

SCORE Financial Projection Model

Please read this entire page before you do anything else

This spreadsheet walks you through the process of developing an integrated set of financial projections.

To use this model, simply complete any information asked for found in the color yellow.

Example: Fill in boxes that look like th

A number found in the color green is optional information that you can complete.

Example: Check these assumptions

Otherwise, any information found in black type is automatically calculated for you.

Although the cells that are calculated are locked (or protected), you can turn off this protection to modify the sheets.

To do this, select "Tools" from the menu bar at the top of the screen. Then select, "Protection."

Finally, select "Unprotect Sheet" and you will be able to edit any labels or formulas.

Before you begin, we need some information about your business to best customize your financial statements.

Please enter the name of your business in the box below:

The first six worksheets in this workbook are steps you will need to complete. They are titled:

1. Required Start-Up Funds
2. Salaries and Wages
3. Fixed Operating Expenses
4. & 5. Projected Sales Forecast (2 sheets)
6. Cash Receipts and Disbursements

[Begin by clicking on the tabs below](#)

Ann's Nursery

Required Start-Up Funds for a New Business or Opening Balance Sheet for an Existing Business

Required Start-Up Funds	Amount	Totals	Depreciation	Notes
Fixed Assets				
Real Estate-Land	\$ 100,000			
Buildings	30,000		20.00 years	
Leasehold Improvements	15,000		7.00 years	
Equipment	5,000		7.00 years	
Furniture and Fixtures	2,000		5.00 years	
Vehicles	20,000		5.00 years	
Other Fixed Assets	-		5.00 years	
Total Fixed Assets		<u>172,000</u>		
Operating Capital				
Pre-Opening Salaries and Wages	-			
Prepaid Insurance Premiums	2,500			
Inventory	30,000			
Legal and Accounting Fees	3,000			
Rent Deposits	-			
Utility Deposits	300			
Supplies	1,000			
Advertising and Promotions	2,000			
Licenses	-			
Other Initial Start-Up Costs	-			
Working Capital (Cash On Hand)	3,000			
Total Operating Capital		<u>41,800</u>		
				For existing businesses = Cash+Ppd Exp+A/R-A/P-Accrd Exp <u>See Note below#</u>
Total Required Funds		<u>\$ 213,800</u>		

Sources of Funding	Amount	Totals	Loan Rate	Term in Months	Monthly Payments
Owner's Equity	53.79%	115,000			
Outside Investors	0.00%	-			
Additional Loans or Debt					
Commercial Loan	15.81%	33,800	9.00%	84.00	\$543.81
Commercial Mortgage	23.39%	50,000	9.00%	240.00	\$449.86
Credit Card Debt	0.00%	-	7.00%	60.00	\$0.00
Vehicle Loans	7.02%	15,000	6.00%	48.00	\$352.28
Other Bank Debt	0.00%	-	5.00%	36.00	\$0.00
Total Sources of Funding	100.00%	<u>\$ 213,800</u>			<u>\$1,345.95</u>

A line of credit is also required in the amount of **\$ 60,509**

Note#: For existing businesses, this should be the "bucket" of cash plus receivables that will be turned into cash or payables paid out in cash in the near term (i.e. in the first month of the plan)

**Anns Nursery
Salaries and Wages**

Salaries and Related Expenses	#	Assumptions	Wage Base	<u>Monthly</u>	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>
Percent Change						20.00%	30.00%
Salaries and Wages							
Owner's Compensation	1		\$	4,000	48,000	57,600	74,880
Salaries	3			3,000	36,000	43,200	56,160
Wages							
Full-Time Employees	0			-	-	-	-
Estimated Hours Per Week		40.00					
Estimated Rate Per Hour		\$ 9.00					
Part-Time Employees	0			-	-	-	-
Estimated Hours Per Week		20.00					
Estimated Rate Per Hour		\$ 9.00					
Independent Contractors				-	-	-	-
Total Salaries and Wages	4			<u>7,000</u>	<u>84,000</u>	<u>100,800</u>	<u>131,040</u>
Payroll Taxes and Benefits							
Social Security		6.20%	\$ 102,000	434	5,208	6,250	8,124
Medicare		1.45%		102	1,218	1,462	1,900
Federal Unemployment Tax (FUTA)		0.80%	\$ 7,000	19	224	224	224
State Unemployment Tax (SUTA)		3.45%	\$ 7,000	81	966	966	966
Employee Pension Programs		2.85%		200	2,394	2,394	2,394
Worker's Compensation		0.00%		-	-	-	-
Employee Health Insurance		0.00%		-	-	-	-
Other Employee Benefit Programs		0.00%		-	-	-	-
Total Payroll Taxes and Benefits				<u>834</u>	<u>10,010</u>	<u>11,295</u>	<u>13,609</u>
Total Salaries and Related Expenses				<u><u>7,834</u></u>	<u><u>94,010</u></u>	<u><u>112,095</u></u>	<u><u>144,649</u></u>

