



# Bed and Breakfast

## BUSINESS PLAN

### VICTORIA BED & BREAKFAST

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825 N. Watson  
Munising, Michigan 49862

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*The Victoria Bed & Breakfast business plan contains lots of helpful information for those interested in opening a hospitality service business. Testimonials are a good addition to any business plan, specifically regarding the business itself the product or the owners. The Letter of Support found at the end of this plan is an example of an effective testimonial.*

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## STATEMENT OF PURPOSE

Victoria Bed & Breakfast is a limited liability company seeking a \$160,000 portfolio mortgage loan to finance the purchase of the residence located at 825 N. Watson, Munising, Michigan. This house, currently a duplex, will be converted to a single family residential structure and bed and breakfast establishment. The owners will be contributing \$100,000 of their own money as a down payment toward the purchase price of \$260,000 and will be paying closing costs. The house will serve as collateral for the mortgage.

In addition, James and Alexandria Wolfsted will be seeking a \$85,000 construction draw to cover start-up costs of the bed and breakfast conversion. The owners have already invested \$6,670 in start-up costs.

The owners have formed a Limited Liability Company named Victoria Bed & Breakfast to operate a bed and breakfast home. The home will be converted from a 6 bedroom duplex to 4 bedrooms with private baths and working fireplaces. Victoria will be the owners' private residence and take in guests 365 days a year commencing in August of 1996.

This business is unique in that the business expenses include the owners' mortgage, property taxes, home insurance, and household expenses. For that reason James and Alexandria's income are included in the cash flow chart. James will continue working at the Michigan Department of Environmental Quality and Alexandria



will continue to work part-time until the inn-keeping business reaches 40% occupancy. Not shown is additional annual income of \$26,000 in benefits such as medical, dental, and life insurance, vacation time, deferred compensation and pension received from James' primary occupation.

## DESCRIPTION OF THE BUSINESS

The Victoria Bed & Breakfast is located near downtown Munising in the heart of the historic district at 825 N. Watson. As hosts, Alexandria and James Wolfsted offer warm hospitality, friendship and a knowledge of the area, along with detailed maps of waterfalls and other local scenery.

Victoria is surrounded by other historic homes and buildings. Taking a stroll east down the hill, guests will see the Maritime Museum, the beach and bike path at McCarty's Cove. Walk a few blocks west to find the Munising Historic Museum, Tom Peters Public Library, the downtown shopping area or village shopping area. Within walking distance are two fine restaurants, the Cradle Saloon and Cappucino Cafe. Both the university and hospital are just a mile away.

Victoria will be furnished in an eclectic style from the stained glass windows and original shutters and wood floors to the personal tastes of the owners which include historic and modern art. Well-known Munising artist, Carol Smith, will assist in the interior design of the house. But most important will be the efforts towards comfort and non-intimidating surroundings. Breakfast will be served around an antique round oak table in front of one of the house's seven fireplaces. For those guests wanting privacy, there is a southern exposure breakfast nook off the kitchen, encased in glass overlooking the lower harbor. An early breakfast in the nook will include a spectacular view of the sunrise and the early morning fishermen and women piloting their boats away from the lower harbor and marina. On weekdays, breakfast will be between 7:00 to 9:00 AM, consisting of homemade breads, orange juice, fruit smoothies (strawberries, banana and yogurt blended), cereals, and granola. Weekend breakfast will be served between 8:00 and 10:00 AM and consist of the weekday menu plus breakfast casseroles, French toast, and pancakes using locally made bread, syrup and sausage.

In the late afternoon guests are invited to the common room for socializing with refreshments of gourmet flavored coffee, ice tea, cheese, fruit and homemade breads before going out to dinner. The bookcases on each side of the fireplace hold an extensive library collection handed down through the Wolfsted family for guests to browse through. Current magazines such as Michigan Natural Resources and Martha Stewart Living are also available to read either in the common room or in the guest rooms. The never-ending 1,000 piece puzzle on the corner table and a bridge table for chess, cribbage or even bridge are set-up for those occasional rainy days. We provide old movie videos and video store passes for viewing with others or in the privacy of guest rooms.

Quiet and relaxation can also be found on the back porch off of the kitchen. In the summer guests could watch the Wednesday evening regattas on the Superior Harbor. Or they might choose to sit in a rocking chair on the front porch looking over a well-kept garden of flowers and herbs.

There will be four guest rooms to choose from on the second floor, two facing the lake and two with quaint alcove nooks. An elevator is available that goes from the basement to the second floor. Each room is in its own corner of the house far from the next room, assuring privacy and quiet. Television/VCR, CD player and telephones will be available upon request for each room. Prices range from \$85.00 a night to \$125.00. The Lakeside room is inspired by local carpenter Jack Kozlowski, who will be making the bed and cedar chest of Lakeside pine and will be equipped with a modem for the business traveler.

We hope to give people, for their short stay here, a sense of a few of Munising's jewels — its beautiful lake, its history and the people. On the first floor in our formal dining room with its beautiful wood floor, elegant wood mantle fireplace and large bay windows, we will be exhibiting the work of well-known local artists as well as university students. In the second year of operation, this room will be converted into a handicap accessible guest room.



## DESCRIPTION OF THE MARKET

According to a 1994 national survey and a 1988 Michigan survey of B&B guests, the typical inn guest is, "... the business-person's dream customer: affluent, well-educated, a stable member of the community, still young enough to be a guest for many years to come..."

- 60% to 72% of the guests staying in Michigan B&Bs are Michigan residents
- 92.8% have attended college, graduated or earned a post-graduate degree
- 47.9% have a household income in excess of \$75,000
- 77% are between 25 and 54 years old
- Inn guest couples spend \$225.72 per day on lodging, food, and incidentals
- Inn guests travel primarily as couples, sometimes with children or another couple
- Inn guests' primary activities are dining out, sightseeing, shopping and relaxing

## DESCRIPTION OF COMPETITION

Our luxury room rates compare with local hotels, such as Stay Rest Inn, Cottage Inn and the Lakeland Inn. More important, as noted in the marketing statistics, people stay in B&Bs for the personal touch. As long as we have a high-tech world we will have a need for the quiet, relaxing, down to earth setting a bed and breakfast offers. Two B&Bs are operating now in the Munising area and a new inn is planned.

The Harbor Place is located on a busy highway in a commercial district with high visibility. It has 4 guest rooms; 2 being shared baths. This is the owners' second home. They live in town and hire an innkeeper. They are in their first year of operation. Victoria also has high visibility, being located in the historic district where bus, carriage and walking tours are frequent in the summer.

Applewood B&B is a contemporary 60's home located in a subdivision in Sands township without restaurants or shopping nearby. They have 4 guest rooms and have recently renovated for each to have private baths. Being outside of town, they may appeal to guests for snowmobiling and skiing more than Victoria, which would cater to those wanting the feel of the city and being close to restaurants, shopping and events.

It is too early to assess competition from Evelyn's Place. The location is great, but it is still a high rise, high industry operation.

## COMPETITIVE ADVANTAGE

We have heard from Upper Peninsula innkeepers that, when guests ask about staying in a B&B in Munising they have had nowhere to refer them to. The Munising Chamber of Commerce reports they often get calls asking for a bed and breakfast located in the city. Now they will have one with a perfect location, overlooking the harbor, in the middle of the historic district. Our guests will be within walking distance of restaurants, shopping, the beach, the Maritime Museum, the new marina, the historic museum and renting a tandem bicycle to ride the bike path. Besides our great location, guests will get great hospitality with special amenities of homemade knit slippers, a fireplace and home-style breakfast with home-style people.

We've targeted this market because it is a situation that we very much enjoy — to welcome people into our community, and show it off and because the city has badly needed a Bed & Breakfast for a long time. We routinely do this now for friends and James' coworkers. This is a new market in Munising because of the strict zoning ordinance, which may leave us as the lone B&B in Munising, although the industry could definitely handle more.



## DESCRIPTION OF MANAGEMENT

The bed and breakfast will receive the same thoroughness and professionalism demonstrated in the business plan written by the Wolfsted's. Alexandria will be in charge of marketing, managing the office, rooms, and customer service. James will be in-house historian and geologist of the Munising area (the entertainer).

The Wolfsted's have retained the services of both an attorney and an accountant to help set up the business. The accountant, Nick Coslin, will develop an accounting system on the computer software program, Quick Books, which Alexandria has used for the last year to keep the books for her cleaning business.

The owners will be joining the State Bed and Breakfast Association, the Upper Peninsula Bed and Breakfast Association, the Upper Peninsula Travel and Tourism Association and the Munising Chamber of Commerce for networking. Leslie Cramble, a veteran bed and breakfast innkeeper and Ann Murray, a tourism expert with the MSU extension office, have offered their personal assistance involving the operation and marketing of Victoria.

