | 300.00 |
| Insurance | | | 10,000.00 | | |
| Wages | 22,145.00 | 22,145.00 | 22,145.00 | 22,145.00 | 22,145.00 |
| Owner's Salary | 4,140.00 | 4,140.00 | 4,140.00 | 4,140.00 | 4,140.00 |
| Payroll Taxes | | | 6,711.00 | | |
| Benefits | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 |
| Miscellaneous (answering service, repairs, uniforms, etc.) | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 |
| Supplies (80% Cleaning Sup- plies, 20% Office Supplies) | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 |
| Equipment | 7,000.00 | 200.00 | 200.00 | 200.00 | 200.00 |
| Vehicle Expense | 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 |
| Loan Payment | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 |
| Expense for Tents | | | | | |
| Bad Debt Expense (1%) | 525.00 | 672.00 | 945.00 | 1,092.00 | 945.00 |
| Tax Reserve | | 6,478.00 | 9,883.00 | 20,200.00 | 15,378.00 |
| Total Disbursements | 55,224.00 | 53,599.00 | 73,988.00 | 67,741.00 | 62,772.00 |
| Net Cash Flow | (2,724.00) | 13,601.00 | 20,512.00 | 41,459.00 | 31,728.00 |
| Ending Cash Balance | 497,958.96 | 511,559.96 | 532,071.96 | 573,530.96 | 605,258.96 |

| Jun-06 | Jul-06 | Aug-06 | Sep-06 | Oct-06 | Nov-06 | Dec-06 | Totals |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| 605,258.96 | 635,521.96 | 666,727.96 | 698,436.96 | 711,984.96 | 715,834.96 | 708,886.96 | |
| \$ 88,200.00 | \$ 73,500.00 | \$ 73,500.00 | \$ 63,000.00 | \$ 31,500.00 | \$ 18,900.00 | \$ 18,900.00 | \$ 680,400.00 |
| 210 | 175 | 175 | 150 | 75 | 45 | 45 | |
| \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 252,000.00 |
| \$ 109,200.00 | \$ 94,500.00 | \$ 94,500.00 | \$ 84,000.00 | \$ 52,500.00 | \$ 39,900.00 | \$ 39,900.00 | \$ 932,400.00 |
| 714,458.96 | 730,021.96 | 761,227.96 | 782,436.96 | 764,484.96 | 755,734.96 | 748,786.96 | |
| 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 1,500.00 |
| 600.00 | 600.00 | 600.00 | 600.00 | 600.00 | 600.00 | 600.00 | 7,200.00 |
| 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 18,000.00 |
| 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 6,000.00 |
| 900.00 | 900.00 | 900.00 | 900.00 | 900.00 | 900.00 | 900.00 | 10,800.00 |
| 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 3,600.00 |
| | 750.00 | | | | | 750 | 2,250.00 |
| 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 4,300.00 |
| 10,000.00 | | | 10,000.00 | | | 10,000.00 | 40,000.00 |
| 22,145.00 | 22,145.00 | 22,145.00 | 22,145.00 | 22,145.00 | 22,145.00 | 22,145.00 | 265,740.00 |
| 4,140.00 | 4,140.00 | 4,140.00 | 4,140.00 | 4,140.00 | 4,140.00 | 4,140.00 | 49,680.00 |
| 6,711.00 | | | 6,711.00 | | 6,711.00 | 26,844.00 | |
| 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 42,000.00 |
| 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 36,000.00 |
| 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | 48,000.00 |
| 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 9,200.00 |
| 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 | 20,400.00 |
| 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 42,468.00 |
| 1,092.00 | 945.00 | 945.00 | 840.00 | 525.00 | 399.00 | 399.00 | 9,324.00 |
| 14,685.00 | 15,150.00 | 15,397 | 6,452 | 1,676 | | | |
| 78,937.00 | 63,294.00 | 62,791.00 | 70,452.00 | 48,650.00 | 46,848.00 | 64,309.00 | 748,605.00 |
| 30,263.00 | 31,206.00 | 31,709.00 | 13,548.00 | 3,850.00 | (6,948.00) | (24,409.00) | 183,795.00 |
| 635,521.96 | 666,727.96 | 698,436.96 | 711,984.96 | 715,834.96 | 708,886.96 | 684,477.96 | |