**Anns Nursery
Fixed Operating Expenses**

Fixed Operating Expenses	Monthly	Year One	Year Two	Year Three	Notes
Percent Change			15.00%	15.00%	
Expenses					
Advertising	\$ 600	7,200	8,280	9,522	
Car and Truck Expenses	800	9,600	11,040	12,696	
Bank & Merchant Fees	-	-	-	-	
Contract Labor	-	-	-	-	
Conferences & Seminars	100	1,200	1,380	1,587	
Customer Discounts and Refunds	-	-	-	-	
Dues and Subscriptions	-	-	-	-	
Miscellaneous	-	-	-	-	
Insurance (Liability and Property)	400	4,800	5,520	6,348	
Licenses/Fees/Permits	-	-	-	-	
Legal and Professional Fees	150	1,800	2,070	2,381	
Office Expenses & Supplies	200	2,400	2,760	3,174	
Postage and Delivery	100	1,200	1,380	1,587	
Rent (on business property)	300	3,600	4,140	4,761	
Rent of Vehicles and Equipment	200	2,400	2,760	3,174	
Sales & Marketing	300	3,600	4,140	4,761	
Taxes-Other	200	2,400	2,760	3,174	
Telephone and Communications	250	3,000	3,450	3,968	
Travel	200	2,400	2,760	3,174	
Utilities	500	6,000	6,900	7,935	
Total Expenses	4,300	51,600	59,340	68,241	
Other Expenses					
Depreciation	730	8,757	8,757	8,757	
Interest					
Commercial Loan	241	2,895	2,554	2,181	
Commercial Mortgage	372	4,462	4,374	4,278	
Line of Credit	212	2,548	-	-	
Credit Card Debt	-	-	-	-	
Vehicle Loans	67	807	596	372	
Other Bank Debt	-	-	-	-	
Total Other Expenses	1,622	19,469	16,281	15,589	
Total Fixed Operating Expenses	5,922	71,069	75,621	83,830	

**Anns Nursery
Cash Receipts and Disbursements**

Accounts Receivable Collections

Percent of Collections

0 to 30 days	30.00%
31 to 60 days	30.00%
More than 60 days	40.00%
Total Collections Percentage	<u>100.00%</u>

Accounts Payable Disbursements

Number of Days to Pay Suppliers

0 to 30 days	0.00%
31 to 60 days	100.00%
More than 60 days	0.00%
Total Disbursements Percentage	<u>100.00%</u>

Line of Credit Assumptions

Desired Minimum Cash Balance	\$	3,000.00
Line of Credit Interest Rate		8.00%

Income Tax Assumptions

Effective Income Tax Rate	20.00%
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Amortization of Start-Up Expenses

Amortization Period in Years	3.00
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2,933	244
-	-
	244

