



# Powder Coating Manufacturer

## BUSINESS PLAN

### INNOVATIVE OVER COAT

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2800 West 13 Mile  
Midland, MI 48506

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*This plan is the second of two powder coating manufacturer plans included in this edition. Both plan owners site that the changing government regulations have created a demand in the market for a more environmentally friendly coating process. Innovative Over Coat, like Brudder Coating Systems, presents a detailed plan, with industry information that is helpful to anyone considering the powder coating business.*

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- EXECUTIVE SUMMARY
- MISSION
- DESCRIPTION OF BUSINESS
- MARKET ANALYSIS
- MANAGEMENT
- OPERATIONS
- SOURCES AND USE OF FUNDS
- FINANCIAL INFORMATION

## EXECUTIVE SUMMARY

### The Mission

Innovative Over Coat (IOC) will be the provider of choice in the Midwest for powder coating finishes for custom, refinish parts. IOC will provide these finishes with superior quality and superior service. IOC will retain customers by providing custom colors and superior customer service.

### The Market

Powder coatings are the fastest growing sector of the paint industry; 149 million pounds sold in 1992 to 450 million pounds projected for the year 2000. Why is powder growing so quickly? There are three key reasons: it is less expensive to apply than liquid coatings, it is easier to apply than liquid coatings, and there are no solvents so it is more environmentally friendly than liquid coatings.

Many individuals who are refinishing motorcycle, automobile and snowmobile parts are impressed with the appearance and durability of powder coatings. Innovative Over Coat intends to capitalize on this market opportunity.

Источник бизнес-плана: <http://www.referenceforbusiness.com>



## The Business

Innovative Over Coat (IOC) is a Michigan-based S-Corporation which will provide powder coating application services to metal parts. The initial target market will be individuals who are located in Southeast Michigan and Northwest Ohio, and are rebuilding motorcycles, custom automobiles, boats and snowmobiles.

Why will IOC initially target the refinish market? First, powder coating has a reputation for being a superior finish. Second, the individuals refinishing these "big boy toys" are committed to obtaining a superior finish. Third, powder coating has a reputation for being environmentally friendly. The greening of America is driving individuals to search out ways to reduce environmental impact. They will prefer powder coating.

IOC has already retained one customer, a Linnfield Motorcycles dealer located in Birmingham, Michigan. This dealer is building custom motorcycles, and has committed to hiring Innovative to apply the paint to frame and metal parts. As well as a high volume retail customer base, Linnfield Motorcycles is a high volume parts supplier and will provide Innovative with all of its after market powder coating business.

What kind of parts will IOC be coating? For motorcycles, frames, brackets, fenders, cylinders, and gas tanks. For custom automobiles, brackets, engine parts, and trim pieces. For snowmobiles, skis, frames and brackets.

We have identified more than 480 prospective customers in Michigan and Northwest Ohio. These customers include motorcycle dealers, motorcycle parts dealers, antique and custom automobile shops, and snowmobile dealers. These customers will buy services directly from Innovative, and refer customers to Innovative.

## The Competition

There are not enough quality applicators in the market place to support the growing demand for custom powder coating services. There are 21 powder coating companies in Michigan and Northwest Ohio, but these companies are production shops serving the automotive market. We have identified one small company located in Sandusky, Ohio that is serving this market.

## The Owners

The two partners forming this business have the breadth and depth of experience needed to succeed. John Godsey, President, has 16 years total experience, with eight of those years in management. Ike Walton, Vice President of Operations, has been working with the automotive industry for 22 years, and has been installing and operating powder coating systems since 1988. These two individuals make up the core of IOC, and cover the business needs essential for success.

## Financial

IOC has developed financial projections for the first three years of operations. IOC is building the business in a manner that will be profitable almost immediately. We project \$9,530 profit on \$36,250 sales in the first year. Profit will grow to \$42,450 on \$117,000 sales in the third year.

IOC must obtain financing in order to start this company. IOC is seeking \$30,000 in traditional financing to support capital purchase, and a small amount of initial working capital. The owners are providing \$10,000 funding: \$5,000 cash and \$5,000 equipment.

## MISSION

Innovative Over Coat (IOC) will be the applicator of choice in the Midwest for custom powder coating finishes. IOC will accomplish this by providing powder coating application services of superior quality combined with superior service. IOC will focus its marketing efforts on parts that require a quality finish.



## DESCRIPTION OF BUSINESS

Innovative Over Coat, a Michigan S-Corporation, is a start-up venture that will provide custom powder coating finishing services for metal parts. IOC will provide custom coating services to customers who demand a finish that looks great and will last. IOC will focus our initial marketing efforts on companies and individuals who are building/rebuilding motorcycles, automobiles, and snow mobiles. [This is a market where current and future demand far exceeds the supply.]

IOC will differentiate itself from the competition by:

- focusing on custom coated parts
- providing only powder coated finishes
- providing superior service

## Comparison of Liquid and Powder Coatings

(Liquid coating (i.e., paint) involves applying a thin layer of coating to a part. The coating must contain some form of solvent carrier that transfers the paint to the part being coated. The solvent carrier can be water or a chemical such as toluene or xylene. The solvent evaporates, leaving behind the thin film of coating. The coating must cure to form the final, hard finish. Curing can occur in one of several ways based on the formula: evaporation (air dry), baking (elevated temperature dry), use of Ultra-Violet radiation, or use of a catalyst.

By contrast, a powder coating does not involve the use of any liquid. A dry powder is electrostatically applied to the part, and then cured in a baking oven at a temperature of 350 to 425 degrees. There are no solvents to evaporate, eliminating all air emissions. There are no liquids required to clean equipment, eliminating all liquid waste generation.

Powder coatings have proven to be an efficient, economical, and ecologically sound method of industrial finishing. Generally, powders outperform liquids because of their higher molecular weight and greater insolubility; there is less film porosity with superior chemical resistance, toughness, hardness and abrasion resistance.

Some of the advantages of powder coatings include:

- Powder is an attractive choice over liquid finishing systems because it is a 100 percent solids material that contains no solvents. Powder coatings permit compliance with volatile organic compound (VOC) air pollution standards.
- Powder eliminates the need for storing flammable paints and solvents. And, there is no liquid paint sludge to dispose as hazardous waste.
- Oven exhaust and air make up can be reduced because no solvent fumes are emitted during the curing cycle. This results in considerable energy savings.
- Powder that is not deposited on the part can be reclaimed and reused, increasing material efficiency to as much as 95 to 98 percent.
- When a coating mistake has been made, powder can be blown off with compressed air and reapplied to the part before baking, further decreasing part rejection.
- The need for paint mixing is eliminated. Powder is introduced into the feed hopper directly from the box.
- Powder coatings can offer excellent color consistency, color matching capabilities and color and gloss retention.
- Clean up is easy; powder can be vacuumed off skin and clothing with a high efficiency vacuum.
- Soap and water will accomplish the final clean up.

While this all sounds too good to be true, there has historically been one limitation to powder coatings. They could not match the visual performance of a liquid coating. This limitation was eliminated within the past few



years, when powder coatings have been developed to match liquid coatings in all measures of performance.

## MARKET ANALYSIS

### Market Trend

IOC has selected powder coating finishes because they are the finish of the future. Powder coating is the fastest growing segment of the coating industry. Powder coating sales have nearly doubled since 1992 (149 million pounds in 1992 to 257 million pounds in 1995), and are expected to nearly double again by the year 2000. Sales are projected to be 450 million pounds by the year 2000.

Powder coating sales have grown at the expense of other types of coatings, and manufacturers are converting from liquid coating to powder coating. Liquid paint (solvent borne and water borne) will drop from 16 percent of the market in 1995 to 67 percent in 2000. Powder coating will increase from 15 percent in 1995 to 22 percent in 2000.

The conversion from liquid to powder is happening for several reasons. First, it is environmentally friendly. Powder coating causes no air emissions and produces no hazardous waste. Second, it is less expensive. Applying powder coating costs one tenth of the cost of the application of liquid coating.

IOC has further evaluated the market by interviewing numerous powder coating users, and other experts in the field. Customers, paint manufacturers, and painting equipment manufacturers agree that there are few custom powder coaters in the Midwest who can consistently, and reliably apply powder coating to meet the demanding standards of our targeted market segment.

### Target Markets

IOC will initially target the custom refinishing of motorcycle, automobile, and snowmobile parts. Why? First, these individuals demand a high quality finish. Second, these individuals are willing to spend more money to get a high quality finish. Third, these individuals know that a powder coating finish is superior to a liquid coating finish in performance and look. Furthermore, IOC partners have an extensive network of contacts in the motorcycle industry.

### Organization Of The Sales Effort

How will we get customers? IOC will initially work through other companies to obtain business. We have identified more than 480 companies in Michigan and Northwest Ohio: motorcycle dealers, motorcycle parts dealers, antique and custom automobile shops, and snowmobile dealers. These companies can use our services directly and refer customers to Innovative.