The owners have prepared and worked for the last year, learning the business and searching for the right location. The Wolfsted's have attended numerous workshops dealing with business start-ups, and more specifically, opening a Bed & Breakfast. Along with attending the workshops, they have researched a variety of materials dealing with opening a Bed & Breakfast. By conducting information interviews with consultants and other innkeepers, the Wolfsted's have been able to determine their course of action with the Victoria Bed & Breakfast. Following is a list of the professionals which were interviewed:

- Ann Murray, Michigan State University District Extension, Munising, Michigan
- Steve Reynolds, JD, Livingston Associates, Munising, Michigan
- Grant Arsen, Key Consulting, Negaunee, Michigan
- Alice Raymond, Business Boosters, AuTrain, Michigan
- Ken Ludman, CPA, Marquette, Michigan
- Owners of the Pine House B&B, Plymouth, Michigan
- Owners of the Winchester B&B, Green Bay, Wisconsin
- Owners of the Grayling Manor, Grayling, Michigan
- Owners of the Holmes Estate, Calumet, Michigan
- Trent Sykes, Northern Alternative
- International Professional Innkeepers Association, California

James' background includes Bachelor and Master of Science degrees in geology, two years teaching at Lansing Community College and eleven years with the state of Michigan. While working for the state he has been responsible for managing contractor expenses at several state funded projects, as well as coordinating environmental restoration with reuse plans at the K.I. Sawyer Air Force Base.

Alexandria's background includes a Bachelor of Science degree in Communication Disorders, several years as a banking supervisor in the 70's, various positions in the service industry, office manager in a small Munising business and helping numerous people with employment and business start-up while working at the Tom Peters Public Library Career Center. In 1994, Alexandria started her own cleaning business called Clean Right. In the last 8 years, the Wolfsted's have purchased a home for \$38,000 which is now at a market value of \$82,000, accumulated \$60,000 in their 457 deferred compensation account, saved \$10,000 in bank accounts, paid off student loans over \$20,000 and are virtually debt free, except for their mortgage. We accomplished all of this while maintaining an annual household budget of less than \$35,000.

## BUSINESS GOALS

### First year:

- Reach 25% occupancy rate (surpassing our projected 20%)



- Establish good neighborhood relations
- Develop an award-winning brochure
- Be listed on-line and in associations and AAA booklets
- Create unforgettable guest visits
- Spend ten hours a week on marketing

### Third year:

- Operating at 40% occupancy rate with 5 guest rooms generating \$83,950 income
- Terminate Alexandria's outside occupation
- Attend a national conference
- Actively involved in the Munising Area Chamber of Commerce
- Renovate the basement as a rental apartment for income and snow-blowing help
- Complete a third year written evaluation of the competition, market, service, finances, and personal goals

### Fifth year:

- Repaint the outside from dull beige and brown to a more colorful Victorian style to match its time period and to attract tourists
- Develop an offshoot homemade craft or baked goods business
- Continue to develop the front gardens and backyard
- Renovate rooms as necessary
- Hire summer help
- Complete a fifth year written evaluation of the competition, market, service, finances, and personal goals

## Summary

Although Bed and Breakfasts have been firmly established in Europe for years, they were only introduced in the United States in the late 1960's. By staying and eating with a family, B&Bs were an inexpensive way to travel and learn about an area. Since then, B&Bs have grown immensely, becoming a weekend retreat from a fast paced lifestyle and a tourism alternative to high-rise sterile hotel accommodations. Signs of the maturing industry are the increase in occupancy rates and number of national, state, and regional associations setting standards, and the number of travel publications, and guidebooks. The Tom Peters Public Library carries over a dozen Bed and Breakfast tourism guides and books.

We are interested in becoming part of this growing home-based business. We see this as an opportunity to invest in a large historic home, gain additional income and do what we enjoy most — meeting people and acting as ambassadors for Munising. We see our role as an information resource for guests on events such as the two Food Festivals at the Lower Harbor Park, Limestone concerts, Munising Choral Society concerts, Pine Theatre performances, Rock the Arts, the Glacier Glide, the U.P. 200 Sled Dog Race or even the outhouse races in Trenary. And for those couples wanting a cozy, romantic evening we can just as easily retire quietly to our separate quarters.

The Victoria Bed & Breakfast Company is seeking \$160,000 in financing at 8.5% interest over 20 years from a banking institution for the purchase of the property. Before any renovations, an independent appraisal company assessed the property at \$260,000 in August, 1995.

An additional \$85,000 line of credit at 9.5% interest over 5 years is being sought to cover startup costs. Early renovations planned include adding a sprinkler system (required), two bathrooms, installing gas fireplaces, three new interior doors, a new entryway by the kitchen with a deck and stairs to the parking area, landscaping the front yard, wallpapering, painting and furnishing common and guest rooms.





We are investing \$100,000 as a down payment for the property purchase. We have already invested \$6,670 in start-up costs and have another \$5,000 available for closing costs.

## TRENDS AND INDUSTRY OUTLOOK

The Allen House in AuTrain is now operating at 80% occupancy after 5 years; Applewood Inn in Sault Ste. Marie managed 84% occupancy in their first year. In fact, they are selling because the business has been more successful (and time-consuming) than the simple retirement income they intended. The Winchester in Green Bay achieved 30% occupancy in their first year. The Holmes Estate in the small town of Calumet, surrounded by a dozen B&Bs, was at 15% occupancy in their first year.

In Munising, even with the loss of A.G. Reilberg, the lodging industry has continued to rise in the last four years and was up 5% in 1995 from the previous year during the tourism season. In our research and discussions with professionals, such as John Sims, Director of the Upper Peninsula Holiday, Travel & Recreation Association, and others mentioned in our management section, we've learned that the Bed and Breakfast business will continue to attract tourists and professionals looking for an escape from the fast-pace city life. In fact, all projections are that the industry will continue to prosper as more people select extended weekend "getaways" rather than week or longer vacations to farther destinations.

In a 1993 survey by The Michigan Traveler, 1,558,000 adult travelers stayed in Michigan. The Bed and Breakfast industry took in 8% of that figure representing 128,000 adults staying an average of 4.5 nights. In the Upper Peninsula, the Upper Peninsula Travel and Tourism Association received \$179,037 (2% fee on receipts from participating businesses) for the months June to August in 1994-1995 in Munising. B&Bs, having the potential to receive 8% of the lodging industry, could therefore generate \$716,000 during the summer.

## TARGET MARKET

The 1994 Midwest Region Industry Study by the Professional Association of Innkeepers International (PAII) and the 1988 Michigan Study listed the following guest demographics:

Married	80%
Homeowners	82.2%
Professional occupation	36.4%
Executive occupation	10.9%
Administrative position	10.3%
Household income (median)	\$73,000
Graduate degree	31.3%
College graduate	40.5%
Some college	21%
25 to 34 years old	24.3%
35 to 44 years old	23.2%
45 to 54 years old	29.5%

### Type of Guests:

Married	80%
Homeowners	82.2%
Professional occupation	36.4%
Executive occupation	10.9%
Administrative position	10.3%
Household income (median)	\$73,000
Graduate degree	31.3%
College graduate	40.5%
Some college	21%
25 to 34 years old	24.3%
35 to 44 years old	23.2%



### Type of Guests:

45 to 54 years old 29.5%

Tourists	31%
Special occasions	30%
Business travelers	15%
Visiting family	14%
Attending meetings	10%

### Primary purpose of the trip:

Tourists 31%

Special occasions 30%

Business travelers 15%

Visiting family 14%

Attending meetings 10%

Personal touch	80%
Charm of building	78%
Getaway	71%
Nicely decorated bedrooms	61%
Romance	61%
Alternative to a hotel	61%

### Reasons for staying at a B&B:

Personal touch 80%

Charm of building 78%

Getaway 71%

Nicely decorated bedrooms 61%

Romance 61%

Alternative to a hotel 61%

Private bathrooms	54%
Full breakfasts	47%
Shoppers/dining	28 to 40%
Credit cards accepted	30%
Recreational activity	31%

### Attributes which play an important part in selecting a B&B are:

Private bathrooms 54%

Full breakfasts 47%

Shoppers/dining 28 to 40%

Credit cards accepted 30%

Recreational activity 31%

Guests consider the following qualities very important after a B&B stay: warmth of innkeeper, 79.9%; private bath, 68.5%; breakfast, 63.3%; and owner-operated, 37.1%.

Activities participated in during the stay include: dining out, shopping, walking, and sightseeing. Inn guest couples spend \$225.72 per day in the community.

Over 39% of the guests travel to the communities where the B&Bs are located for the primary, or only, purpose of staying in a B&B.

## MARKETING PROMOTION

According to a 1994 PAII study and the 1988 Michigan Study cited above, 72% of B&B guests selected the B&B and made reservations before leaving home. Information sources which prompted B&B stays were as follows:



Returning guests	14%
Advertising paid	16%
Referrals from former guests	14%
Chamber of Commerce referrals	10%
Travel guide and books	9%
Drop in/Street traffic	5%
Other various	*4%
Automobile clubs	2%
Associations/Brochure	4%
Referrals from other inns	4%
Travel agent	1%
Media	1%
Reservation service	1%

\* Public relations, word of mouth, unknown

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Referrals from other inns	4%
Travel agent	1%
Media	1%
Reservation service	1%

In a 1990 Wisconsin study, B&B operators gave the highest effectiveness ratings to B&B directories and to the Chamber of Commerce. Telephone book listings and newspaper advertisements are considered relatively ineffective. At the recent Upper Peninsula B&B Conference, surveyed innkeepers concurred with the Wisconsin results in that most of their new business was received from the Chamber of Commerce and the state association.