**Anns Nursery
Projected Income Statement - Year One**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Income													
Local Nursery Plant mix	10,000	10,000	10,000	20,000	40,000	40,000	10,000	40,000	30,000	20,000	10,000	10,000	250,000
Web Gardner Plant Mix	-	-	-	-	5,000	2,000	2,000	3,000	10,000	10,000	20,000	5,000	57,000
Distant Nursery Plant Mix	-	-	-	-	-	-	-	-	5,000	5,000	20,000	10,000	40,000
Total Income	10,000	10,000	10,000	20,000	45,000	42,000	12,000	43,000	45,000	35,000	50,000	25,000	347,000
Cost of Sales													
Local Nursery Plant mix	5,500	5,500	5,500	11,000	22,000	22,000	5,500	22,000	16,500	11,000	5,500	5,500	137,500
Web Gardner Plant Mix	-	-	-	-	3,000	1,200	1,200	1,800	6,000	6,000	12,000	3,000	34,200
Distant Nursery Plant Mix	-	-	-	-	-	-	-	-	3,000	3,000	12,000	6,000	24,000
Total Cost of Sales	5,500	5,500	5,500	11,000	25,000	23,200	6,700	23,800	25,500	20,000	29,500	14,500	195,700
Gross Margin	4,500	4,500	4,500	9,000	20,000	18,800	5,300	19,200	19,500	15,000	20,500	10,500	151,300
Total Salary and Wages	7,834	7,834	7,834	7,834	7,834	7,834	7,834	7,834	7,834	7,834	7,834	7,834	94,010
Fixed Business Expenses													
Advertising	600	600	600	600	600	600	600	600	600	600	600	600	7,200
Car and Truck Expenses	800	800	800	800	800	800	800	800	800	800	800	800	9,600
Bank & Merchant Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
Conferences & Seminars	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Customer Discounts and Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance (Liability and Property)	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Licenses/Fees/Permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal and Professional Fees	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Office Expenses & Supplies	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Postage and Delivery	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Rent (on business property)	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Rent of Vehicles and Equipment	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Sales & Marketing	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Taxes-Other	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Telephone and Communications	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Travel	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Utilities	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Total Fixed Business Expenses	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	51,600
Other Expenses													
Amortized Start-up Expenses	244	244	244	244	244	244	244	244	244	244	244	244	2,933
Depreciation	730	730	730	730	730	730	730	730	730	730	730	730	8,757
Interest													
Commercial Loan	254	251	249	247	245	242	240	238	236	233	231	229	2,895
Commercial Mortgage	375	374	374	373	373	372	372	371	370	370	369	369	4,462

**Anns Nursery
Projected Income Statement - Year One**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Line of Credit	-	70	157	218	259	267	298	317	232	274	261	196	2,548
Credit Card Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Loans	75	74	72	71	69	68	67	65	64	62	61	59	807
Other Bank Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Expenses	1,678	1,743	1,826	1,883	1,920	1,924	1,951	1,965	1,875	1,913	1,896	1,826	22,402
Net Income	(9,312)	(9,378)	(9,460)	(5,017)	5,946	4,742	(8,785)	5,101	5,490	953	6,470	(3,461)	(16,712)

**Anns Nursery
Projected Cash Flow Statement - Year One**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Beginning Cash Balance	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,003	3,000	3,046	3,005	
Cash Inflows													
Income from Sales	3,000	3,000	3,000	6,000	13,500	12,600	3,600	12,900	13,500	10,500	15,000	7,500	104,100
Accounts Receivable	-	3,000	7,000	7,000	10,000	21,500	30,600	20,400	17,700	30,700	28,500	29,000	205,400
Total Cash Inflows	3,000	6,000	10,000	13,000	23,500	34,100	34,200	33,300	31,200	41,200	43,500	36,500	309,500
Cash Outflows													
Investing Activities													
New Fixed Assets Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory Addition to Bal.Sheet	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Sales	-	5,500	5,500	5,500	11,000	25,000	23,200	6,700	23,800	25,500	20,000	29,500	181,200
Operating Activities													
Salaries and Wages	7,834	7,834	7,834	7,834	7,834	7,834	7,834	7,834	7,834	7,834	7,834	7,834	94,010
Fixed Business Expenses	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	51,600
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Activities													
Loan Payments	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	16,151
Line of Credit Interest	-	70	157	218	259	267	298	317	232	274	261	196	2,548
Line of Credit Repayments	-	-	-	-	-	-	-	12,800	-	1,900	9,800	-	-
Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Outflows	13,480	19,050	19,137	19,198	24,739	38,747	36,978	33,297	37,512	41,154	43,541	43,176	345,509
Cash Flow	(10,480)	(13,050)	(9,137)	(6,198)	(1,239)	(4,647)	(2,778)	3	(6,312)	46	(41)	(6,676)	(36,009)
Operating Cash Balance	(7,480)	(10,050)	(6,137)	(3,198)	1,761	(1,647)	222	3,003	(3,309)	3,046	3,005	(3,670)	
Line of Credit Drawdowns	10,480	13,050	9,137	6,198	1,239	4,647	2,778	-	6,309	-	-	6,670	60,509
Ending Cash Balance	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,003	3,000	3,046	3,005	3,000	
Line of Credit Balance	10,480	23,530	32,667	38,865	40,104	44,752	47,530	34,730	41,039	39,139	29,339	36,009	