ANALYSIS FOR YEAR 3 ONLY**Income Statement for Blue Water Boatworks Year 3**

| | Jan-06 | Feb-06 | Mar-06 | Apr-06 | May-06 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Net Sales | 52500 | 67200 | 94500 | 109200 | 94500 |
| Materials | 3500 | 3500 | 3500 | 3500 | 3500 |
| Gross Profit | <u>49000</u> | <u>63700</u> | <u>91000</u> | <u>105700</u> | <u>91000</u> |
| Expenses | | | | | |
| Payroll Expense | 22145 | 22145 | 22145 | 22145 | 22145 |
| Salary Expense | 4140 | 4140 | 4140 | 4140 | 4140 |
| Rent/Utilities/Telephone/Cellular | 2725 | 2725 | 2725 | 2725 | 2725 |
| Ins., Legal and Acct | 1750 | 300 | 10300 | 300 | 300 |
| Benefits/ | 3500 | 3500 | 3500 | 3500 | 3500 |
| Office & Supplies | 500 | 500 | 500 | 500 | 500 |
| Equipment Expense | 7000 | 200 | 200 | 200 | 200 |
| Maintenance/Misc | 3000 | 3000 | 3000 | 3000 | 3000 |
| Auto Expense, Fuel | 2600 | 2600 | 2600 | 2600 | 2600 |
| Depreciation | 1382 | 1382 | 1382 | 1382 | 1382 |
| Interest Expense | 502 | 481 | 461 | 441 | 420 |
| TOTAL | <u>49244</u> | <u>40973</u> | <u>50953</u> | <u>40933</u> | <u>40912</u> |
| PROFIT/LOSS | -244 | 22727 | 40047 | 64768 | 50088 |
| Income Taxes (33%) | -80 | 7500 | 13216 | 21373 | 16529 |
| NET PROFIT | <u>-163</u> | <u>15227</u> | <u>26831</u> | <u>43394</u> | <u>33559</u> |

| Jun-06 | Jul-06 | Aug-06 | Sep-06 | Oct-06 | Nov-06 | Dec-06 |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 109200 | 95400 | 95400 | 84000 | 52500 | 39900 | 39900 |
| 3500 | 3500 | 3500 | 3500 | 3500 | 3500 | 3500 |
| <u>105700</u> | <u>91900</u> | <u>91900</u> | <u>80500</u> | <u>49000</u> | <u>36400</u> | <u>36400</u> |
| 22145 | 22145 | 22145 | 22145 | 22145 | 22145 | 22145 |
| 4140 | 4140 | 4140 | 4140 | 4140 | 4140 | 4140 |
| 2725 | 2725 | 2725 | 2725 | 2725 | 2725 | 2725 |
| 10300 | 1050 | 300 | 10300 | 300 | 300 | 10300 |
| 3500 | 3500 | 3500 | 3500 | 3500 | 3500 | 3500 |
| 500 | 500 | 500 | 500 | 500 | 500 | 500 |
| 200 | 200 | 200 | 200 | 200 | 200 | 200 |
| 3000 | 3000 | 3000 | 3000 | 3000 | 3000 | 3000 |
| 2600 | 2600 | 2600 | 2600 | 2600 | 2600 | 2600 |
| 1382 | 1382 | 1382 | 1382 | 1382 | 1382 | 1382 |
| 399 | 378 | 357 | 336 | 314 | 293 | 271 |
| <u>50891</u> | <u>41620</u> | <u>40849</u> | <u>50828</u> | <u>40806</u> | <u>40785</u> | <u>50763</u> |
| 54809 | 50280 | 51051 | 29672 | 8194 | -4385 | -14363 |
| 18087 | 16592 | 16847 | 9792 | 2704 | -1447 | -4740 |
| <u>36722</u> | <u>33688</u> | <u>34204</u> | <u>19880</u> | <u>5490</u> | <u>-2938</u> | <u>-9623</u> |