Based on the above information, our marketing efforts will be in the following direction:

Become members of the Munising Chamber of Commerce, Lake-to-Lake Michigan Bed & Breakfast Association, Upper Peninsula Bed & Breakfast Association, Upper Peninsula Tourist & Travel Association, Downtown Marketing Authority and AAA.

Build a home page on the Internet: several are already in place, which take reservations directly over the computer. The Lake-to-Lake Michigan Bed & Breakfast Association's 1996 directory soon will be on-line as well, in which we will be listed promptly upon joining. Be listed in the State of Michigan's Travel Bureau's database.

Compile a Press Kit for B&B guidebooks, magazines, and media: Victoria has already managed to receive four front page articles, 3 editorials, and several letters to the editor. From that publicity, we have received inquiries from lower Michigan and Colorado about our opening date.

Design an attractive brochure for distribution at tourist and information centers, the new marina, restaurants, downtown stores, appropriate public events, recreation and sporting shows, antique dealers, funeral homes, the hospital, the college and organizations. Be listed in historic walking tour brochure at the museum.

Mail brochures to potential customers from the newspaper i.e. engagements, reunions etc., family, friends and old classmates from downstate. Each family member is being asked to forward the brochure to their place of business newsletter.





Establish cross promotion and joint marketing with other B&Bs in the Upper Peninsula, Lower Peninsula, Wisconsin, Minnesota, and Canada.

Place advertisements for "Getaway Weekends" in the Green Bay newspaper. Other advertising will be in the Great Lake Superior Circle Tour magazine and on Public Radio 90.

Open Victoria for small community meetings, luncheons and retreats. Print gift certificates for benefits and business cards for distribution at local community and business functions.

Although the business traveler is not our primary market, several state and federal employees and private consultants that routinely travel to Munising, some for pleasure as well as business, have expressed an interest in making our B&B their regular lodging choice.

## LETTER OF SUPPORT

April 17, 1996

Ann Murray  
Michigan State University  
Upper Peninsula Extension  
8653 Howell Rd.  
Munising, MI 49862

To: Whom it may concern  
From: Ann Murray, District Extension Agent  
Community and Economic Development  
Subject: Support for Alexandria & James Wolfsted

To: Whom it may concern

From: Ann Murray, District Extension Agent Community and Economic Development

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In my professional opinion, a bed & breakfast operation within the city limits of Munising that is properly marketed and managed, has the potential of being a successful operation. If the bed & breakfast is located in a historic district, has a unique setting, charm, and knowledgeable, gracious hosts, the inns do well.

In the nine years that I have been employed with MSU, we have counseled over thirty entrepreneurs as they worked through the maze of starting a Bed and Breakfast business. There have been few who have been as thorough and committed as James & Alexandria. I am confident that they will be successful hosts.

Most of the bed & breakfast operations in Michigan provide supplemental income for families. Only in a few cases do the inns provide the sole income and that only occurs where there are seven or more rentals in the property. We do have a number of inns in the Upper Peninsula that are providing significant income for their proprietors.

Munising has established itself with tourists for a number of years. Requests have been received through the Munising Area Chamber of Commerce and the Munising Convention & Visitor's Bureau for a bed & breakfast within the city. Being a university community with a regional medical center, will contribute to the clientele who frequent bed & breakfast establishments. Additionally, the new marina in the lower harbor is a source for potential guests. Having an asset such as Victoria within walking distance of all the major services in our community should serve James & Alexandria well as they market the business.

The bed & breakfast owners in the Upper Peninsula have become a very active, and well connected group. They have actually formed an association recently and continue to network, share leads, and help one another. This will also work to the Wolfsted's advantage.

If I can provide any additional information, please don't hesitate to contact me.



## FINANCIAL DATA

### Start Up Costs

<b>Paid for:</b>	
Conditional Use Permit	\$100.00
Building Inspection	\$500.00
Attorney Fees	\$2,000.00
Office Equipment	\$3,500.00
Marketing Research	\$570.00
<b>Total Paid</b>	<b>\$6,670.00</b>

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1	Renovation	\$17,000.00
2	Bathroom Equipment	\$6,000.00
3	Gas Fireplace installations	\$2,500.00
4	Business Sign	\$400.00
5	Bank Charge Equipment	\$300.00
6	Brochures	\$1,000.00
7	Furniture	\$13,000.00
8	Safety Equipment	\$15,500.00
9	Legal Fees	\$500.00
10	Kitchen Items	\$1,000.00
11	Office Equipment	\$500.00
12	Telephone	\$350.00
13	Towels & Linen	\$1,000.00
14	Operating Capital	\$12,000.00
<b>Sub-total</b>		<b>\$71,050.00</b>
<b>20% Contingency</b>		<b>\$14,210.00</b>
<b>Total Start-up Costs</b>		<b>\$85,260.00</b>

#### Notes:

- 1 covers: new water heater, new entry and staircase, 2 bathrooms, 2 bathroom doorways, spring load doors, seal transoms, kitchen doorway, restore front door
- 2 covers: two 5-foot steam showers, 2 toilets
- 3 covers: installation of two gas fireplaces on the second floor
- 4 grouted wood front sign
- 7 three bedroom sets, kitchen and living rooms, 2 televisions
- 8 sprinkler system w/ 2-foot supply line, fire extinguishers
- 9 set-up corporation
- 10 china, silverware, pots & pans, mixer
- 11 fax machine, adding machine
- 12 set-up and purchase 2 phones with 2 touch tone lines
- 13 sheets, towels, pillows, bedspreads
- 14 first three months of operation

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<b>Total Start-up Costs</b>		<b>\$85,260.00</b>

## Bed and Breakfast Evaluation

Purchase Price	\$260,000.00
Down Payment	\$100,000.00
Closing Costs	\$5,000.00
Start-up Costs	\$85,000.00
<b>TOTAL</b>	<b>\$190,000.00</b>

### Financial Needs:

Purchase Price \$260,000.00

Down Payment \$100,000.00

Closing Costs \$5,000.00

Start-up Costs \$85,000.00

**TOTAL \$190,000.00**

4 rooms @ \$105 each	
= \$420 x 365 days @ 100% occupancy equals	\$153,300.00
@20% occupancy 1st year projection	\$30,660.00
5 rooms @ \$105 each @ 100% occupancy equals	\$191,625.00
@30% occupancy 2nd year projection	\$57,487.50
5 rooms @ \$115 each @ 100% occupancy equals	\$209,875.00
@40% occupancy 3rd year projection	\$83,950.00

### B&B Income:

4 rooms @ \$105 each

= \$420 × 365 days @ 100% occupancy equals \$153,300.00

@20% occupancy 1st year projection \$30,660.00

5 rooms @ \$105 each @ 100% occupancy equals \$191,625.00

@30% occupancy 2nd year projection \$57,487.50



## B&B Income:

5 rooms @ \$115 each @ 100% occupancy equals \$209,875.00

@40% occupancy 3rd year projection \$83,950.00

	1st Year	2nd Year	3rd Year
Income	\$30,660.00	\$57,487.50	\$83,950.00
Expenses	\$40,661.95	\$56,190.55	\$48,000.00
	\$(10,001.95)	\$1,296.95	\$35,950.00

## Cash Flow Projection:

	1st Year	2nd Year	3rd Year
Income	\$30,660.00	\$57,487.50	\$83,950.00
Expenses	\$40,661.95	\$56,190.55	\$48,000.00
	\$(10,001.95)	\$1,296.95	\$35,950.00