Sales will be accomplished only through internal resources. IOC is presently building a reputation with local Linnfield dealerships. We will use this "word of mouth" advertising in combination with advertising in trade publications, trade shows and mailings to local dealerships.

IOC has already established a relationship with Linnfield Motorcycles in Birmingham, Michigan. Linnfield is key to market entry. Linnfield is an established dealer of motorcycles and is a meeting place for the local Linnfield owner's club. They are developing a line of custom motorcycles that will sell for more than \$30,000 each; this will showcase the IOC quality finish.

As stated above, Linnfield wants IOC to paint all of their custom motorcycles. They have already agreed to refer customers and other motorcycle dealers needing powder coating to IOC. IOC needs more than one customer to survive.

We will expand our customer base using the following steps:

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- Personal contact to the owners of the 12 Linnfield Motorcycle dealers located in Michigan and Southeast Ohio.
- Develop a point-of-sale display for parts counters at these 12 dealers. This provides access to their customers, and a constant reminder to the dealers.
- Personal contact to owners of antique automobile/auto customizing companies and snow mobile dealers in Northwest Michigan.
- Develop a point-of-sale display for parts counters at these companies, as appropriate. This provides access to their customers, and a constant reminder to the owners and their employees.
- Develop brochure and price list for POS display.
- Mailing of brochure and price list to the remainder of the 482 companies on the prospect list.

## Competitive Analysis

Our research shows that there are not enough quality applicators in the market place to support the growing demand for powder coating services. Our research shows that the demand will continue to grow. Innovative Coating will position itself from day one to fulfill the needs of this market segment.

Innovative Coatings will compete in a marketplace that currently lacks service providers. We compiled a list of Midwest companies who apply powder coatings. Out of the twenty-one (21) competitors we found, ten are located in Northwest Ohio. Of these ten companies, only four (4) are custom powder coaters. The other companies are production powder coaters (large production runs for the automotive industry).

IOC will differentiate themselves from these companies in three ways:

- custom powder coating will be our only business
- applying a quality finish will be our primary focus
- exceptional customer service will be a key part of our product

Innovative Coating recognizes that customers demand "Service Beyond The Sale." IOC will develop a partnership with customers and suppliers. We'll make sure that every job is done right. IOC will exceed customer expectations. IOC will provide technical support when a problem arises, rapid response to customer demands, and flexible company hours. IOC has extensive application experience, and can work closely with the customer to develop cost effective techniques to insure the highest quality finishes.

## Customer Profile

People who want to buy a new Linnfield motorcycle are willing to wait two to three years before taking delivery. This is the commitment to owning one of "America's premiere" motorcycles. This same commitment extends to the many individuals who are rebuilding older Linnfield motorcycles to "like new" condition. These individuals spend considerable amounts of money to rebuild the motorcycle to "like new" condition. They spend additional money to get an exceptional paint job.

We will get to these individuals through the Linnfield dealers, which is where individuals needing an exceptional paint job go for referrals. We will target the Linnfield motorcycle dealer with an established business.

## Top Five After-Market Prospects

**Linn field Motorcycles, Birmingham, MI** - Discussions and meetings held with the owner. IOC has been asked to powder coat their new line of custom motorcycles.

**Butterfly Bikes, Grand Rapids, MI** - Discussions held with the owner. Very interested in IOC service and capability.





**Washington Linnfield, Pontiac, MI** - No discussions held to date.

**Donahue's Wheels, Cadillac, MI** - No discussions held to date.

**Nash Jackson Linnfield Motors, Scottsdale, AZ** - One meeting conducted with the owner. Very interested in IOC service and capability.

## MANAGEMENT

To succeed in custom coating, every individual in the company must be a peak performer. Success will require the ability to manage the company resources effectively. Success will require a strong sales effort. Success will require the ability to deliver a product that meets the customer's expectations. The IOC management team meets these requirements.

John Godsey, President, has been involved in management, operations and sales during his 16 year career. John has spent more than half of his career in management positions, including: Office Manager for a \$2.5million, 25 person office; Regional Sales and Technical Manager for an \$88 million company; Regional Vice President for a start-up operation, part of a \$20 million, 125 person operation; Vice President - Operations for a \$4 million, 40 person company; and Corporate Manager for a Fortune 200 Company.

Ike Walton, Vice President-Operations, has the knowledge and experience that it takes to set up and run a high quality powder coating operation. Ike has more than 22 years of experience working in the automotive industry. Ike has spent the past 8 years working for the world leader in robotic powder coating application systems. Ike spent 6 years developing the programming that drives the powder coating system, and has spent the past 2 years as Project Manager installing new systems and troubleshooting existing systems. These projects involve multi-million dollar systems. Ike has seen all of the things that affect a quality operation, and knows how to develop and implement the solution. Furthermore, Ike has run a small custom powder coating operation in the past.

## Roles and Responsibilities

Each member of the management team brings a different resource to the company, resulting in a whole that is greater than the sum of the parts. Innovative will start out in a fashion that will minimize overhead costs and risk, and maximize profitability. John and Ike will be the only employees initially, responsible for selling the work, applying the powder coating, and running the business. We expect that this business will grow quickly, and we will need employees within six months. At that time, our business management experience will prove invaluable, as described below.

John Godsey will be responsible for managing the company, and leading the future growth of the organization. He will be directly responsible for the financial, administrative and human resources aspects of IOC. Initially, he will also use his past experience with operations and sales to coordinate and assist with these responsibilities. He brings strong technical and management experience to IOC. John has a strong background with management and quality control systems.

Ike Walton will be responsible for leading the operations. Ike's expertise in installing and operating powder coating systems will prove invaluable to efficient facility management. Ike will install and operate the powder coating system. All operations staff will report to Ike, and it will be his responsibility for ensuring that customer orders are completed on-time, and to customer specifications.

IOC will obtain accounting/financial support on an as needed basis. IOC initially intends to maintain financial information internally, using an accountant for semi-annual or annual reviews.

IOC will also obtain legal support as an outside resource. The firm has not been selected at this time.



## OPERATIONS

Operations will be responsible for delivering a product that meets customer expectations the first time. Our market analysis identified that customers need a powder coating operation that can reliably deliver a high quality finish, bundled with superior customer service. Other powder coating operations in this geographic area place little emphasis on cleanliness, quality, or on-time delivery.

IOC will succeed by differentiating ourselves from these companies in four ways:

- powder coating will be our only business
- applying a high quality finish will be our primary focus
- the equipment needed to produce a high quality finish will be purchased from the start
- exceptional customer service will be a key part of our product

## Equipment

### Production Equipment

The first key to applying a Class A finish is having the right equipment. IOC will purchase equipment capable of applying high quality finish. This equipment is:

**Application Equipment:** Symons Studio manual spray powder system: Ultimate flexibility and control manual application of powder coatings.

**Baking Oven:** The powder coating cures when exposed for a prescribed length of time to temperatures between 350 and 425 degrees Fahrenheit. The baking oven must hold temperature during that time, and all surfaces must be evenly exposed.

**Spray booth :** IOC will purchase a used spray booth that will allow for the collection of sprayed powder. As cash flow warrants IOC will refurbish this booth to become a permanent color booth.

## Operating Systems

The correct equipment is only one step to delivering a high quality finish. The equipment must be operated effectively. Two key aspects to operation are "Working Environment" and "Quality Program."

### Working Environment

A clean and orderly work environment is essential for the success of IOC. We will hire future employees, and consider them to be long term investments; we can only retain them if we provide a safe, sound and healthy environment.

Beyond this, a clean and orderly work environment is essential to providing a high quality finish. Airborne dirt and dust will contaminate the powder coating, and result in a finish with imperfections.

## Quality Program

IOC principals know that it is critical to meet customer expectations the first time. We have all had our share of customer complaints, due to product that does not meet customer specifications. The unhappy customer is just one cost of poor quality. There is also the cost to rework the part. It costs more to redo the work than it did to do it right the first time. IOC will institute Quality Control systems that will allow us to make parts right the first time. Quality will be built into all IOC operations, and all employees will adopt the quality ethic.

Quality control will also be the responsibility of each employee. The goal is to move responsibility for quality control out onto the work floor. Each employee will also have responsibility for their own job performance.



Quality and process problems, concerns or recommendations will be discussed as part of weekly and monthly company wide meetings.

## Environmental Compliance

IOC will make every effort to comply with all environmental regulations. Powder coating is environmentally friendly. The environmental impact is minimal. There are no solvents used in the paint process, eliminating the need for wash solvent and eliminating VOC emissions from coating operations. Powder coating that must be disposed can be handled as ordinary trash; it is not a hazardous waste.

There are some permitting requirements for this operation. The air permitting requirements are minimal; the Michigan Department of Environmental Quality (MDEQ) does not require an air permit for powder coating operations.

## Staffing

During the majority of the first year IOC will be staffed by Ike Walton and John Godsey. This will cut down on overhead and allow the owners to implement quality programs prior to hiring new employees. As the business grows, IOC will hire additional employees to ensure that customers get parts coated in a reasonable amount of time.