**Anns Nursery
Balance Sheet - Year One**

	<u>Base Period</u>	<u>End of Year One</u>
Assets		
Current Assets		
Cash	3,000	3,000
Accounts Receivable	-	37,500
Inventory	30,000	30,000
Prepaid Expenses	8,800	5,867
Other Current	-	-
Total Current Assets	<u>41,800</u>	<u>76,367</u>
Fixed Assets		
Real Estate-Land	100,000	100,000
Buildings	30,000	30,000
Leasehold Improvements	15,000	15,000
Equipment	5,000	5,000
Furniture and Fixtures	2,000	2,000
Vehicles	20,000	20,000
Other Fixed Assets	-	-
Total Fixed Assets	<u>172,000</u>	<u>172,000</u>
Less: Accumulated Depreciation	-	8,757
Total Assets	<u><u>213,800</u></u>	<u><u>239,609</u></u>
Liabilities and Owner's Equity		
Liabilities		
Accounts Payable	-	14,500
Loan Payable	33,800	30,169
Mortgage Payable	50,000	49,064
Credit Card Debt	-	-
Vehicle Loans	15,000	11,580
Other Bank Debt	-	-
Line of Credit Balance	-	36,009
Total Liabilities	<u>98,800</u>	<u>141,321</u>
Owner's Equity		
Common Stock	115,000	115,000
Retained Earnings	-	(16,712)
Dividends Dispersed	-	-
Total Owner's Equity	<u>115,000</u>	<u>98,288</u>
Total Liabilities and Owner's Equity	<u><u>213,800</u></u>	<u><u>239,609</u></u>

Statement Balances

Statement Balances

**Anns Nursery
Year End Summary**

	<u>Year One</u>	%	<u>Year Two</u>	%	<u>Year Three</u>	%
Income						
Local Nursery Plant mix	250,000		290,000		410,000	
Web Gardner Plant Mix	57,000		118,000		190,000	
Distant Nursery Plant Mix	40,000		75,000		110,000	
	-		-		-	
Total Income	<u>347,000</u>	100.00%	<u>483,000</u>	100.00%	<u>710,000</u>	100.00%
Cost of Sales						
Local Nursery Plant mix	137,500		159,500		225,500	
Web Gardner Plant Mix	34,200		70,800		114,000	
Distant Nursery Plant Mix	24,000		45,000		66,000	
	-		-		-	
Total Cost of Sales	<u>195,700</u>	56.40%	<u>275,300</u>	57.00%	<u>405,500</u>	57.11%
Gross Margin	<u>151,300</u>	43.60%	<u>207,700</u>	43.00%	<u>304,500</u>	42.89%
Total Salary and Wages	94,010	27.09%	112,095	23.21%	144,649	20.37%
Fixed Business Expenses						
Advertising	7,200		8,280		9,522	
Car and Truck Expenses	9,600		11,040		12,696	
Bank & Merchant Fees	-		-		-	
Contract Labor	-		-		-	
Conferences & Seminars	1,200		1,380		1,587	
Customer Discounts and Refunds	-		-		-	
Dues and Subscriptions	-		-		-	
Miscellaneous	-		-		-	
Insurance (Liability and Property)	4,800		5,520		6,348	
Licenses/Fees/Permits	-		-		-	
Legal and Professional Fees	1,800		2,070		2,381	
Office Expenses & Supplies	2,400		2,760		3,174	
Postage and Delivery	1,200		1,380		1,587	
Rent (on business property)	3,600		4,140		4,761	
Rent of Vehicles and Equipment	2,400		2,760		3,174	
Sales & Marketing	3,600		4,140		4,761	
Taxes-Other	2,400		2,760		3,174	
Telephone and Communications	3,000		3,450		3,968	
Travel	2,400		2,760		3,174	
Utilities	6,000		6,900		7,935	
Total Fixed Business Expenses	<u>51,600</u>	14.87%	<u>59,340</u>	12.29%	<u>68,241</u>	9.61%
Operating Income (before Other Expenses) [EBITDA]	5,690	1.64%	36,265	7.51%	91,610	12.90%
Other Expenses						
Amortized Start-up Expenses	2,933		2,933		2,933	
Depreciation	8,757		8,757		8,757	