1st year expenses divided by 100% income = 26.52% Occupancy Needed

2nd year expenses divided by 100% income = 29.32% Occupancy Needed

3rd year expenses divided by 100% income = 22.87% Occupancy Needed

## To break even:

1st year expenses divided by 100% income = 26.52% Occupancy Needed

2nd year expenses divided by 100% income = 29.32% Occupancy Needed

3rd year expenses divided by 100% income = 22.87% Occupancy Needed

**Note: By the third year over \$50,000 is built up in home equity**

	June, 1996	July	August	September	October	November
<b>INCOME</b>						
Beginning Cash on Hand	\$80,000.00	\$9,904.76	\$839.84	\$3,541.50	\$4,264.87	\$4,183.71
Bed & Breakfast Stays(A)	\$2,555.00	\$2,555.00	\$2,555.00	\$2,555.00	\$2,555.00	\$2,555.00
New Loans(B)	\$245,000.00	\$245,000.00				
Sale of 114 E. Kaye Property	\$25,000.00	\$25,000.00				
<b>Total Cash (I)</b>	<b>\$350,000.00</b>	<b>\$9,904.76</b>	<b>\$10,944.84</b>	<b>\$6,096.50</b>	<b>\$6,819.87</b>	<b>\$6,938.71</b>
<b>EXPENSES</b>						
<b>B &amp; B Business Expenses</b>						
Real Estate Purchases	\$260,000.00	\$260,000.00				
Closing Costs	\$5,000.00	\$5,000.00				
Remodeling	\$20,000.00	\$20,000.00				
Equipment Purchases	\$23,500.00	\$23,500.00				
Furniture Purchases	\$20,000.00	\$20,000.00				
Advertising(D)	\$1,500.00	\$25.00	\$25.00	\$85.00	\$10.00	\$10.00
Draw/Subscriptions(E)	\$40.00	\$130.00	\$70.00	\$210.00	\$11.50	\$40.00
Accounting & Legal	\$50.00	\$20.00	\$20.00	\$90.00		
Bank Card Charges(F)	\$300.00	\$0.00	\$51.10	\$51.10	\$51.10	\$51.10
Travel/Entertainment <sup>g</sup>	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00
Telephone <sup>h</sup>	\$350.00	\$300.00	\$100.00	\$100.00	\$100.00	\$100.00
Utilities(G)	\$372.59	\$379.87	\$318.19	\$325.48	\$326.95	\$375.44
Maintenance <sup>h</sup>	\$100.00	\$100.00	\$100.00	\$100.00	\$1,500.00	\$100.00
Housekeeping Supplies <sup>h</sup>	\$60.00	\$100.00	\$60.00	\$75.00	\$55.00	\$50.00
Other(H)	\$10,000.00	\$10,000.00				
Food <sup>h</sup>	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00
Outside Services(I)	\$100.00	\$100.00				
Office Supplies <sup>h</sup>	\$500.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
Cable	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
Insurance	\$451.00	\$211.46	\$211.46	\$211.46	\$211.46	\$211.46
Property Taxes	\$5,500.00	\$838.58	\$638.58			
Loan	\$3360.74	\$3360.74	\$3360.74	\$3360.74	\$3360.74	\$3360.74
<b>Total Cash Expense(2)</b>	<b>\$342,687.59</b>	<b>\$4,318.27</b>	<b>\$9,891.69</b>	<b>\$4,555.78</b>	<b>\$5,892.25</b>	<b>\$4,485.74</b>
<b>Other:</b>						
Personal Income	\$3,138.35	\$3,138.35	\$3,138.35	\$3,138.35	\$3,996.89	\$3,186.89
Personal Expenses	\$550.00	\$315.00	\$650.00	\$415.00	\$415.00	\$415.00
<b>Sub-Total</b>	<b>\$2,588.35</b>	<b>\$823.35</b>	<b>\$2,488.35</b>	<b>\$2,723.35</b>	<b>\$3,416.89</b>	<b>\$2,771.89</b>
<b>Cash Balance Month End</b>	<b>\$9,904.76</b>	<b>\$8,388.84</b>	<b>\$7,541.50</b>	<b>\$4,264.87</b>	<b>\$4,383.71</b>	<b>\$5,224.86</b>

NOTES: (A) 4 rooms @ \$105, 20% Occupancy

(B) \$160,000 Primary Mortgage @ 8.5%, 15Yr., and \$85,000 Second Loan @ 9.5%, 5Yr.

(C) Costs from "Developing a Bed & Breakfast Business Plan", 1989, North Central Regional Extension Publication 273, Appendix O

(D) Costs based on above study and Public Radio Sponsors

(E) Chamber of Commerce and Lake to Lake B&B dues, 2 magazines

(F) 2% of B & B Income, assumes 100% credit card use by customers

(G) Previous owner's actual costs from 11/94 to 10/95

(H) Items: blankets, towels and outfit kitchen

(I) Windows cleaned

## First Year Cash Flow Projection

**NOTES A) 4 rooms @ \$105, 20% Occupancy**

**B) \$160,000 Primary Mortgage @ 8.5%, 15Yr., and \$85,000 Second Loan @ 9.5%, 5Yr.**

**\* Costs from "Developing a Bed & Breakfast Business Plan", 1989, North Central Regional Extension Publication 273, Appendix O**

**D) Costs based on above study and Public Radio Sponsors**

**E) Chamber of Commerce and Lake to Lake B&B dues, 2 magazines**

**F) 2% of B & B Income, assumes 100% credit card use by customers**

**G) Previous owner's actual costs from 11/94 to 10/95**



## First Year Cash Flow Projection

H) linens, blankets, towels and outfit kitchen

I) Windows cleaned

	June, 1996	July	August	September	October	November
<b>INCOME</b>						
Beginning Cash on Hand	\$80,000.00	\$9,904.76	\$8,389.84	\$3,541.50	\$4,264.07	\$4,383.71
Bed & Breakfast Stays(A)	\$2,555.00	\$2,555.00	\$2,555.00	\$2,555.00	\$2,555.00	\$2,555.00
New Loans(B)	\$245,000.00	\$245,000.00				
Sale of 114 E. Kaye Property	\$25,000.00	\$25,000.00				
<b>Total Cash (1)</b>	<b>\$350,000.00</b>	<b>\$9,904.76</b>	<b>\$10,944.84</b>	<b>\$6,096.50</b>	<b>\$6,819.07</b>	<b>\$6,938.71</b>
<b>EXPENSES</b>						
B & B Business Expenses						
Real Estate Purchases	\$260,000.00	\$260,000.00				
Closing Costs	\$5,000.00	\$5,000.00				
Remodeling	\$20,000.00	\$20,000.00				
Equipment Purchases	\$23,500.00	\$23,500.00				
Furniture Purchases	\$20,000.00	\$20,000.00				
Advertising(D)	\$1,500.00	\$25.00	\$25.00	\$85.00	\$10.00	\$10.00
Dues/Subscriptions(E)	\$40.00	\$130.00	\$70.00	\$20.00	\$11.50	\$40.00
Accounting & Legal	\$500.00	\$200.00	\$200.00	\$900.00		
Bank Card Charges(F)	\$300.00	\$0.00	\$51.10	\$51.10	\$51.10	\$51.10
Travel/Entertainment*	\$90.00	\$90.00	\$90.00	\$90.00	\$360.00	
Telephone*	\$350.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Utilities(G)	\$372.59	\$379.07	\$336.39	\$325.48	\$326.95	\$375.44
Maintenance*	\$100.00	\$100.00	\$100.00	\$100.00	\$1,500.00	\$100.00
Housekeeping Supplies*	\$60.00	\$100.00	\$90.00	\$75.00	\$55.00	\$50.00
Other(H)	\$10,000.00	\$10,000.00				
Food*	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00
Outside Services(I)	\$100.00	\$100.00				
Office Supplies*	\$500.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
Cable	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
Insurance	\$431.00	\$211.46	\$211.46	\$211.46	\$211.46	\$211.46
Property Taxes	\$5,500.00	\$838.58	\$6,338.58			
Loan	\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74
<b>Total Cash Expense (2)</b>	<b>\$342,683.59</b>	<b>\$4,338.27</b>	<b>\$9,891.69</b>	<b>\$4,555.78</b>	<b>\$5,892.25</b>	<b>\$4,485.74</b>
Other:						
Personal Income	\$3,138.35	\$3,138.35	\$3,138.35	\$3,138.35	\$3,906.89	\$3,186.89
Personal Expenses	\$550.00	\$315.00	\$650.00	\$415.00	\$450.00	\$415.00
Sub-Total	\$2,588.35	\$2,823.35	\$2,488.35	\$2,723.35	\$3,456.89	\$2,771.89
<b>Cash Balance Month</b>	<b>\$9,904.76</b>	<b>\$8,389.84</b>	<b>\$3,541.50</b>	<b>\$4,264.07</b>	<b>\$4,383.71</b>	<b>\$5,224.86</b>





## First Year Cash Flow Projection

End

December	January, 1997	February	March	April	May	Total
\$5,224.86	\$6,137.54	\$6,834.79	\$6,671.23	\$7,577.21	\$7,915.79	\$80,000.00
\$2,555.00	\$2,555.00	\$2,555.00	\$2,555.00	\$25,550.00		
\$7,779.86	\$8,692.54	\$9,389.79	\$9,226.23	\$10,132.21	\$10,470.79	\$375,550.00

\$10.00	\$10.00	\$10.00	\$90.00	\$90.00	\$90.00	\$1,955.00
\$40.00	\$351.50					
\$51.10	\$51.10	\$51.10	\$51.10	\$51.10	\$51.10	\$811.00
\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,450.00
\$387.41	\$423.34	\$446.57	\$440.61	\$393.01	\$357.54	\$4,564.40
\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$2,600.00
\$30.00	\$6.00	\$20.00	\$40.00	\$50.00	\$50.00	\$626.00
\$55.00	\$55.00	\$55.00	\$55.00	\$550.00		
\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$852.00
\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$360.00
\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$2,757.06
\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74	\$36,968.14	
\$4,379.21	\$4,619.64	\$5,455.45	\$4,510.91	\$4,603.31	\$4,627.84	\$400,043.68
\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$38,768.52
\$450.00	\$425.00	\$450.00	\$325.00	\$800.00	\$425.00	\$5,670.00
\$2,736.89	\$2,761.89	\$2,736.89	\$2,861.89	\$2,386.89	\$2,761.89	\$33,098.52
\$6,137.54	\$6,834.79	\$6,671.23	\$7,577.21	\$7,915.79	\$8,604.84	\$8,604.84