## Facility Requirements

IOC will initially operate renting space from part of a building. The target space has natural gas and electricity available to meet our requirements. This space will have a month-to-month lease, allowing us to pay only for the space that we need, and move into larger space when needed.

IOC expects to secure our own building or portion of a building after one year. Our search will focus on the area immediately east of Toledo, Ohio. This area has a large number of light industrial buildings, equipped with the power and structural needs of a growing company.

## SOURCES AND USE OF FUNDS

The total dollar amount being sought is \$30,000 in conventional financing. IOC expects there to be only one funding round for full financing during the first 2 to 3 years. IOC does not want to seek financing that would require an outside equity position.

The funding will be used to purchase capital, and provide working capital for the initial 4 to 6 months. This funding is essential to allow the start of this company.

This business plan assumes that IOC will purchase a combination of new and used equipment. Used powder coating equipment is not readily available; this will determine the amount of new equipment that must be purchased.





## Use Of Funds

### Capital Expenditures

Leasehold Improvements	\$2,000
Purchase of oven	\$20,000
Spray gun and hopper	\$2,500
Used Spray Booth	\$2,500
<b>Total Capital Expenditures</b>	<b>\$27,000</b>

### Working Capital

Purchase of Inventory	\$1,500
Lease expenses	\$1,000
Staffing	00
Other Activities	\$5,500
<b>Total Working Capital</b>	<b>\$8,000</b>
<b>Total Use Of Funds</b>	<b>\$35,000</b>

### Capital Expenditures

Leasehold Improvements	\$2,000
Purchase of oven	\$20,000
Spray gun and hopper	\$2,500
Used Spray Booth	\$2,500
<b>Total Capital Expenditures</b>	<b>\$27,000</b>

### Working Capital

Purchase of Inventory	\$1,500
Lease expenses	\$1,000
Staffing	00
Other Activities	\$5,500
<b>Total Working Capital</b>	<b>\$8,000</b>
<b>Total Use Of Funds</b>	<b>\$35,000</b>

## FINANCIAL INFORMATION

IOC is seeking funding that will allow equipment purchase, building leasing, equipment set-up, and will support the operation for the initial period. IOC expects that cash flow will support the operation after the initial period, and that a bank will provide a line of credit based on the Accounts Receivable (A/R's).

### Financial Analysis

IOC has determined our financial requirements based on the financial analysis in the following tables. Included are the Pro forma Income Statement, Balance Sheet, and Cash Flow analysis for the first three years (1997, 1998 and 1999). The income statement shows that IOC will be profitable almost immediately. We project generating \$9,500 profit on \$36,250 sales in year 1, \$26,840 profit on \$87,000 sales in year 2, and \$41,850 profit on \$117,500 sales in year 3.

### Ratio Analysis

Financial ratios are included for your convenience.

### Financial Standards

We have included financial standards as compiled by Jackson Associates for comparable companies in this industry.



## Asset Worksheet

### Fixed Assets

Equipment	1000.00
Automotive, trucks	0.00
Buildings	0.00
Fixtures	0.00
Machinery	24000.00
Leasehold improvements	2000.00
Start Up Costs	0.00
Miscellaneous #1	0.00
Miscellaneous #2	0.00

**Total Fixed Assets** 27000.00

### Intangible Assets

Goodwill	0.00
Other	0.00

**Total Intangible Assets** 0.00

### Fixed Assets

Equipment	1000.00
Automotive, trucks	0.00
Buildings	0.00
Fixtures	0.00
Machinery	24000.00
Leasehold improvements	2000.00
Start Up Costs	0.00
Miscellaneous #1	0.00
Miscellaneous #2	0.00

**Total Fixed Assets** 27000.00

### Intangible Assets

Goodwill	0.00
Other	0.00

**Total Intangible Assets** 0.00



	Year 1	Year2	Year3	Percent Change	
ASSETS				Yr1-Yr2	Yr2-Yr3
Cash	7262.72	20372.38	86478.92	304.43%	194.42%
Accounts Receivable	0.00	4000.00	5000.00	#N/A!	25.00%
Notes Receivable	0.00	0.00	0.00	#N/A!	#N/A!
Inventory	391.25	523.75	50.00	33.87%	-90.45%
Total Current Assets	7653.97	33896.13	91528.92	342.86%	170.03%
Total Fixed Assets	27000.00	23142.86	19285.71		
Less: accum. deprec.	3857.14	3857.14	3857.14		
Net Fixed assets	23142.86	19285.71	15428.57	-16.67%	-20.00%
Intangible Assets	0.00	0.00	0.00	#N/A!	#N/A!
Total Assets	30796.83	53181.84	106957.49	72.69%	101.12%
LIABILITIES					
Accounts payable	0.00	0.00	0.00	#N/A!	#N/A!
Bank notes	0.00	0.00	0.00	#N/A!	#N/A!
Notes payable	0.00	0.00	0.00	#N/A!	#N/A!
CPLTD	5249.54	5915.33	6665.53	12.68%	12.68%
Total Current Liabilities	5249.54	5915.33	6665.53	12.68%	12.68%
Long Term Debt	20091.75	14176.42	7510.89	29.44%	-47.02%
Total Liabilities	25341.29	20091.75	14176.42	20.72%	-29.44%
NETWORTH					
Paid in Capital	35000.00	35000.00	35000.00		
Retained Earnings	9533.97	26837.99	41851.16	181.50%	55.94%
Additional Value	-39078.43	-28747.90	15929.91	-26.44%	-155.41%
Total Net Worth	5455.54	33090.09	92781.07	508.54%	180.39%
TOTAL LIABILITIES & NET WORTH	30796.83	53181.84	106957.49	72.69%	101.12%

## BALANCESHEET

	Year 1	Year2	Year3	Percent Change	
				Yr1-Yr2	Yr2-Yr3
<b>ASSETS</b>					
Cash	7262.72	29372.38	86478.92	304.43%	194.42%
Accounts Receivable	0.00	4000.00	5000.00	#N/A!	25.00%
Notes Receivable	0.00	0.00	0.00	#N/A!	#N/A!
Inventory	391.25	523.75	50.00	33.87%	-90.45%
<b>Total Current Assets</b>	<b>7653.97</b>	<b>33896.13</b>	<b>91528.92</b>	<b>342.86%</b>	<b>170.03%</b>
<b>Total Fixed Assets</b>	<b>27000.00</b>	<b>23142.86</b>	<b>19285.71</b>		
Less: accum. deprec.	3857.14	3857.14	3857.14		
<b>Net Fixed assets</b>	<b>23142.86</b>	<b>19285.71</b>	<b>15428.57</b>	<b>-16.67%</b>	<b>-20.00%</b>
<b>Intangible Assets</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>#N/A!</b>	<b>#N/A!</b>
<b>Total Assets</b>	<b>30796.83</b>	<b>53181.84</b>	<b>106957.49</b>	<b>72.69%</b>	<b>101.12%</b>
<b>LIABILITIES</b>					
Accounts payable	0.00	0.00	0.00	#N/A!	#N/A!
Bank notes	0.00	0.00	0.00	#N/A!	#N/A!
Notes payable	0.00	0.00	0.00	#N/A!	#N/A!
CPLTD	5249.54	5915.33	6665.53	12.68%	12.68%
<b>Total Current Liabilities</b>	<b>5249.54</b>	<b>5915.33</b>	<b>6665.53</b>	<b>12.68%</b>	<b>12.68%</b>
<b>Long Term Debt</b>	<b>20091.75</b>	<b>14176.42</b>	<b>7510.89</b>	<b>29.44%</b>	<b>-47.02%</b>
<b>Total Liabilities</b>	<b>25341.29</b>	<b>20091.75</b>	<b>14176.42</b>	<b>20.72%</b>	<b>-29.44%</b>
<b>NETWORTH</b>					
Paid in Capital	35000.00	35000.00	35000.00		
Retained Earnings	9533.97	26837.99	41851.16	181.50%	55.94%
Additional Value	-39078.43	-28747.90	15929.91	-26.44%	-155.41%

**BALANCESHEET**

Total Net Worth	5455.54	33090.09	92781.07	506.54%	180.39%
<b>TOTAL LIABILITIES &amp; NET WORTH</b>	<b>30796.83</b>	<b>53181.84</b>	<b>106957.49</b>	<b>72.69%</b>	<b>101.12%</b>