ANALYSIS FOR YEAR 4 ONLY

| Projected Cash Flow Statement for Blue Water Boatworks Year 4 | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Month | Jan-07 | Feb-07 | Mar-07 | Apr-07 | May-07 |
| Beginning Cash Balance | 684,477.96 | 686,937.96 | 700,119.96 | 718,584.96 | 759,625.96 |
| Total Sales | \$ 31,500.00 | \$ 46,200.00 | \$ 73,500.00 | \$ 88,200.00 | \$ 73,500.00 |
| | 75 | 110 | 175 | 210 | 175 |
| Marina Servicing (300 Boats estimated @ \$70 per) | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 |
| Net Sales: | \$ 52,500.00 | \$ 67,200.00 | \$ 94,500.00 | \$ 109,200.00 | \$ 94,500.00 |
| Loan: | | | | | |
| Total Cash Available: | 736,977.96 | 754,137.96 | 794,619.96 | 827,784.96 | 854,125.96 |
| Disbursements: | | | | | |
| Operating Expenses: | | | | | |
| Telephone | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 |
| Cellular & Paging | 700.00 | 700.00 | 700.00 | 700.00 | 700.00 |
| Rent | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 |
| Utilities | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 |
| Fuel | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 |
| Advertising | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 |
| Accounting Fees | 750.00 | | | | |
| Legal Fees | 1,000.00 | 300.00 | 300.00 | 300.00 | 300.00 |
| Insurance | | | 12,000.00 | | |
| Wages | 22,809.00 | 22,809.00 | 22,809.00 | 22,809.00 | 22,809.00 |
| Owner's Salary | 4,340.00 | 4,340.00 | 4,340.00 | 4,340.00 | 4,340.00 |
| Payroll Taxes | | | 7,142.00 | | |
| Benefits | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 |
| Miscellaneous (answering service, repairs, uniforms, etc.) | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 |
| Supplies (80% Cleaning Supplies, 20% Office Supplies) | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 |
| Equipment | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 |
| Vehicle Expense | 610.00 | 610.00 | 610.00 | 610.00 | 610.00 |
| Loan Payment | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 |
| Expense for Tents | | | | | |
| Bad Debt Expense (1%) | 525.00 | 672.00 | 945.00 | 1,092.00 | 945.00 |
| Tax Reserve | 1,042.00 | 6,323.00 | 8,925.00 | 20,044.00 | 15,242.00 |
| Total Disbursements | 50,040.00 | 54,018.00 | 76,035.00 | 68,159.00 | 63,210.00 |
| Net Cash Flow | 2,460.00 | 13,182.00 | 18,465.00 | 41,041.00 | 31,290.00 |
| Ending Cash Balance | 686,937.96 | 700,119.96 | 718,584.96 | 759,625.96 | 790,915.96 |

| Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Nov-07 | Dec-07 | Totals |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| 790,915.96 | 819,131.96 | 849,919.96 | 881,209.96 | 892,710.96 | 896,142.96 | 888,620.96 | |
| \$ 88,200.00 | \$ 73,500.00 | \$ 73,500.00 | \$ 63,000.00 | \$ 31,500.00 | \$ 18,900.00 | \$ 18,900.00 | \$ 680,400.00 |
| 210 | 175 | 175 | 150 | 75 | 45 | 45 | |
| \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 | \$ 252,000.00 |
| \$109,200.00 | \$ 94,500.00 | \$ 94,500.00 | \$ 84,000.00 | \$ 52,500.00 | \$ 39,900.00 | \$ 39,900.00 | \$ 932,400.00 |
| 900,115.96 | 913,631.96 | 944,419.96 | 965,209.96 | 945,210.96 | 936,042.96 | 928,520.96 | |
| 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 1,500.00 |
| 700.00 | 700.00 | 700.00 | 700.00 | 700.00 | 700.00 | 700.00 | 8,400.00 |
| 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 18,000.00 |
| 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 6,000.00 |
| 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 12,000.00 |
| 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 3,600.00 |
| | 750.00 | | | | | 750 | 2,250.00 |
| 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 4,300.00 |
| 12,000.00 | | | 12000.00 | | | 12000.00 | 48,000.00 |
| 22,809.00 | 22,809.00 | 22,809.00 | 22,809.00 | 22,809.00 | 22,809.00 | 22,809.00 | 273,708.00 |
| 4,340.00 | 4,340.00 | 4,340.00 | 4,340.00 | 4,340.00 | 4,340.00 | 4,340.00 | 52,080.00 |
| 7,142.00 | | | 7142.00 | | | 7142.00 | 28,568.00 |
| 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 3,500.00 | 42,000.00 |
| 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 36,000.00 |
| 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 4,500.00 | 54,000.00 |
| 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 3,600.00 |
| 610.00 | 610.00 | 610.00 | 610.00 | 610.00 | 610.00 | 610.00 | 7,320.00 |
| 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 3,539.00 | 42,468.00 |
| 1,092.00 | 945.00 | 945.00 | 840.00 | 525.00 | 399.00 | 399.00 | 9,324.00 |
| 13,727.00 | 14,994.00 | 15242 | 5494 | 1520 | | | |
| 80,984.00 | 63,712.00 | 63,210.00 | 72,499.00 | 49,068.00 | 47,422.00 | 67,314.00 | 755,671.00 |
| 28,216.00 | 30,788.00 | 31,290.00 | 11,501.00 | 3,432.00 | (7,522.00) | (27,414.00) | \$ 176,729.00 |
| 819,131.96 | 849,919.96 | 881,209.96 | 892,710.96 | 896,142.96 | 888,620.96 | 861,206.96 | |