December	January, 1997	February	March	April	May	Total
\$5,224.86	\$6,137.54	\$6,834.79	\$6,671.23	\$7,577.21	\$7,915.79	\$80,000.00
\$2,555.00	\$2,555.00	\$2,555.00	\$2,555.00	\$25,550.00		
<b>\$7,779.86</b>	<b>\$8,692.54</b>	<b>\$9,389.79</b>	<b>\$9,226.23</b>	<b>\$10,132.21</b>	<b>\$10,470.79</b>	<b>\$375,550.00</b>
\$10.00	\$10.00	\$10.00	\$90.00	\$90.00	\$90.00	\$1,955.00
\$40.00	\$351.50					
\$51.10	\$51.10	\$51.10	\$51.10	\$51.10	\$51.10	\$811.00
\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,450.00
\$387.41	\$423.34	\$446.57	\$440.61	\$393.01	\$357.54	\$4,564.40
\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$2,600.00
\$30.00	\$6.00	\$20.00	\$40.00	\$50.00	\$50.00	\$626.00
\$55.00	\$55.00	\$55.00	\$55.00	\$550.00		
\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$852.00
\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$360.00
\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$2,757.06
\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74	\$36,968.14	
<b>\$4,379.21</b>	<b>\$4,619.64</b>	<b>\$5,455.45</b>	<b>\$4,510.91</b>	<b>\$4,603.31</b>	<b>\$4,627.84</b>	<b>\$400,043.68</b>
\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$38,768.52
\$450.00	\$425.00	\$450.00	\$325.00	\$800.00	\$425.00	\$5,670.00
\$2,736.89	\$2,761.89	\$2,736.89	\$2,861.89	\$2,386.89	\$2,761.89	\$33,098.52
<b>\$6,137.54</b>	<b>\$6,834.79</b>	<b>\$6,671.23</b>	<b>\$7,577.21</b>	<b>\$7,915.79</b>	<b>\$8,604.84</b>	<b>\$8,604.84</b>



	June, 1997	July	August	September	October
<b>INCOME</b>					
Beginning Cash on Hand	\$8,604.84	\$161.26	\$3,087.23	\$203.19	\$2,864.15
Bed & Breakfast Stays (A)	\$4,790.63	\$4,790.63	\$4,790.63	\$4,790.63	\$4,790.63
<b>Total Cash (1)</b>	<b>\$13,395.47</b>	<b>\$4,951.89</b>	<b>\$7,877.85</b>	<b>\$4,993.81</b>	<b>\$7,654.78</b>
<b>EXPENSES</b>					
B & B Business Expenses					
Remodeling	\$5,000.00				
Equipment Purchases					
Furniture Purchases	\$2,000.00				
Advertising	\$1,500.00	\$50.00	\$25.00	\$85.00	\$10.00
Dues/Subscriptions				\$130.00	\$70.00
Accounting & Legal					
Bank Card Charges	\$95.81	\$95.81	\$95.81	\$95.81	\$95.81
Travel/Entertainment					\$90.00
Telephone	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Utilities	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00
Maintenance	\$150.00	\$150.00	\$150.00	\$150.00	\$1,500.00
Housekeeping Supplies	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Food	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Linens/Towels/Blankets	\$1,000.00				
Office Supplies	\$1,500.00	\$35.00	\$35.00	\$35.00	\$35.00
Cable	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00
Insurance	\$431.00	\$211.46	\$211.46	\$211.46	\$211.46
Property Taxes			\$5,500.00		
Loan	\$3360.74	\$3360.74	\$3360.74	\$3360.74	\$3360.74
<b>Total Cash Expense (2)</b>	<b>\$15,822.55</b>	<b>\$4,688.01</b>	<b>\$10,163.01</b>	<b>\$4,853.01</b>	<b>\$6,158.01</b>
Other:					
Personal Income	\$3,138.35	\$3,138.35	\$3,138.35	\$3,138.35	\$3,906.89
Personal Expenses	\$550.00	\$315.00	\$650.00	\$415.00	\$450.00
Sub-Total	\$2,588.35	\$2,823.35	\$2,488.35	\$2,723.35	\$3,456.89
<b>Cash Balance End of Month (1-2)</b>	<b>\$161.26</b>	<b>\$3,087.23</b>	<b>\$203.19</b>	<b>\$2,864.15</b>	<b>\$4,953.65</b>

NOTES: A) 5 rooms @ \$105, 30% Occupancy

## Second Year Cash Flow Projection

NOTES: A) 5 rooms @ \$105, 30% Occupancy

	June, 1997	July	August	September	October
<b>INCOME</b>					
Beginning Cash on Hand	\$8,604.84	\$161.26	\$3,087.23	\$203.19	\$2,864.15
Bed & Breakfast Stays (A)	\$4,790.63	\$4,790.63	\$4,790.63	\$4,790.63	\$4,790.63
<b>Total Cash (1)</b>	<b>\$13,395.47</b>	<b>\$4,951.89</b>	<b>\$7,877.85</b>	<b>\$4,993.81</b>	<b>\$7,654.78</b>
<b>EXPENSES</b>					
B & B Business Expenses					
Remodeling	\$5,000.00				
Equipment Purchases					
Furniture Purchases	\$2,000.00				
Advertising	\$1,500.00	\$50.00	\$25.00	\$85.00	\$10.00
Dues/Subscriptions				\$130.00	\$70.00
Accounting & Legal					
Bank Card Charges	\$95.81	\$95.81	\$95.81	\$95.81	\$95.81
Travel/Entertainment					\$90.00
Telephone	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Utilities	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00
Maintenance	\$150.00	\$150.00	\$150.00	\$150.00	\$1,500.00
Housekeeping Supplies	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Food	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Linens/Towels/Blankets	\$1,000.00				
Office Supplies	\$1,500.00	\$35.00	\$35.00	\$35.00	\$35.00
Cable	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00
Insurance	\$431.00	\$211.46	\$211.46	\$211.46	\$211.46



## Second Year Cash Flow Projection

Property Taxes						\$5,500.00	
Loan							
<b>Total Cash Expense (2)</b>							
Other:							
Personal Income							
Personal Expenses							
Sub-Total							
<b>Cash Balance End of Month (1-2)</b>							

November	December	January, 1998	February	March	April	May	Total
\$4,953.65	\$7,468.16	\$10,247.66	\$12,702.16	\$14,118.08	\$17,017.59	\$19,152.09	\$8,604.84
\$4,790.63	\$4,790.63	\$4,790.63	\$4,790.63	\$4,790.63	\$4,790.63	\$4,790.63	\$57,487.50
<b>\$9,744.28</b>	<b>\$12,258.78</b>	<b>\$15,038.28</b>	<b>\$17,492.79</b>	<b>\$18,908.71</b>	<b>\$21,808.21</b>	<b>\$23,942.71</b>	<b>\$66,092.34</b>

							\$5,000.00
							\$0.00
							\$2,000.00
\$10.00	\$10.00	\$10.00	\$10.00	\$90.00	\$90.00	\$90.00	\$1,980.00
\$100.00	\$100.00	\$100.00			\$40.00		\$540.00
		\$300.00	\$300.00				\$600.00
\$95.81	\$95.81	\$95.81	\$95.81	\$95.81	\$95.81	\$95.81	\$1,149.75
\$300.00			\$300.00		\$300.00	\$300.00	\$1,290.00
\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00
\$400.00	\$400.00	\$450.00	\$450.00	\$450.00	\$400.00	\$400.00	\$4,950.00
\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$3,150.00
\$100.00	\$100.00	\$100.00	\$75.00	\$75.00	\$75.00	\$75.00	\$1,100.00
\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00
						\$100.00	\$1,100.00
\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$1,885.00
\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$420.00
\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$2,757.06
			\$838.58				\$6,338.58
\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74	\$40,328.88
<b>\$5,048.01</b>	<b>\$4,748.01</b>	<b>\$5,098.01</b>	<b>\$6,111.59</b>	<b>\$4,753.01</b>	<b>\$5,043.01</b>	<b>\$5,103.01</b>	<b>\$77,589.27</b>
\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$38,768.52
\$415.00	\$450.00	\$425.00	\$450.00	\$325.00	\$880.00	\$425.00	\$5,670.00
\$2,771.89	\$2,736.89	\$2,761.89	\$2,736.89	\$2,861.89	\$2,386.89	\$2,761.89	\$33,098.52
<b>\$7,468.16</b>	<b>\$10,247.66</b>	<b>\$12,702.16</b>	<b>\$14,118.08</b>	<b>\$17,017.59</b>	<b>\$19,152.09</b>	<b>\$21,601.59</b>	<b>\$21,601.59</b>