	Year 1	Year2	Year3	Percent Change	
				Yr1-Yr2	Yr2-Yr3
Current Ratio	1.46	5.73	13.73	293.01%	139.64%
Acid Ratio	1.38	4.97	12.97	258.91%	161.29%
<b>Debt Ratio (Total Debt/Total Assets) TIE</b>	<b>0.82</b>	<b>0.38</b>	<b>0.13</b>	<b>-54.09%</b>	<b>-64.92%</b>
Inventory Turnover	68.43	39.10	1.46	-42.86%	-96.25%
Average Collection Period	0.00	16.63	15.40	#N/A!	-7.45%
<b>Total Asset Turnover</b>	<b>1.17</b>	<b>1.63</b>	<b>1.09</b>	<b>38.98%</b>	<b>-32.85%</b>
Gross Margin	94.66%	94.69%	94.75%	0.04%	0.05%
Net Margin	26.43%	31.00%	35.80%	17.29%	15.46%
Return on Assets	30.96%	50.46%	39.13%	63.01%	-22.46%
Return on Equity	174.76%	81.11%	45.11%	-53.59%	-44.38%
Off.Comp./Sales	1.66%	1.85%	5.13%	11.11%	177.66%

**RATIO ANALYSIS**

	Year 1	Year2	Year3	Percent Change	
				Yr1-Yr2	Yr2-Yr3
Current Ratio	1.46	5.73	13.73	293.01%	139.64%
Acid Ratio	1.38	4.97	12.97	258.91%	161.29%
<b>Debt Ratio (Total Debt/Total Assets) TIE</b>	<b>0.82</b>	<b>0.38</b>	<b>0.13</b>	<b>-54.09%</b>	<b>-64.92%</b>
Inventory Turnover	68.43	39.10	1.46	-42.86%	-96.25%
Average Collection Period	0.00	16.63	15.40	#N/A!	-7.45%
<b>Total Asset Turnover</b>	<b>1.17</b>	<b>1.63</b>	<b>1.09</b>	<b>38.98%</b>	<b>-32.85%</b>
Gross Margin	94.66%	94.69%	94.75%	0.04%	0.05%
Net Margin	26.43%	31.00%	35.80%	17.29%	15.46%
Return on Assets	30.96%	50.46%	39.13%	63.01%	-22.46%
Return on Equity	174.76%	81.11%	45.11%	-53.59%	-44.38%
<b>Off.Comp./Sales</b>	<b>1.66%</b>	<b>1.85%</b>	<b>5.13%</b>	<b>11.11%</b>	<b>177.66%</b>



	Year1	Year2	Year3	Industry Norm
<b>Assets</b>				
Cash & Equivalents	23.6	552	80.9	12.4
Trade Receivables - (net)	0.0	7.5	9.4	262
Inventory	1.3	1.0	0.0	102
All Other Current	0.0	0.0	0.0	2.1
Total Current	24.9	63.7	85.6	50.9
Fixed Assets (net)	75.1	36.3	14.4	39.4
All Other Non-Current	0.0	0.0	0.0	3.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Liabilities</b>				
Notes-Payable-Short Term	0.0	0.0	0.0	7.1
Cur.Mat.-L/T/D	17.0	11.1	62	4.5
Trade Payables	0.0	0.0	0.0	7.8
Income Taxes-Payable	0.0	0.0	0.0	1.4
All Other Current	0.0	0.0	0.0	7.8
Total Current	17.0	11.1	62	28.6
Long Term Debt	65.2	26.7	7.0	19.4
Deferred Taxes	0.0	0.0	0.0	1.2
All Other Non-Current	652	26.7	7.0	9.4
Net Worth	17.7	622	86.7	41.4
<b>Total Liabilities &amp; Net Worth</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Income Data</b>				
Net Sales	100.0	100.0	100.0	100.0
Gross Profit	94.7	94.7	94.7	47.7
Operating Expenses	57.6	512	44.5	41.5
Operating Profit	37.1	43.5	502	62
All Other Expenses (net)	0.0	0.0	0.0	19
<b>Profit Before Taxes</b>	<b>36.7</b>	<b>43.1</b>	<b>49.7</b>	<b>4.3</b>
<b>Ratios</b>				
Current	1.46	5.73	13.75	22
Quick	1.38	4.97	12.97	15
Sales/Receivables	9N/A1	21.64	21.38	8.5
Cost of Sales/Inventory	7.85	11.14	30.335	18.1
Cost of Sales/Payables	9N/A1	8N/A1	6N/A1	19.0
Sales/Working Capital	15.00	3.00	1.38	7.1
EBIT Interest	0.00	0.00	0.00	3.3
Net Profit + Depr./Dep.				
Amort./Cur. Mat. L/T/D	0.00	0.00	0.00	3.4
Fixed Worth	42.4	0.38	0.17	0.9
Debt/Worth	4.68	0.61	0.15	1.3
% Profit Before Taxes/				
Tangible Net Worth	242.72%	112.65%	82.65%	23.7
% Profit Before Taxes/				
Total Assets	41.00%	70.09%	54.35%	9.4
Sales/Net Fixed Assets	1.56	4.49	7.58	4.5
Sales/Total Assets	1.37	1.65	1.09	1.9
% Depr., Dep., Amort/Sales	0.00%	0.00%	0.00%	42
% Officer's Comp./Sales	1.66%	1.85%	5.13%	11.1

## RMA

	Year 1	Year 2	Year 3	Industry Norm
<b>Assets</b>				
Cash & Equivalents	23.6	552	80.9	12.4
Trade Receivables - (net)	0.0	7.5	9.4	262
Inventory	1.3	1.0	0.0	102
All Other Current	0.0	0.0	0.0	2.1
Total Current	24.9	63.7	85.6	50.9
Fixed Assets (net)	75.1	36.3	14.4	39.4
All Other Non-Current	0.0	0.0	0.0	3.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Liabilities</b>				
Notes-Payable-Short Term	0.0	0.0	0.0	7.1
Cur.Mat.-L/T/D	17.0	11.1	62	4.5
Trade Payables	0.0	0.0	0.0	7.8
Income Taxes-Payable	0.0	0.0	0.0	1.4
All Other Current	0.0	0.0	0.0	7.8
Total Current	17.0	11.1	62	28.6
Long Term Debt	65.2	26.7	7.0	19.4
Deferred Taxes	0.0	0.0	0.0	1.2
All Other Non-Current	652	26.7	7.0	9.4
Net Worth	17.7	622	86.7	41.4
<b>Total Liabilities &amp; Net Worth</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Income Data</b>				
Net Sales	100.0	100.0	100.0	100.0



## RMA

Gross Profit	94.7	94.7	94.7	47.7
Operating Expenses	57.6	512	44.5	41.5
Operating Profit	37.1	43.5	502	62
All Other Expenses (net)	0.0	0.0	0.0	1.9
<b>Profit Before Taxes</b>	<b>36.7</b>	<b>43.1</b>	<b>49.7</b>	<b>4.3</b>

## Ratios

Current	1.46	5.73	13.73	22
Quick	1.38	4.97	12.97	1.5
Sales/Receivables	#N/A!	21.64	23.38	8.5
Cost of Sales/Inventory	7.65	11.16	303.35	18.3
Cost of Sales/Payables	#N/A!	#N/A!	#N/A!	19.0
Sales/Working Capital	15.00	3.09	1.38	7.1
EBIT/Interest	0.00	0.00	0.00	3.3
Net Profit + Depr., Dep.,				
Amort./Cur. Mat. L/T/D	0.00	0.00	0.00	3.4
Fixed/Worth	424	0.58	0.17	0.9
Debt/Worth	4.65	0.61	0.15	1.3
% Profit Before Taxes/ Tangible Net Worth	242.72%	112.65%	62.65%	23.7
% Profit Before Taxes/ Total Assets	43.00%	70.09%	54.35%	9.4
Sales/Net Fixed Assets	1.56	4.49	7.58	4.5
Sales/Total Assets	1.17	1.63	1.09	1.9
% Depr., Dep., Amort/Sales	0.00%	0.00%	0.00%	42
% Officer's Comp./Sales	1.66%	1.85%	5.13%	11.1