ANALYSIS FOR YEAR 4 ONLY**Income Statement for Blue Water Boatworks Year 4**

| | Jan-07 | Feb-07 | Mar-07 | Apr-07 | May-07 |
|-----------------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|
| Net Sales | 52500 | 67200 | 94500 | 109200 | 94500 |
| Materials | 4000 | 4000 | 4000 | 4000 | 4000 |
| Gross Profit | <u>48500</u> | <u>63200</u> | <u>90500</u> | <u>105200</u> | <u>90500</u> |
| Expenses | | | | | |
| Payroll Expense | 22809 | 22809 | 22809 | 22809 | 22809 |
| Salary Expense | 4340 | 4340 | 4340 | 4340 | 4340 |
| Rent/Utilities/Telephone/Cellular | 2825 | 2825 | 2825 | 2825 | 2825 |
| Ins., Legal and Acct | 1750 | 300 | 12300 | 300 | 300 |
| Benefits/ | 3500 | 3500 | 3500 | 3500 | 3500 |
| Office & Supplies | 500 | 500 | 500 | 500 | 500 |
| Equipment Expense | 300 | 300 | 300 | 300 | 300 |
| Maintenance/Misc | 3000 | 3000 | 3000 | 3000 | 3000 |
| Auto Expense, Fuel | 1610 | 1610 | 1610 | 1610 | 1610 |
| Depreciation | 1382 | 1382 | 1382 | 1382 | 1382 |
| Interest Expense | 249.5 | 227.56 | 205.48 | 183.25 | 160.88 |
| TOTAL | <u>42265.5</u> | <u>40793.56</u> | <u>52771.48</u> | <u>40749.25</u> | <u>40726.88</u> |
| PROFIT/LOSS | 6235 | 22406 | 37729 | 64451 | 49773 |
| Income Taxes (33%) | 2057 | 7394 | 12450 | 21269 | 16425 |
| NET PROFIT | <u>4177</u> | <u>15012</u> | <u>25278</u> | <u>43182</u> | <u>33348</u> |

| Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Nov-07 | Dec-07 |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|
| 109200 | 95400 | 95400 | 84000 | 52500 | 39900 | 39900 |
| 4000 | 4000 | 4000 | 4000 | 4000 | 4000 | 4000 |
| <u>105200</u> | <u>91400</u> | <u>91400</u> | <u>80000</u> | <u>48500</u> | <u>35900</u> | <u>35900</u> |
| 22809 | 22809 | 22809 | 22809 | 22809 | 22809 | 22809 |
| 4340 | 4340 | 4340 | 4340 | 4340 | 4340 | 4340 |
| 2825 | 2825 | 2825 | 2825 | 2825 | 2825 | 2825 |
| 12300 | 1050 | 300 | 12300 | 300 | 300 | 13050 |
| 3500 | 3500 | 3500 | 3500 | 3500 | 3500 | 3500 |
| 500 | 500 | 500 | 500 | 500 | 500 | 500 |
| 300 | 300 | 300 | 300 | 300 | 300 | 300 |
| 3000 | 3000 | 3000 | 3000 | 3000 | 3000 | 3000 |
| 1610 | 1610 | 1610 | 1610 | 1610 | 1610 | 1610 |
| 1382 | 1382 | 1382 | 1382 | 1382 | 1382 | 1382 |
| 138.35 | 115.67 | 92.84 | 69.86 | 46.73 | 23.44 | 0 |
| <u>52704.35</u> | <u>41431.67</u> | <u>40658.84</u> | <u>52635.86</u> | <u>40612.73</u> | <u>40589.44</u> | <u>53316</u> |
| 52496 | 49968 | 50741 | 27364 | 7887 | -4689 | -17416 |
| 17324 | 16490 | 16745 | 9030 | 2603 | -1548 | -5747 |
| <u>35172</u> | <u>33479</u> | <u>33997</u> | <u>18334</u> | <u>5284</u> | <u>-3142</u> | <u>-11669</u> |