November	December	January, 1998	February	March	April	May	Total
\$4,953.65	\$7,468.16	\$10,247.66	\$12,702.16	\$14,118.08	\$17,017.59	\$19,152.09	\$8,604.84
\$4,790.63	\$4,790.63	\$4,790.63	\$4,790.63	\$4,790.63	\$4,790.63	\$4,790.63	\$57,487.50
<b>\$9,744.28</b>	<b>\$12,258.78</b>	<b>\$15,038.28</b>	<b>\$17,492.79</b>	<b>\$18,908.71</b>	<b>\$21,808.21</b>	<b>\$23,942.71</b>	<b>\$66,092.34</b>
							\$5,000.00
							\$0.00
							\$2,000.00
\$10.00	\$10.00	\$10.00	\$10.00	\$90.00	\$90.00	\$90.00	\$1,980.00
\$100.00	\$100.00	\$100.00			\$40.00		\$540.00
		\$300.00	\$300.00				\$600.00
\$95.81	\$95.81	\$95.81	\$95.81	\$95.81	\$95.81	\$95.81	\$1,149.75
\$300.00			\$300.00		\$300.00	\$300.00	\$1,290.00
\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00
\$400.00	\$400.00	\$450.00	\$450.00	\$450.00	\$400.00	\$400.00	\$4,950.00
\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$3,150.00
\$100.00	\$100.00	\$100.00	\$75.00	\$75.00	\$75.00	\$75.00	\$1,100.00
\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,200.00



November	December	January, 1998	February	March	April	May	Total
						\$100.00	\$1,100.00
\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$1,885.00
\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$420.00
\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$2,757.06
			\$838.58				\$6,338.58
\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74	\$3,360.74	\$40,328.88
<b>\$5,048.01</b>	<b>\$4,748.01</b>	<b>\$5,098.01</b>	<b>\$6,111.59</b>	<b>\$4,753.01</b>	<b>\$5,043.01</b>	<b>\$5,103.01</b>	<b>\$77,589.27</b>
\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$38,768.52
\$415.00	\$450.00	\$425.00	\$450.00	\$325.00	\$800.00	\$425.00	\$5,670.00
\$2,771.89	\$2,736.89	\$2,761.89	\$2,736.89	\$2,861.89	\$2,386.89	\$2,761.89	\$33,098.52
<b>\$7,468.16</b>	<b>\$10,247.66</b>	<b>\$12,702.16</b>	<b>\$14,118.08</b>	<b>\$17,017.59</b>	<b>\$19,152.09</b>	<b>\$21,601.59</b>	<b>\$21,601.59</b>

	June, 1998	July	August	September	October
<b>INCOME</b>					
Beginning Cash on Hand	\$21,601.59	\$16,956.64	\$20,115.22	\$17,298.81	\$20,292.40
Bed & Breakfast Stays (A)	\$6,995.83	\$6,995.83	\$6,995.83	\$6,995.83	\$6,995.83
<b>Total Cash (1)</b>	<b>\$28,597.42</b>	<b>\$23,952.47</b>	<b>\$27,111.06</b>	<b>\$24,294.64</b>	<b>\$27,288.23</b>

<b>EXPENSES</b>					
B & B Business Expenses					
Remodeling					
Equipment Purchases	\$1,500.00				
Furniture Purchases	\$1,500.00				
Advertising	\$1,500.00	\$50.00	\$25.00	\$85.00	\$10.00
Dues/Subscriptions	\$100.00			\$130.00	\$70.00
Accounting & Legal					
Bank Card Charges	\$139.92	\$139.92	\$139.92	\$139.92	\$139.92
Travel/Entertainment					\$90.00
Telephone	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Utilities	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Maintenance	\$200.00	\$200.00	\$200.00	\$200.00	\$1,500.00
Housekeeping Supplies	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Food	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Linens/Towels/Blankets	\$1,000.00				
Office Supplies	\$1,500.00	\$35.00	\$35.00	\$35.00	\$35.00
Cable	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00
Insurance	\$1,000.00	\$211.46	\$211.46	\$211.46	\$211.46
Property Taxes			\$6,000.00		
Loan	\$3,815.87	\$3,815.87	\$3,815.87	\$3,815.87	\$3,815.87
<b>Total Cash Expense(2)</b>	<b>\$13,240.79</b>	<b>\$5,437.25</b>	<b>\$11,412.25</b>	<b>\$5,602.25</b>	<b>\$6,857.25</b>
Other:					
Personal Income	\$2,600.00	\$2,600.00	\$2,600.00	\$2,600.00	\$2,600.00
Personal Expenses	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Sub-Total	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00
<b>Cash Balance</b>	<b>\$16,956.64</b>	<b>\$20,115.22</b>	<b>\$17,298.81</b>	<b>\$20,292.40</b>	<b>\$22,030.98</b>
Month End(1-2)					

A) 5 rooms @ \$115.40% Occupancy

### Third Year Cash Flow Projection

A) 5 rooms @ \$115.40% Occupancy

	June, 1998	July	August	September	October
<b>INCOME</b>					
Beginning Cash on Hand	\$21,601.59	\$16,956.64	\$20,115.22	\$17,298.81	\$20,292.40
Bed & Breakfast Stays (A)	\$6,995.83	\$6,995.83	\$6,995.83	\$6,995.83	\$6,995.83
<b>Total Cash (1)</b>	<b>\$28,597.42</b>	<b>\$23,952.47</b>	<b>\$27,111.06</b>	<b>\$24,294.64</b>	<b>\$27,288.23</b>
<b>EXPENSES</b>					
B & B Business Expenses					
Remodeling					
Equipment Purchases	\$1,500.00				
Furniture Purchases	\$1,500.00				
Advertising	\$1,500.00	\$50.00	\$25.00	\$85.00	\$10.00
Dues/Subscriptions	\$100.00			\$130.00	\$70.00



### Third Year Cash Flow Projection

#### Accounting & Legal

Bank Card Charges	\$139.92	\$139.92	\$139.92	\$139.92	\$139.92
Travel/Entertainment					\$90.00
Telephone	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Utilities	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Maintenance	\$200.00	\$200.00	\$200.00	\$200.00	\$1,500.00
Housekeeping Supplies	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Food	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Linens/Towels/Blankets	\$1,000.00				
Office Supplies	\$1,500.00	\$35.00	\$35.00	\$35.00	\$35.00
Cable	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00
Insurance	\$1,000.00	\$211.46	\$211.46	\$211.46	\$211.46
Property Taxes			\$6,000.00		
Loan	\$3,815.87	\$3,815.87	\$3,815.87	\$3,815.87	\$3,815.87
<b>Total Cash Expense (2)</b>	<b>\$13,240.79</b>	<b>\$5,437.25</b>	<b>\$11,412.25</b>	<b>\$5,602.25</b>	<b>\$6,857.25</b>
Other:					
Personal Income	\$2,600.00	\$2,600.00	\$2,600.00	\$2,600.00	\$2,600.00
Personal Expenses	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Sub-Total	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00
<b>Cash Balance</b>	<b>\$16,956.64</b>	<b>\$20,115.22</b>	<b>\$17,298.81</b>	<b>\$20,292.40</b>	<b>\$22,030.98</b>

#### Month End (1-2)

November	December	January, 1999	February	March	April	May	Total
\$22,030.98	\$24,829.57	\$27,928.16	\$30,726.74	\$32,486.75	\$35,605.34	\$38,383.92	\$21,601.59
\$6,995.83	\$6,995.83	\$6,995.83	\$6,995.83	\$6,995.83	\$6,995.83	\$6,995.83	\$83,950.00
<b>\$29,026.82</b>	<b>\$31,825.40</b>	<b>\$34,923.99</b>	<b>\$37,722.58</b>	<b>\$39,482.58</b>	<b>\$42,601.17</b>	<b>\$45,379.76</b>	<b>\$105,551.59</b>

							\$0.00
							\$1,500.00
							\$1,500.00
\$10.00	\$10.00	\$10.00	\$10.00	\$90.00	\$90.00	\$90.00	\$1,980.00
\$100.00	\$100.00	\$100.00			\$40.00		\$640.00
			\$300.00				\$600.00
\$139.92	\$139.92	\$139.92	\$139.92	\$139.92	\$139.92	\$139.92	\$1,679.00
\$300.00			\$300.00		\$300.00	\$300.00	\$1,290.00
\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00
\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$3,700.00
\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00
\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00
							\$1,000.00
\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$1,885.00
\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$420.00
\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$3,326.06
			\$838.58				\$6,838.58
\$3,815.87	\$3,815.87	\$3,815.87	\$3,815.87	\$3,815.87	\$3,815.87	\$3,815.87	\$45,790.44
<b>\$5,797.25</b>	<b>\$5,497.25</b>	<b>\$5,797.25</b>	<b>\$6,835.83</b>	<b>\$5,477.25</b>	<b>\$5,817.25</b>	<b>\$5,777.25</b>	<b>\$83,549.08</b>
\$2,600.00	\$2,600.00	\$2,600.00	\$2,600.00	\$2,600.00	\$2,600.00	\$2,600.00	\$31,200.00
\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$19,200.00
<b>\$24,829.57</b>	<b>\$27,928.16</b>	<b>\$30,726.74</b>	<b>\$32,486.75</b>	<b>\$35,605.34</b>	<b>\$38,383.92</b>	<b>\$41,202.51</b>	<b>\$41,202.51</b>

November	December	January, 1999	February	March	April	May	Total
\$22,030.98	\$24,829.57	\$27,928.16	\$30,726.74	\$32,486.75	\$35,605.34	\$38,383.92	\$21,601.59
\$6,995.83	\$6,995.83	\$6,995.83	\$6,995.83	\$6,995.83	\$6,995.83	\$6,995.83	\$83,950.00
<b>\$29,026.82</b>	<b>\$31,825.40</b>	<b>\$34,923.99</b>	<b>\$37,722.58</b>	<b>\$39,482.58</b>	<b>\$42,601.17</b>	<b>\$45,379.76</b>	<b>\$105,551.59</b>