	Year 1	Year2	Year3	Percent Change Yr1-Yr2	Yr2-Yr3
<b>Revenue</b>					
Gross Sales	\$250.00	\$700.00	\$1750.00	140.00%	35.00%
Less returns, discounts	181.25	435.00	587.50	140.00%	35.00%
<b>Net Sales</b>	<b>\$668.75</b>	<b>\$265.00</b>	<b>\$1162.50</b>	<b>140.00%</b>	<b>35.00%</b>
<b>Cost of Goods Sold</b>					
Beginning inventory	75.00	366.25	408.75	388.33%	36.18%
Purchases	2312.50	4500.00	5400.00	113.02%	20.00%
Freight	105.63	225.00	270.00	113.02%	20.00%
Total goods available	2293.13	5091.25	6188.75	122.02%	21.16%
Ending inventory	366.25	408.75	25.00	36.18%	-94.99%
<b>Total Cost of Goods Sold</b>	<b>1926.88</b>	<b>4592.50</b>	<b>6163.75</b>	<b>138.34%</b>	<b>33.78%</b>
<b>Gross Profit</b>	<b>\$441.88</b>	<b>\$1057.50</b>	<b>\$1076.75</b>	<b>140.00%</b>	<b>35.13%</b>
<b>Operating Expenses</b>					
<b>Selling Expenses</b>					
Advertising	575.00	375.00	600.00	-34.78%	60.00%
Commissions	0.00	0.00	0.00	#N/A!	#N/A!
Travel & Entertainment	300.00	600.00	840.00	100.00%	40.00%
<b>Total</b>	<b>\$875.00</b>	<b>\$975.00</b>	<b>\$1440.00</b>	<b>11.43%</b>	<b>47.49%</b>
<b>Administrative</b>					
Salaries	600.00	1600.00	6000.00	166.67%	275.00%
Payroll	2800.00	13020.00	14400.00	383.33%	3.45%
Withholding	1944.00	4656.00	6120.00	345.98%	31.44%
Insurance	1200.00	1200.00	1200.00	0.00%	0.00%
<b>Total</b>	<b>\$7244.00</b>	<b>\$21876.00</b>	<b>\$27720.00</b>	<b>273.45%</b>	<b>29.68%</b>
<b>General</b>					
Rent	5700.00	12000.00	12000.00	110.53%	0.00%
Utilities	3000.00	4800.00	4800.00	60.00%	0.00%
Telephone	900.00	1800.00	1800.00	100.00%	0.00%
Office Expenses	300.00	1800.00	2400.00	500.00%	33.33%
Vehicle Expenses	0.00	0.00	0.00	#N/A!	#N/A!
Office Supplies	300.00	300.00	600.00	0.00%	100.00%
Postage	380.00	200.00	120.00	11.11%	-40.00%
Professionals	362.50	870.00	1175.00	140.00%	35.00%
Research	0.00	0.00	0.00	#N/A!	#N/A!
Misc.	3425.00	200.00	0.00	-94.16%	-100.00%
<b>Total</b>	<b>\$14167.50</b>	<b>\$21970.00</b>	<b>\$22895.00</b>	<b>55.97%</b>	<b>4.21%</b>
<b>Total Operating Expenses</b>	<b>\$20764.50</b>	<b>\$44321.00</b>	<b>\$50555.00</b>	<b>113.43%</b>	<b>17.45%</b>
<b>Total Operating Income</b>	<b>\$13378.38</b>	<b>\$3763.50</b>	<b>\$873.75</b>	<b>181.50%</b>	<b>55.94%</b>
State Taxes	133.75	376.52	587.14	181.50%	55.94%
Protein Income	13244.62	3724.99	58126.61	181.50%	55.94%
Federal Taxes	3707.65	1047.00	16275.45	181.50%	55.94%
<b>Net Income</b>	<b>\$9533.97</b>	<b>\$2687.99</b>	<b>\$4185.16</b>	<b>181.50%</b>	<b>55.94%</b>





## Income Statement

	Year 1	Year2	Year3	Percent Change	
				Yr1-Yr2	Yr2-Yr3
<b>Revenue</b>					
Gross Sales	36250.00	87000.00	117500.00	140.00%	35.06%
Less returns, discounts	181.25	435.00	587.50	140.00%	35.06%
<b>Net Sales</b>	<b>36068.75</b>	<b>86565.00</b>	<b>116912.50</b>	<b>140.00%</b>	<b>35.06%</b>
<b>Cost of Goods Sold</b>					
Beginning inventory	75.00	366.25	498.75	388.33%	36.18%
Purchases	2112.50	4500.00	5400.00	113.02%	20.00%
Freight	105.63	225.00	270.00	113.02%	20.00%
Total goods available	2293.13	5091.25	6168.75	122.02%	21.16%
Ending inventory	366.25	498.75	25.00	36.18%	-94.99%
<b>Total Cost of Goods Sold</b>	<b>1926.88</b>	<b>4592.50</b>	<b>6143.75</b>	<b>138.34%</b>	<b>33.78%</b>
<b>Gross Profit</b>	<b>34141.88</b>	<b>81972.50</b>	<b>110768.75</b>	<b>140.09%</b>	<b>35.13%</b>
<b>Operating Expenses</b>					
<b>Selling Expenses</b>					
Advertising	575.00	375.00	600.00	-34.78%	60.00%
Commissions	0.00	0.00	0.00	#N/A!	#N/A!
Travel & Entertainment	300.00	600.00	840.00	100.00%	40.00%
<b>Total</b>	<b>875.00</b>	<b>975.00</b>	<b>1440.00</b>	<b>11.43%</b>	<b>47.69%</b>
<b>Administrative</b>					
Salaries	600.00	1600.00	6000.00	166.67%	275.00%
Payroll	2880.00	13920.00	14400.00	383.33%	3.45%
Withholding	1044.00	4656.00	6120.00	345.98%	31.44%
Insurance	1200.00	1200.00	1200.00	0.00%	0.00%
<b>Total</b>	<b>5724.00</b>	<b>21376.00</b>	<b>27720.00</b>	<b>273.45%</b>	<b>29.68%</b>
<b>General</b>					
Rent	5700.00	12000.00	12000.00	110.53%	0.00%
Utilities	3000.00	4800.00	4800.00	60.00%	0.00%
Telephone	900.00	1800.00	1800.00	100.00%	0.00%
Office Expenses	300.00	1800.00	2400.00	500.00%	33.33%
Vehicle Expenses	0.00	0.00	0.00	#N/A!	#N/A!
Office Supplies	300.00	300.00	600.00	0.00%	100.00%
Postage	180.00	200.00	120.00	11.11%	-40.00%
Professionals	362.50	870.00	1175.00	140.00%	35.06%
Research	0.00	0.00	0.00	#N/A!	#N/A!
Misc.	3425.00	200.00	0.00	-94.16%	-100.00%
<b>Total</b>	<b>14167.50</b>	<b>21970.00</b>	<b>22895.00</b>	<b>55.07%</b>	<b>4.21%</b>
<b>Total Operating Expenses</b>	<b>20766.50</b>	<b>44321.00</b>	<b>52055.00</b>	<b>113.43%</b>	<b>17.45%</b>
Total Operating Income	13375.38	37651.50	58713.75	181.50%	55.94%
State Taxes	133.75	376.52	587.14	181.50%	55.94%



## Income Statement

Pretax Income	13241.62	37274.99	58126.61	181.50%	55.94%
Federal Taxes	3707.65	10437.00	16275.45	181.50%	55.94%
<b>Net Income</b>	<b>9533.97</b>	<b>26837.99</b>	<b>41851.16</b>	<b>181.50%</b>	<b>55.94%</b>

	Jan	Feb	Mar	Apr	May	Jun
<b>Sales:</b>						
Linnfield Motors	500	1,000	1,000	1,500	1,500	2,000
Other Motorcycle Dealers	0	250	500	500	500	500
Automotive Customizing	0	0	0	250	250	250
Snowmobile Customizing	0	0	0	0	0	250
<b>Total Sales</b>	<b>500</b>	<b>1,250</b>	<b>1,500</b>	<b>2,250</b>	<b>2,250</b>	<b>3,000</b>
<b>Cash Receipts:</b>						
Month of Shipment 60%	300	750	900	1,350	1,350	1,800
First Month 30%	0	150	375	450	675	675
Second Month 10%	0	0	50	125	150	225
Third Month 0%	0	0	0	0	0	0
Fourth Month 0%	0	0	0	0	0	0
<b>Total Receipts</b>	<b>300</b>	<b>900</b>	<b>1,325</b>	<b>1,925</b>	<b>2,175</b>	<b>2,700</b>
<b>Cash Expenses:</b>						
Rent	300	300	300	300	300	300
Utilities	200	200	200	200	200	200
Telephone	50	50	50	50	50	50
Salaries	50	50	50	50	50	50
Payroll	0	0	0	0	0	0
Withholding	15	15	15	15	15	15
#1 Inventory	50	50	75	75	100	100
Freight-In	3	3	4	4	5	5
#2 Inventory	13	25	25	25	25	50
Freight-In	1	1	1	1	1	3
#3 Inventory	0	0	13	13	13	25
Freight-In	0	0	1	1	1	1
#4 Inventory	0	0	0	0	13	13
Freight-In	0	0	0	0	1	1
Office Expense	0	0	0	0	0	0
Vehicle Expense	0	0	0	0	0	0
Office Supplies	25	25	25	25	25	25
Postage	0	0	50	10	10	10
Advertising	0	100	100	25	25	100
Professionals	5	13	15	23	23	30
Commissions	0	0	0	0	0	0
Insurance	100	100	100	100	100	100
Travel & Entertainment	0	0	30	30	30	30
Research	0	0	0	0	0	0
Equipment Purchase	27,000	0	0	0	0	0
Miscellaneous (Start-up costs; Samples)	3,225	0	50	0	50	0
State Taxes	0	0	0	0	0	0
Federal Taxes	0	0	0	0	0	0
<b>Total Expenses</b>	<b>31,035</b>	<b>951</b>	<b>1,103</b>	<b>946</b>	<b>1,035</b>	<b>1,317</b>
<b>Net Cash From Operations</b>	<b>-30,736</b>	<b>-11</b>	<b>222</b>	<b>979</b>	<b>1,140</b>	<b>1,565</b>
Beginning Cash	35,000	4,264	3,563	3,115	3,424	3,894
<b>Cash on Hand</b>	<b>4,264</b>	<b>4,253</b>	<b>3,785</b>	<b>4,094</b>	<b>4,564</b>	<b>5,459</b>
Bank Loan Required	0	0	0	0	0	0
Loan Repayment	0	670	670	670	670	670
<b>Ending Cash</b>	<b>4,264</b>	<b>3,583</b>	<b>3,115</b>	<b>3,424</b>	<b>3,894</b>	<b>4,818</b>