**Anns Nursery
Year End Summary**

	<u>Year One</u>	%	<u>Year Two</u>	%	<u>Year Three</u>	%
Interest						
Commercial Loan	2,895		2,554		2,181	
Commercial Mortgage	4,462		4,374		4,278	
Line of Credit	2,548		2,346	-	1,092	
Credit Card Debt	-		-		-	
Vehicle Loans	807		596		372	
Other Bank Debt	-		-		-	
Taxes	-		3,647		15,060	
Total Other Expenses	<u>22,402</u>	6.46%	<u>25,208</u>	5.22%	<u>34,674</u>	4.88%
Net Income	<u>(16,712)</u>	-4.82%	<u>11,057</u>	2.29%	<u>56,936</u>	8.02%

**Anns Nursery
Projected Income Statement - Year Two**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Income													
Local Nursery Plant mix	10,000	30,000	40,000	60,000	20,000	10,000	20,000	30,000	30,000	20,000	10,000	10,000	290,000
Web Gardner Plant Mix	5,000	10,000	15,000	20,000	15,000	5,000	3,000	5,000	20,000	10,000	5,000	5,000	118,000
Distant Nursery Plant Mix	5,000	5,000	10,000	5,000	5,000	5,000	5,000	15,000	15,000	5,000	-	-	75,000
Total Income	20,000	45,000	65,000	85,000	40,000	20,000	28,000	50,000	65,000	35,000	15,000	15,000	483,000
Cost of Sales													
Local Nursery Plant mix	5,500	16,500	22,000	33,000	11,000	5,500	11,000	16,500	16,500	11,000	5,500	5,500	159,500
Web Gardner Plant Mix	3,000	6,000	9,000	12,000	9,000	3,000	1,800	3,000	12,000	6,000	3,000	3,000	70,800
Distant Nursery Plant Mix	3,000	3,000	6,000	3,000	3,000	3,000	3,000	9,000	9,000	3,000	-	-	45,000
Total Cost of Sales	11,500	25,500	37,000	48,000	23,000	11,500	15,800	28,500	37,500	20,000	8,500	8,500	275,300
Gross Margin	8,500	19,500	28,000	37,000	17,000	8,500	12,200	21,500	27,500	15,000	6,500	6,500	207,700
Total Salary and Wages	9,341	9,341	9,341	9,341	9,341	9,341	9,341	9,341	9,341	9,341	9,341	9,341	112,095
Fixed Business Expenses													
Advertising	690	690	690	690	690	690	690	690	690	690	690	690	8,280
Car and Truck Expenses	920	920	920	920	920	920	920	920	920	920	920	920	11,040
Bank & Merchant Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
Conferences & Seminars	115	115	115	115	115	115	115	115	115	115	115	115	1,380
Customer Discounts and Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance (Liability and Property)	460	460	460	460	460	460	460	460	460	460	460	460	5,520
Licenses/Fees/Permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal and Professional Fees	173	173	173	173	173	173	173	173	173	173	173	173	2,070
Office Expenses & Supplies	230	230	230	230	230	230	230	230	230	230	230	230	2,760
Postage and Delivery	115	115	115	115	115	115	115	115	115	115	115	115	1,380
Rent (on business property)	345	345	345	345	345	345	345	345	345	345	345	345	4,140
Rent of Vehicles and Equipment	230	230	230	230	230	230	230	230	230	230	230	230	2,760
Sales & Marketing	345	345	345	345	345	345	345	345	345	345	345	345	4,140
Taxes-Other	230	230	230	230	230	230	230	230	230	230	230	230	2,760
Telephone and Communications	288	288	288	288	288	288	288	288	288	288	288	288	3,450
Travel	230	230	230	230	230	230	230	230	230	230	230	230	2,760
Utilities	575	575	575	575	575	575	575	575	575	575	575	575	6,900
Total Fixed Business Expenses	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	59,340
Other Expenses													
Amortized Start-up Expenses	244	244	244	244	244	244	244	244	244	244	244	244	2,933
Depreciation	730	730	730	730	730	730	730	730	730	730	730	730	8,757
Interest													
Commercial Loan	226	224	221	219	217	214	212	209	207	204	202	199	2,554
Commercial Mortgage	368	367	367	366	365	365	364	364	363	362	362	361	4,374