November	December	January, 1999	February	March	April	May	Total
							\$0.00
							\$1,500.00
							\$1,500.00
\$10.00	\$10.00	\$10.00	\$10.00	\$90.00	\$90.00	\$90.00	\$1,980.00
\$100.00	\$100.00	\$100.00			\$40.00		\$640.00
		\$300.00	\$300.00				\$600.00
\$139.92	\$139.92	\$139.92	\$139.92	\$139.92	\$139.92	\$139.92	\$1,679.00
\$300.00			\$300.00		\$300.00	\$300.00	\$1,290.00
\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00
\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$6,000.00
\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$3,700.00
\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00
\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$1,800.00
							\$1,000.00
\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$1,885.00
\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$420.00
\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$3,326.06
			\$838.58				\$6,838.58
\$3,815.87	\$3,815.87	\$3,815.87	\$3,815.87	\$3,815.87	\$3,815.87	\$3,815.87	\$45,790.44
<b>\$5,797.25</b>	<b>\$5,497.25</b>	<b>\$5,797.25</b>	<b>\$6,835.83</b>	<b>\$5,477.25</b>	<b>\$5,817.25</b>	<b>\$5,777.25</b>	<b>\$83,549.08</b>
\$2,600.00	\$2,600.00	\$2,600.00	\$2,600.00	\$2,600.00	\$2,600.00	\$2,600.00	\$31,200.00
\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000.00
\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$19,200.00
<b>\$24,829.57</b>	<b>\$27,928.16</b>	<b>\$30,726.74</b>	<b>\$32,486.75</b>	<b>\$35,605.34</b>	<b>\$38,383.92</b>	<b>\$41,202.51</b>	<b>\$41,202.51</b>

First Year: 4 rooms @ \$105 each, 20% Occupancy Rate

Personal Income (James' deductions cover Alexandria's taxes)				
James Net Income	\$2,538.35	\$2,538.35	\$2,538.35	\$2,538.35
Alexandria's Gross Income	\$600.00	\$600.00	\$600.00	\$600.00
<b>Total take-home income</b>	<b>\$3,138.35</b>	<b>\$3,138.35</b>	<b>\$3,138.35</b>	<b>\$3,138.35</b>

Personal Expenses (all other expenses are covered in the B&B operation)				
Auto upkeep	\$300.00	\$100.00	\$400.00	\$200.00
Pet upkeep	\$50.00	\$15.00	\$50.00	\$15.00
Food	\$200.00	\$200.00	\$200.00	\$200.00
<b>Total personal expenses</b>	<b>\$550.00</b>	<b>\$315.00</b>	<b>\$650.00</b>	<b>\$415.00</b>

<b>PERSONAL SURPLUS</b>	<b>\$2,588.35</b>	<b>\$2,823.35</b>	<b>\$2,488.35</b>	<b>\$2,723.35</b>
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B&B Income				
Percent Occupancy			45	25
Bed & Breakfast Stays	\$0.00	\$0.00	\$5,850.00	\$3,255.00
<b>Total Income</b>	<b>\$2,588.35</b>	<b>\$2,823.35</b>	<b>\$8,347.35</b>	<b>\$6,711.89</b>

Variable Expenses				
1 Wages	\$0.00	\$0.00	\$0.00	\$0.00
2 Advertising		\$25.00	\$25.00	\$10.00
3 Dues/Subscriptions		\$40.00		\$70.00
4 Bank Card Charges		\$0.00	\$117.18	\$65.10
5 Travel/Entertainment*				\$0.00
6 Telephone*		\$100.00	\$100.00	\$100.00
7 Utilities	\$372.59	\$376.07	\$336.39	\$325.46
8 Maintenance*		\$300.00	\$100.00	\$100.00
9 Housekeeping Supplies*	\$60.00	\$100.00	\$90.00	\$75.00
10 Food*			\$55.00	\$55.00
11 Linens/Blankets/towels				
12 Office Supplies*		\$32.00	\$32.00	\$32.00
13 Cable		\$30.00	\$30.00	\$30.00
<b>Sub-Total</b>	<b>\$432.59</b>	<b>\$806.07</b>	<b>\$685.57</b>	<b>\$523.46</b>

Fixed Expenses				
Accounting & Legal				
Insurance	\$431.00	\$211.46	\$211.46	\$211.46
Property Taxes			\$5,500.00	
Mortgage (A)	\$1,133.33	\$1,190.00	\$1,127.05	\$1,123.87
Loan (B)	\$562.51	\$528.85	\$543.09	\$533.26
<b>Sub-Total</b>	<b>\$2,126.86</b>	<b>\$1,894.51</b>	<b>\$7,381.60</b>	<b>\$1,868.59</b>
<b>Total Expenses</b>	<b>\$2,559.45</b>	<b>\$2,700.58</b>	<b>\$8,267.17</b>	<b>\$2,866.17</b>
<b>Net Profit (Loss)</b>	<b>\$28.90</b>	<b>\$122.77</b>	<b>\$80.18</b>	<b>\$1,512.18</b>

**Income Projection Year One - 1996 & 1997**

	June	July	August	September	October
<b>First Year: 4 rooms @ \$105 each, 20% Occupancy Rate</b>					
<b>Personal Income</b> (James' deductions cover Alexandria's taxes)					
James' Net Income	\$2,538.35	\$2,538.35	\$2,538.35	\$2,538.35	\$3,306.89
Alexandria's Gross Income	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00
<b>Total take-home income</b>	<b>\$3,138.35</b>	<b>\$3,138.35</b>	<b>\$3,138.35</b>	<b>\$3,138.35</b>	<b>\$3,906.89</b>
<b>Personal Expenses</b> (all other expenses are covered in the B&B operation)					
Auto upkeep	\$300.00	\$100.00	\$400.00	\$200.00	\$200.00
Pet upkeep	\$50.00	\$15.00	\$50.00	\$15.00	\$50.00
Food	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00
<b>Total personal expenses</b>	<b>\$550.00</b>	<b>\$315.00</b>	<b>\$650.00</b>	<b>\$415.00</b>	<b>\$450.00</b>
<b>PERSONAL SURPLUS</b>	<b>\$2,588.35</b>	<b>\$2,823.35</b>	<b>\$2,488.35</b>	<b>\$2,723.35</b>	<b>\$3,456.89</b>
<b>B&amp;B Income</b>					
Percent Occupancy			45	25	25
Bed & Breakfast Stays	\$0.00	\$0.00	\$5,859.00	\$3,255.00	\$3,255.00
<b>Total Income</b>	<b>\$2,588.35</b>	<b>\$2,823.35</b>	<b>\$8,347.35</b>	<b>\$5,978.35</b>	<b>\$6,711.89</b>
<b>Variable Expenses</b>					
1 Wages	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2 Advertising		\$25.00	\$25.00	\$85.00	\$10.00
3 Dues/Subscriptions		\$40.00		\$130.00	\$70.00
4 Bank Card Charges		\$0.00	\$117.18	\$65.10	\$65.10
5 Travel/Entertainment*					\$90.00
6 Telephone*		\$100.00	\$100.00	\$100.00	\$100.00
7 Utilities	\$372.59	\$379.07	\$336.39	\$325.48	\$326.95
8 Maintenance*		\$100.00	\$100.00	\$100.00	\$1,500.00
9 Housekeeping Supplies*	\$60.00	\$100.00	\$90.00	\$75.00	\$55.00
10 Food*			\$55.00	\$55.00	\$55.00
11 Linens/blankets/towels					
12 Office Supplies*		\$32.00	\$32.00	\$32.00	\$32.00
13 Cable		\$30.00	\$30.00	\$30.00	\$30.00
<b>Sub-Total</b>	<b>\$432.59</b>	<b>\$806.07</b>	<b>\$885.57</b>	<b>\$997.58</b>	<b>\$2,334.05</b>
<b>Fixed Expenses</b>					
Accounting & Legal Insurance	\$431.00	\$211.46	\$211.46	\$211.46	\$211.46
Property Taxes			\$5,500.00		
Mortgage (A)	\$1,133.33	\$1,130.20	\$1,127.05	\$1,123.87	\$1,120.67
Loan (B)	\$562.53	\$552.85	\$543.09	\$533.26	\$523.35
<b>Sub-Total</b>	<b>\$2,126.86</b>	<b>\$1,894.51</b>	<b>\$7,381.60</b>	<b>\$1,868.59</b>	<b>\$1,855.48</b>
<b>Total Expenses</b>	<b>\$2,559.45</b>	<b>\$2,700.58</b>	<b>\$8,267.17</b>	<b>\$2,866.17</b>	<b>\$4,189.53</b>
<b>Net Profit (Loss)</b>	<b>\$28.90</b>	<b>\$122.77</b>	<b>\$80.18</b>	<b>\$3,112.18</b>	<b>\$2,522.36</b>