## Year One Cash Flow

	Jan	Feb	Mar	Apr	May	Jun
<b>Sales:</b>						
Linnfield Motors	500	1,000	1,000	1,500	1,500	2,000
Other Motorcycle Dealers	0	250	500	500	500	500
Automotive Customizing	0	0	0	250	250	250
Snowmobile Customizing	0	0	0	0	0	250
<b>Total Sales</b>	<b>500</b>	<b>1,250</b>	<b>1,500</b>	<b>2,250</b>	<b>2,250</b>	<b>3,000</b>
<b>Cash Receipts:</b>						
Month of Shipment 60%	300	750	900	1,350	1,350	1,800
First Month 30%	0	150	375	450	675	675
Second Month 10%	0	0	50	125	150	225
Third Month 0%	0	0	0	0	0	0
Fourth Month 0%	0	0	0	0	0	0
<b>Total Receipts</b>	<b>300</b>	<b>900</b>	<b>1,325</b>	<b>1,925</b>	<b>2,175</b>	<b>2,700</b>
<b>Cash Expenses:</b>						
Rent	300	300	300	300	300	300
Utilities	200	200	200	200	200	200
Telephone	50	50	50	50	50	50
Salaries	50	50	50	50	50	50
Payroll	0	0	0	0	0	0
Withholding	15	15	15	15	15	15

**Year One Cash Flow**

#1 Inventory	50	50	75	75	100	100
Freight-In	3	3	4	4	5	5
#2 Inventory	13	25	25	25	25	50
Freight-In	1	1	1	1	1	3
#3 Inventory	0	0	13	13	13	25
Freight-In	0	0	1	1	1	1
#4 Inventory	0	0	0	0	13	13
Freight-In	0	0	0	0	1	1
Office Expense	0	0	0	0	0	0
Vehicle Expense	0	0	0	0	0	0
Office Supplies	25	25	25	25	25	25
Postage	0	0	50	10	10	10
Advertising	0	100	100	25	25	100
Professionals	5	13	15	23	23	30
Commissions	0	0	0	0	0	0
Insurance	100	100	100	100	100	100
Travel & Entertainment	0	0	30	30	30	30
Research	0	0	0	0	0	0
Equipment Purchase	27,000	0	0	0	0	0
Miscellaneous (Start-up costs; Samples)	3,225	0	50	0	50	0
State Taxes	0	0	0	0	0	0
Federal Taxes	0	0	0	0	0	0
<b>Total Expenses</b>	<b>31,036</b>	<b>931</b>	<b>1,103</b>	<b>946</b>	<b>1,035</b>	<b>1,107</b>
Net Cash From Operations	-30,736	-31	222	979	1,140	1,593
Beginning Cash	35,000	4,264	3,563	3,115	3,424	3,894
Cash on Hand	4,264	4,233	3,785	4,094	4,564	5,488
Bank Loan Required	0	0	0	0	0	0
Loan Repayment	0	670	670	670	670	670
Ending Cash	4,264	3,563	3,115	3,424	3,894	4,818



Jul	Aug	Sep	Oct	Nov	Dec
2,000	2,000	2,000	2,000	2,500	3,000
1,000	1,000	1,000	1,000	1,000	2,000
500	500	500	500	500	1,000
250	250	250	250	250	250
3,750	3,750	3,750	3,750	4,250	6,250
2,250	2,250	2,250	2,250	2,550	3,750
900	1,125	1,125	1,125	1,125	1,275
225	300	375	375	375	375
0	0	0	0	0	0
0	0	0	0	0	0
3,375	3,675	3,750	3,750	4,050	5,400
300	300	300	1,000	1,000	1,000
200	200	200	400	400	400
50	50	50	150	150	150
50	50	50	50	50	50
0	0	0	960	960	960
15	15	15	303	303	303
100	100	100	125	150	150
5	5	5	6	8	8
50	50	50	50	100	100
3	3	3	3	5	5
25	25	25	25	50	50
1	1	1	1	3	3
13	13	13	13	13	25
1	1	1	1	1	1
0	0	0	100	100	100
0	0	0	0	0	0
25	25	25	25	25	25
10	10	10	10	10	10
25	25	25	25	25	100
38	38	38	38	43	63
0	0	0	0	0	0
100	100	100	100	100	100
30	30	30	30	30	30
0	0	0	0	0	0
0	0	0	0	0	0
0	80	0	0	50	0
0	0	0	0	0	0
0	0	0	0	0	0
1,030	1,000	1,030	3,454	3,574	3,632
2,334	2,584	2,711	25	476	1,708
4,818	6,483	8,339	10,439	10,066	9,872
7,153	9,849	11,139	10,731	10,942	11,440
0	0	0	0	0	0
670	670	670	670	670	670
6,483	8,339	10,439	10,066	9,872	10,579

Jul	Aug	Sep	Oct	Nov	Dec
2,000	2,000	2,000	2,000	2,500	3,000
1,000	1,000	1,000	1,000	1,000	2,000
500	500	500	500	500	1,000
250	250	250	250	250	250
3,750	3,750	3,750	3,750	4,250	6,250
2,250	2,250	2,250	2,250	2,550	3,750
900	1,125	1,125	1,125	1,125	1,275
225	300	375	375	375	375
0	0	0	0	0	0
0	0	0	0	0	0
3,375	3,675	3,750	3,750	4,050	5,400
300	300	300	1,000	1,000	1,000
200	200	200	400	400	400
50	50	50	150	150	150
50	50	50	50	50	50
0	0	0	960	960	960
15	15	15	303	303	303
100	100	100	125	150	150
5	5	5	6	8	8
50	50	50	50	100	100
3	3	3	3	5	5
25	25	25	25	50	50
1	1	1	1	3	3
13	13	13	13	13	25
1	1	1	1	1	1



Jul	Aug	Sep	Oct	Nov	Dec
0	0	0	100	100	100
0	0	0	0	0	0
25	25	25	25	25	25
10	10	10	50	10	10
25	25	25	25	25	100
38	38	38	38	43	63
0	0	0	0	0	0
100	100	100	100	100	100
30	30	30	30	30	30
0	0	0	0	0	0
0	0	0	0	0	0
0	50	0	0	50	0
0	0	0	0	0	0
0	0	0	0	0	0
1,039	1,089	1,039	3,454	3,574	3,632
2,336	2,586	2,711	2%	476	1,768
4,818	6,483	8,399	10,439	10,066	9,872
7,153	9,069	11,109	10,736	10,542	11,640
0	0	0	0	0	0
670	670	670	670	670	670
6,483	8,399	10,439	10,066	9,872	10,970

	Jan	Feb	Mar	Apr	May
<b>Sales</b>					
Linnfield Motorcycles	3,000	3,000	3,000	3,000	3,000
Other Motorcycle Dealers	2,000	2,000	2,000	2,000	2,500
Automotive Customizing	1,000	1,000	1,000	1,000	1,500
Snowmobile Customizing	500	500	500	500	500
<b>Total Sales</b>	<b>6,500</b>	<b>6,500</b>	<b>6,500</b>	<b>6,500</b>	<b>7,500</b>
<b>Cash Receipts</b>					
Month of Shipment	3,000	3,000	3,000	3,000	4,500
First Month	1,875	1,950	1,950	1,950	1,950
Second Month	425	625	650	650	650
Third Month	0	0	0	0	0
Fourth Month	0	0	0	0	0
<b>Total Receipts</b>	<b>6,200</b>	<b>6,475</b>	<b>6,500</b>	<b>6,500</b>	<b>7,100</b>
<b>Cash Expenses</b>					
Rent	100	100	100	100	100
Utilities	400	400	400	400	400
Telephone	150	150	150	150	150
Salaries	100	100	100	100	100
Payroll	900	900	1,200	1,200	1,200
Warehouse	300	300	300	300	300
#1 Inventory	150	150	150	150	150
Freight-In	8	8	8	8	8
#2 Inventory	100	100	100	125	125
Freight-In	5	5	5	6	6
#3 Inventory	50	50	50	75	75
Freight-In	3	3	3	4	4
#4 Inventory	25	25	25	25	25
Freight-In	1	1	1	1	1
Office Expense	100	100	100	100	100
Vehicle Expense	0	0	0	0	0
Office Supplies	25	25	25	25	25
Postage	10	10	10	10	10
Advertising	100	25	25	25	25
Professionals	65	65	65	65	75
Commissions	0	0	0	0	0
Insurance	100	100	100	100	100
Travel & Entertainment	50	50	50	50	50
Research	0	0	0	0	0
Equipment Purchase	0	0	0	0	0
Miscellaneous (Start-up Costs; Samples)	0	50	0	0	50
State Taxes	0	0	0	0	0
Federal Taxes	0	0	0	0	0
<b>Total Expenses</b>	<b>3,719</b>	<b>3,694</b>	<b>3,996</b>	<b>4,009</b>	<b>4,669</b>
<b>Net Cash From Operations</b>	<b>2,481</b>	<b>2,781</b>	<b>2,504</b>	<b>2,491</b>	<b>2,431</b>
Beginning Cash	18,079	12,781	14,892	16,726	18,547
Cash on Hand	13,431	15,562	17,396	19,217	21,578
Bank Loan Required	0	0	0	0	0
Loan Repayment	670	670	670	670	670
<b>Ending Cash</b>	<b>12,781</b>	<b>14,892</b>	<b>16,726</b>	<b>18,547</b>	<b>20,908</b>

## Year Two Cash Flow

	Jan	Feb	Mar	Apr	May
<b>Sales</b>					
Linnfield Motorcycles	3,000	3,000	3,000	3,000	3,000

**Year Two Cash Flow**

Other Motorcycle Dealers	2,000	2,000	2,000	2,000	2,500
Automotive Customizing	1,000	1,000	1,000	1,000	1,500
Snowmobile Customizing	500	500	500	500	500
<b>Total Sales</b>	<b>6,500</b>	<b>6,500</b>	<b>6,500</b>	<b>6,500</b>	<b>7,500</b>

**Cash Receipts**

Month of Shipment	3,900	3,900	3,900	3,900	4,500
First Month	1,875	1,950	1,950	1,950	1,950
Second Month	425	625	650	650	650
Third Month	0	0	0	0	0
Fourth Month	0	0	0	0	0
<b>Total Receipts</b>	<b>6,200</b>	<b>6,475</b>	<b>6,500</b>	<b>6,500</b>	<b>7,100</b>

**Cash Expenses**

Rent	1,000	1,000	1,000	1,000	1,000
Utilities	400	400	400	400	400
Telephone	150	150	150	150	150
Salaries	100	100	100	100	100
Payroll	960	960	1,200	1,200	1,200
Withholding	318	318	390	390	390
#1 Inventory	150	150	150	150	150
Freight-In	8	8	8	8	8
#2 Inventory	100	100	100	125	125
Freight-In	5	5	5	6	6
#3 Inventory	50	50	50	75	75
Freight-In	3	3	3	4	4
#4 Inventory	25	25	25	25	25
Freight-In	1	1	1	1	1
Office Expense	100	100	100	100	100
Vehicle Expense	0	0	0	0	0
Office Supplies	25	25	25	25	25
Postage	10	10	50	10	10
Advertising	100	25	25	25	25
Professionals	65	65	65	65	75
Commissions	0	0	0	0	0
Insurance	100	100	100	100	100
Travel & Entertainment	50	50	50	50	50
Research	0	0	0	0	0
Equipment Purchase	0	0	0	0	0
Miscellaneous (Start-up Costs; Samples)	0	50	0	0	50
State Taxes	0	0	0	0	0
Federal Taxes	0	0	0	0	0
<b>Total Expenses</b>	<b>3,719</b>	<b>3,694</b>	<b>3,996</b>	<b>4,009</b>	<b>4,069</b>





## Year Two Cash Flow

Net Cash From Operations	2,481	2,781	2,504	2,491	3,031
Beginning Cash	10,970	12,781	14,892	16,726	18,547
Cash on Hand	13,451	15,562	17,396	19,217	21,578
Bank Loan Required	0	0	0	0	0
Loan Repayment	670	670	670	670	670
<b>Ending Cash</b>	<b>12,781</b>	<b>14,892</b>	<b>16,726</b>	<b>18,547</b>	<b>20,908</b>

Jun	Jul	Aug	Sep	Oct	Nov	Dec
3,000	3,000	3,000	3,000	3,000	3,000	3,000
2,500	2,500	2,500	2,500	2,500	3,000	3,000
1,500	1,500	1,500	1,500	1,500	1,500	1,500
500	500	500	500	500	500	500
7,500	7,500	7,500	7,500	7,500	8,000	8,000
4,500	4,500	4,500	4,500	4,500	4,800	4,800
2,250	2,250	2,250	2,250	2,250	2,250	2,400
650	750	750	750	750	750	750
0	0	0	0	0	0	0
0	0	0	0	0	0	0
7,400	7,500	7,500	7,500	7,500	7,800	7,950
1,000	1,000	1,000	1,000	1,000	1,000	1,000
400	400	400	400	400	400	400
150	150	150	150	150	150	150
100	100	100	100	100	100	500
1,200	1,200	1,200	1,200	1,200	1,200	1,200
390	390	390	390	390	390	510
150	150	150	150	150	150	150
8	8	8	8	8	8	8
125	125	125	125	150	150	150
6	6	6	6	8	8	8
75	75	75	75	75	75	100
4	4	4	4	4	4	5
25	25	25	25	25	25	75
1	1	1	1	1	1	4
300	200	200	200	200	200	200
0	0	0	0	0	0	0
25	25	25	25	25	25	25
10	10	10	10	10	10	50
25	25	25	25	25	25	25
75	75	75	75	75	80	80
0	0	0	0	0	0	0
100	100	100	100	100	100	100
50	50	50	50	50	50	50
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	50	0	0	50	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
4,019	4,119	4,169	4,119	4,145	4,208	4,789
3,381	3,381	3,311	3,381	3,355	3,600	3,318
20,908	23,819	26,331	28,992	31,763	34,388	37,318
24,289	27,041	29,662	32,371	35,058	37,988	40,479
0	0	0	0	0	0	0
670	670	670	670	670	670	670
23,619	26,331	28,992	31,763	34,388	37,318	39,809

Jun	Jul	Aug	Sep	Oct	Nov	Dec
3,000	3,000	3,000	3,000	3,000	3,000	3,000
2,500	2,500	2,500	2,500	2,500	3,000	3,000
1,500	1,500	1,500	1,500	1,500	1,500	1,500
500	500	500	500	500	500	500
7,500	7,500	7,500	7,500	7,500	8,000	8,000
4,500	4,500	4,500	4,500	4,500	4,800	4,800
2,250	2,250	2,250	2,250	2,250	2,250	2,400
650	750	750	750	750	750	750
0	0	0	0	0	0	0
0	0	0	0	0	0	0
7,400	7,500	7,500	7,500	7,500	7,800	7,950
1,000	1,000	1,000	1,000	1,000	1,000	1,000
400	400	400	400	400	400	400
150	150	150	150	150	150	150
100	100	100	100	100	100	500
1,200	1,200	1,200	1,200	1,200	1,200	1,200
390	390	390	390	390	390	510
150	150	150	150	150	150	150



Jun	Jul	Aug	Sep	Oct	Nov	Dec
8	8	8	8	8	8	8
125	125	125	125	150	150	150
6	6	6	6	8	8	8
75	75	75	75	75	75	100
4	4	4	4	4	4	5
25	25	25	25	25	25	75
1	1	1	1	1	1	4
100	200	200	200	200	200	200
0	0	0	0	0	0	0
25	25	25	25	25	25	25
10	10	10	10	10	10	50
25	25	25	25	25	25	25
75	75	75	75	75	80	80
0	0	0	0	0	0	0
100	100	100	100	100	100	100
50	50	50	50	50	50	50
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	50	0	0	50	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>4,019</b>	<b>4,119</b>	<b>4,169</b>	<b>4,119</b>	<b>4,145</b>	<b>4,200</b>	<b>4,789</b>
3,381	3,381	3,331	3,381	3,355	3,600	3,161
20,908	23,619	26,331	28,992	31,703	34,388	37,318
24,289	27,001	29,662	32,373	35,058	37,988	40,479
0	0	0	0	0	0	0
670	670	670	670	670	670	670
<b>23,619</b>	<b>26,331</b>	<b>28,992</b>	<b>31,703</b>	<b>34,388</b>	<b>37,318</b>	<b>39,809</b>