November	December	January	February	March	April	May	First Year Total
\$2,586.89	\$2,586.89	\$2,586.89	\$2,586.89	\$2,586.89	\$2,586.89	\$2,586.89	\$31,568.52
\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$7,200.00
\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$38,768.52
\$200.00	\$200.00	\$200.00	\$200.00	\$100.00	\$500.00	\$200.00	\$2,800.00
\$15.00	\$50.00	\$25.00	\$50.00	\$25.00	\$100.00	\$25.00	\$470.00
\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$2,400.00
\$415.00	\$450.00	\$425.00	\$450.00	\$325.00	\$800.00	\$425.00	\$5,678.00
\$2,771.89	\$2,736.89	\$2,761.89	\$2,736.89	\$2,861.89	\$2,386.89	\$2,761.89	\$33,098.52
10	10	15	10	15	15	20	16
\$1,302.00	\$1,302.00	\$1,953.00	\$1,302.00	\$1,953.00	\$1,953.00	\$2,604.00	\$24,738.00
\$4,073.89	\$4,038.89	\$4,714.89	\$4,038.89	\$4,814.89	\$4,339.89	\$5,365.89	\$57,836.52
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$90.00	\$90.00	\$455.00
\$20.00	\$11.50	\$40.00			\$40.00		\$351.50
\$26.04	\$26.04	\$39.06	\$26.04	\$39.06	\$39.06	\$52.08	\$494.76
\$90.00					\$90.00	\$90.00	\$360.00
\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,100.00
\$375.44	\$387.41	\$423.34	\$446.57	\$440.61	\$393.01	\$357.54	\$4,564.40
\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$2,500.00
\$50.00	\$30.00	\$6.00	\$20.00	\$40.00	\$50.00	\$50.00	\$626.00
\$55.00	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00	\$550.00
\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$352.00
\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$330.00
\$888.48	\$783.55	\$835.40	\$819.61	\$926.67	\$2,019.97	\$896.62	\$11,683.66
\$211.40	\$211.40	\$211.40	\$211.40	\$211.40	\$211.40	\$211.40	\$1,691.12
\$1,117.45	\$1,114.20	\$1,110.93	\$1,107.64	\$1,104.31	\$1,100.99	\$1,097.67	\$12,348.29
\$513.36	\$501.29	\$493.14	\$482.92	\$472.61	\$462.22	\$451.74	\$4,604.38
\$1,842.27	\$1,828.95	\$1,815.93	\$1,804.60	\$1,798.69	\$1,774.67	\$1,760.83	\$28,978.29
\$2,710.75	\$2,619.99	\$2,859.93	\$3,608.21	\$2,715.97	\$2,705.74	\$2,717.45	\$40,661.91
\$1,343.14	\$1,427.99	\$1,863.96	\$378.68	\$1,099.82	\$1,546.15	\$2,448.44	\$17,174.57

November	December	January	February	March	April	May	First Year total
\$2,586.89	\$2,586.89	\$2,586.89	\$2,586.89	\$2,586.89	\$2,586.89	\$2,586.89	\$31,568.52
\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$7,200.00
\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$3,186.89	\$38,768.52
\$200.00	\$200.00	\$200.00	\$200.00	\$100.00	\$500.00	\$200.00	\$2,800.00
\$15.00	\$50.00	\$25.00	\$50.00	\$25.00	\$100.00	\$25.00	\$470.00
\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$2,400.00
\$415.00	\$450.00	\$425.00	\$450.00	\$325.00	\$800.00	\$425.00	\$5,670.00
\$2,771.89	\$2,736.89	\$2,761.89	\$2,736.89	\$2,861.89	\$2,386.89	\$2,761.89	\$33,098.52
10	10	15	10	15	15	20	16
\$1,302.00	\$1,302.00	\$1,953.00	\$1,302.00	\$1,953.00	\$1,953.00	\$2,604.00	\$24,738.00
\$4,073.89	\$4,038.89	\$4,714.89	\$4,038.89	\$4,814.89	\$4,339.89	\$5,365.89	\$57,836.52
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$10.00	\$10.00	\$10.00	\$10.00	\$90.00	\$90.00	\$90.00	\$455.00
\$20.00	\$11.50	\$40.00			\$40.00		\$351.50
\$26.04	\$26.04	\$39.06	\$26.04	\$39.06	\$39.06	\$52.08	\$494.76
\$90.00					\$90.00	\$90.00	\$360.00
\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$1,100.00
\$375.44	\$387.41	\$423.34	\$446.57	\$440.61	\$393.01	\$357.54	\$4,564.40
\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$2,500.00
\$50.00	\$30.00	\$6.00	\$20.00	\$40.00	\$50.00	\$50.00	\$626.00
\$55.00	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00	\$550.00
							\$0.00
\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00	\$352.00
\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$330.00



November	December	January	February	March	April	May	First Year total
\$888.48	\$781.95	\$835.40	\$819.61	\$926.67	\$1,019.07	\$956.62	\$11,683.66
		\$200.00	\$200.00				\$400.00
\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$211.46	\$2,757.06
			\$838.58				\$6,338.58
\$1,117.45	\$1,114.20	\$1,110.93	\$1,107.64	\$1,104.33	\$1,100.99	\$1,097.63	\$13,388.29
\$513.36	\$503.29	\$493.14	\$482.92	\$472.61	\$462.22	\$451.74	\$6,094.36
\$1,842.27	\$1,828.95	\$2,015.53	\$2,840.60	\$1,788.40	\$1,774.67	\$1,760.83	\$28,978.29
\$2,730.75	\$2,610.90	\$2,850.93	\$3,660.21	\$2,715.07	\$2,793.74	\$2,717.45	\$40,661.95
<b>\$1,343.14</b>	<b>\$1,427.99</b>	<b>\$1,863.96</b>	<b>\$378.68</b>	<b>\$2,099.82</b>	<b>\$1,546.15</b>	<b>\$2,648.44</b>	<b>\$17,174.57</b>

A) \$160,000@ 8.5%, 15 Yr.

B) \$85,000@ 9.5%, 5 Yr.

## NOTES FOR VARIABLE EXPENSES

\* Costs from "Developing a Bed & Breakfast Business Plan", 1989, North Central Regional Extension Publication 273, Appendix O

2. Costs based on above study and Public Radio Sponsors
3. Chamber of Commerce and Lake to Lake B&B dues, 2 magazines
4. 2% of B & B Income, assumes 100% credit card use by customers
7. Previous owner's actual costs from 11/94 to 10/95
11. Windows cleaned

## Balance Sheet

### ASSETS:

<u>Cash on Hand</u>	
Wolfsted's Joint Savings: Munising First Federal Credit Union	\$95,062.18
Wolfsted's Joint Checking Munising First Federal Credit Union	\$52.15
James' Savings: MFC First National Bank	\$507.47
James' Savings: State Employees Credit Union	\$4,517.97
James' Checking: State Employees Credit Union	\$39.50
Clean For A Day Savings: MFC First National Bank	\$4,745.30
Clean For A Day Checking: MFC First National Bank	\$344.43

**Subtotal** \$105,269.00

Newly purchased Pentium computer w/ printer	\$3,500.00
1991 SAAB900S4Door	\$12,250.00
1984 Honda Accord Hatchback 3 Door	\$1,650.00
Cash Value - James' Life Ins. Policy John Hancock	\$2,567.68
James' Deferred Comp. - Putnam Investments (as of 3/31/96)	\$29,176.12
James' Deferred Comp. - Other (457) (Estimated as of 4/18/96)	\$30,780.00
Market Value on 825 N. Watson, Munising	\$82,000.00

**TOTAL ASSETS** \$267,192.80

### LIABILITIES:

MFC First National Mortgage on 825 N. Watson	\$52,342.00
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**TOTAL LIABILITIES** \$52,342.00

**BALANCE** \$214,850.80

### ASSETS:

Cash on Hand

Wolfsted's Joint Savings: Munising First Federal Credit Union \$95,062.18

Wolfsted's Joint Checking Munising First Federal Credit Union \$52.15

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



James' Savings: MFC First National Bank	\$507.47
James' Savings: State Employees Credit Union	\$4,517.97
James' Checking: State Employees Credit Union	\$39.50
Clean For A Day Savings: MFC First National Bank	\$4,745.30
Clean For A Day Checking: MFC First National Bank	\$344.43
<b>Subtotal</b>	<b>\$105,269.00</b>
Newly purchased Pentium computer w/printer	\$3,500.00
1991 SAAB900S 4 Door	\$12,250.00
1984 Honda Accord Hatchback 3 Door	\$1,650.00
Cash Value - James' Life Ins. Policy John Hancock	\$2,567.68
James' Deferred Comp. - Putnam Investments (as of 3/31/96)	\$29,176.12
James' Deferred Comp. - Other (457) (Estimated as of 4/18/96)	\$30,780.00
Market Value on 825 N. Watson, Munising	\$82,000.00
<b>TOTAL ASSETS</b>	<b>\$267,192.80</b>
<b>LIABILITIES:</b>	
MFC First National Mortgage on 825 N. Watson	\$52,342.00
<b>TOTAL LIABILITIES</b>	<b>\$52,342.00</b>
<b>BALANCE</b>	<b>\$214,850.80</b>