	Jan	Feb	Mar	Apr	May
<b>Sales</b>					
Linnfield Motorcycles	3,000	3,000	3,000	3,000	3,000
Other Motorcycle Dealers	3,000	3,000	3,000	3,000	3,000
Automotive Customizing	2,000	2,000	2,000	2,000	2,000
Snowmobile Customizing	1,500	1,500	1,500	1,500	1,500
<b>Total Sales</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>
<b>Cash Receipts</b>					
Month of Shipment	5,700	5,700	5,700	5,700	5,700
First Month	2,400	2,850	2,850	2,850	2,850
Second Month	800	800	950	950	950
Third Month	0	0	0	0	0
Fourth Month	0	0	0	0	0
<b>Total Receipts</b>	<b>8,900</b>	<b>9,350</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>
<b>Cash Expenses</b>					
Rent	1,000	1,000	1,000	1,000	1,000
Utilities	400	400	400	400	400
Telephone	150	150	150	150	150
Salaries	500	500	500	500	500
Payroll	1,200	1,200	1,200	1,200	1,200
Withholding	510	510	510	510	510
#1 Inventory	150	150	150	150	150
Freight-In	8	8	8	8	8
#2 Inventory	150	150	150	150	175
Freight-In	8	8	8	8	9
#3 Inventory	100	100	100	100	100
Freight-In	5	5	5	5	5
#4 Inventory	75	75	75	75	75
Freight-In	4	4	4	4	4
Office Expense	200	200	200	200	200
Vehicle Expense	0	0	0	0	0
Office Supplies	50	50	50	50	50
Postage	10	10	10	10	10
Advertising	50	50	50	50	50
Professionals	95	95	95	95	95
Commissions	0	0	0	0	0
Insurance	100	100	100	100	100
Travel & Entertainment	70	70	70	70	70
Research	0	0	0	0	0
Equipment Purchase	0	0	0	0	0
Miscellaneous (Start-up Costs, Samples)	0	0	0	0	0
State Taxes	0	0	0	0	0
Federal Taxes	0	0	0	0	0
<b>Total Expenses</b>	<b>4,834</b>	<b>4,834</b>	<b>4,834</b>	<b>4,834</b>	<b>4,869</b>
<b>Net Cash From Operations</b>	<b>4,066</b>	<b>4,516</b>	<b>4,666</b>	<b>4,666</b>	<b>4,631</b>
Beginning Cash	39,809	43,266	47,952	51,048	55,044
Cash on Hand	41,875	47,722	51,711	55,714	59,684
Bank Loan Required	0	0	0	0	0
Loan Repayment	670	670	670	670	670
<b>Ending Cash</b>	<b>43,206</b>	<b>47,052</b>	<b>51,048</b>	<b>55,044</b>	<b>59,014</b>

## Year Three Cash Flow

	Jan	Feb	Mar	Apr	May
<b>Sales</b>					
Linnfield Motorcycles	3,000	3,000	3,000	3,000	3,000
Other Motorcycle Dealers	3,000	3,000	3,000	3,000	3,000
Automotive Customizing	2,000	2,000	2,000	2,000	2,000
Snowmobile Customizing	1,500	1,500	1,500	1,500	1,500
<b>Total Sales</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>
<b>Cash Receipts</b>					
Month of Shipment	5,700	5,700	5,700	5,700	5,700
First Month	2,400	2,850	2,850	2,850	2,850
Second Month	800	800	950	950	950
Third Month	0	0	0	0	0
Fourth Month	0	0	0	0	0
<b>Total Receipts</b>	<b>8,900</b>	<b>9,350</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>
<b>Cash Expenses</b>					
Rent	1,000	1,000	1,000	1,000	1,000
Utilities	400	400	400	400	400
Telephone	150	150	150	150	150
Salaries	500	500	500	500	500
Payroll	1,200	1,200	1,200	1,200	1,200
Withholding	510	510	510	510	510
#1 Inventory	150	150	150	150	150
Freight-In	8	8	8	8	8
#2 Inventory	150	150	150	150	175
Freight-In	8	8	8	8	9

**Year Three Cash Flow**

#3 Inventory	100	100	100	100	100
Freight-In	5	5	5	5	5
#4 Inventory	75	75	75	75	75
Freight-In	4	4	4	4	4
Office Expense	200	200	200	200	200
Vehicle Expense	0	0	0	0	0
Office Supplies	50	50	50	50	50
Postage	10	10	10	10	10
Advertising	50	50	50	50	50
Professionals	95	95	95	95	95
Commissions	0	0	0	0	0
Insurance	100	100	100	100	100
Travel & Entertainment	70	70	70	70	70
Research	0	0	0	0	0
Equipment Purchase	0	0	0	0	0
Miscellaneous (Start-up Costs; Samples)	0	0	0	0	0
State Taxes	0	0	0	0	0
Federal Taxes	0	0	0	0	0
<b>Total Expenses</b>	<b>4,834</b>	<b>4,834</b>	<b>4,834</b>	<b>4,834</b>	<b>4,860</b>
Net Cash From Operations	4,066	4,516	4,666	4,666	4,640
Beginning Cash	39,809	43,206	47,052	51,048	55,044
Cash on Hand	43,876	47,722	51,718	55,714	59,684
Bank Loan Required	0	0	0	0	0
Loan Repayment	670	670	670	670	670
<b>Ending Cash</b>	<b>43,206</b>	<b>47,052</b>	<b>51,048</b>	<b>55,044</b>	<b>59,014</b>

Jun	Jul	Aug	Sep	Oct	Nov	Dec
3,000	3,000	3,000	3,000	3,000	3,000	3,000
3,500	3,500	3,500	3,500	3,500	3,500	3,500
2,000	2,000	2,000	2,000	2,000	2,000	2,000
1,500	1,500	1,500	1,500	1,500	1,500	1,500
10,000	10,000	10,000	10,000	10,000	10,000	10,000
6,000	6,000	6,000	6,000	6,000	6,000	6,000
2,850	3,000	3,000	3,000	3,000	3,000	3,000
950	950	1,000	1,000	1,000	1,000	1,000
0	0	0	0	0	0	0
0	0	0	0	0	0	0
9,800	9,950	10,000	10,000	10,000	10,000	10,000
1,000	1,000	1,000	1,000	1,000	1,000	1,000
400	400	400	400	400	400	400
150	150	150	150	150	150	150
500	500	500	500	500	500	500
1,200	1,200	1,200	1,200	1,200	1,200	1,200
510	510	510	510	510	510	510
150	150	150	150	150	150	150
8	8	8	8	8	8	8
175	175	175	175	175	175	175
9	9	9	9	9	9	9
100	100	100	100	100	100	100
5	5	5	5	5	5	5
75	75	75	75	75	75	75
4	4	4	4	4	4	4
200	200	200	200	200	200	200
0	0	0	0	0	0	0
50	50	50	50	50	50	50
30	30	30	30	30	30	30
50	50	50	50	50	50	50
100	100	100	100	100	100	100
0	0	0	0	0	0	0
100	100	100	100	100	100	100
70	70	70	70	70	70	70
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
4,865	4,865	4,865	4,865	4,865	4,865	4,865
4,015	5,085	5,135	5,135	5,135	5,135	5,135
50,014	63,279	67,084	72,179	76,024	81,684	84,744
61,949	66,364	72,829	77,294	81,154	85,414	89,424
0	0	0	0	0	0	0
670	670	670	670	670	670	670
63,279	67,694	72,159	76,624	81,084	85,744	89,754



Jun	Jul	Aug	Sep	Oct	Nov	Dec
3,000	3,000	3,000	3,000	3,000	3,000	3,000
3,500	3,500	3,500	3,500	3,500	3,500	3,500
2,000	2,000	2,000	2,000	2,000	2,000	2,000
1,500	1,500	1,500	1,500	1,500	1,500	1,500
<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
6,000	6,000	6,000	6,000	6,000	6,000	6,000
2,850	3,000	3,000	3,000	3,000	3,000	3,000
950	950	1,000	1,000	1,000	1,000	1,000
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>9,800</b>	<b>9,950</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
1,000	1,000	1,000	1,000	1,000	1,000	1,000
400	400	400	400	400	400	400
150	150	150	150	150	150	150
500	500	500	500	500	500	500
1,200	1,200	1,200	1,200	1,200	1,200	1,200
510	510	510	510	510	510	510
150	150	150	150	150	150	0
8	8	8	8	8	8	0
175	175	175	175	175	175	0
9	9	9	9	9	9	0
100	100	100	100	100	100	0
5	5	5	5	5	5	0
75	75	75	75	75	75	0
4	4	4	4	4	4	0
200	200	200	200	200	200	200
0	0	0	0	0	0	0
50	50	50	50	50	50	50
10	10	10	10	10	10	10
50	50	50	50	50	50	50
100	100	100	100	100	100	100
0	0	0	0	0	0	0
100	100	100	100	100	100	100
70	70	70	70	70	70	70
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>4,865</b>	<b>4,865</b>	<b>4,865</b>	<b>4,865</b>	<b>4,865</b>	<b>4,865</b>	<b>4,340</b>
4,935	5,085	5,135	5,135	9,730	9,730	8,680



<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
59,014	63,279	67,694	72,159	76,624	85,684	94,744
63,949	68,364	72,829	77,294	86,354	95,414	103,424
0	0	0	0	0	0	0
670	670	670	670	670	670	670
<b>63,279</b>	<b>67,694</b>	<b>72,159</b>	<b>76,624</b>	<b>85,684</b>	<b>94,744</b>	<b>102,75</b>