**Anns Nursery
Projected Income Statement - Year Two**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Line of Credit	240	253	272	286	219	221	153	133	133	143	164	130	2,346
Credit Card Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Loans	58	56	55	53	52	50	49	47	46	44	43	41	596
Other Bank Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	1,683	4,223	237	(1,463)	(709)	1,156	2,356	(145)	(1,849)	(1,841)	3,647
Total Other Expenses	1,866	1,874	3,572	6,121	2,064	361	1,043	2,883	4,079	1,583	(104)	(136)	25,208
Net Income	(7,653)	3,339	10,142	16,593	650	(6,148)	(3,130)	4,331	9,134	(869)	(7,682)	(7,650)	11,057

**Anns Nursery
Projected Cash Flow Statement - Year Two**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Beginning Cash Balance	3,000	3,000	3,000	3,000	3,082	3,000	3,051	3,065	3,000	3,000	3,000	3,003	
Cash Inflows													
Income from Sales	6,000	13,500	19,500	25,500	12,000	6,000	8,400	15,000	19,500	10,500	4,500	4,500	144,900
Accounts Receivable	27,500	16,000	21,500	37,500	51,500	46,000	22,000	16,400	26,200	39,500	36,500	18,500	359,100
Total Cash Inflows	33,500	29,500	41,000	63,000	63,500	52,000	30,400	31,400	45,700	50,000	41,000	23,000	504,000
Cash Outflows													
Investing Activities													
New Fixed Assets Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory Addition to Bal. She	5,000	5,000	-	-	-	-	-	-	-	-	-	-	10,000
Cost of Sales	14,500	11,500	25,500	37,000	48,000	23,000	11,500	15,800	28,500	37,500	20,000	8,500	281,300
Operating Activities													
Salaries and Wages	9,341	9,341	9,341	9,341	9,341	9,341	9,341	9,341	9,341	9,341	9,341	9,341	112,095
Fixed Business Expenses	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	59,340
Taxes	-	-	1,683	-	-	2,996	-	-	2,803	-	-	(3,835)	3,647
Financing Activities													
Loan Payments	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	16,151
Line of Credit Interest	240	253	272	286	219	221	153	133	133	143	164	130	2,346
Line of Credit Repayments	-	-	-	10,000	-	10,100	3,100	-	-	-	5,200	2,500	30,900
Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Outflows	35,372	32,385	43,087	62,918	63,851	51,949	30,386	31,565	47,068	53,275	40,997	22,927	515,780
Cash Flow	(1,872)	(2,885)	(2,087)	82	(351)	51	14	(165)	(1,368)	(3,275)	3	73	(11,780)
Operating Cash Balance	1,128	115	913	3,082	2,731	3,051	3,065	2,900	1,632	(275)	3,003	3,076	
Line of Credit Drawdowns	1,872	2,885	2,087	-	269	-	-	100	1,368	3,275	-	-	11,856
Ending Cash Balance	3,000	3,000	3,000	3,082	3,000	3,051	3,065	3,000	3,000	3,000	3,003	3,076	
Line of Credit Balance	37,881	40,766	42,853	32,853	33,122	23,022	19,922	20,022	21,390	24,665	19,465	16,965	

**Anns Nursery
Balance Sheet - Year Two**

	<u>End of Year One</u>	<u>End of Year Two</u>
Assets		
Current Assets		
Cash	3,000	3,076
Accounts Receivable	37,500	16,500
Inventory	30,000	40,000
Prepaid Expenses	5,867	2,933
Other Current	-	-
Total Current Assets	<u>76,367</u>	<u>62,510</u>
Fixed Assets		
Real Estate-Land	100,000	100,000
Buildings	30,000	30,000
Leasehold Improvements	15,000	15,000
Equipment	5,000	5,000
Furniture and Fixtures	2,000	2,000
Vehicles	20,000	20,000
Other Fixed Assets	-	-
Total Fixed Assets	<u>172,000</u>	<u>172,000</u>
Less: Accumulated Depreciation	8,757	17,514
Total Assets	<u><u>239,609</u></u>	<u><u>216,995</u></u>
Liabilities and Owner's Equity		
Liabilities		
Accounts Payable	14,500	8,500
Notes Payable	30,169	26,197
Mortgage Payable	49,064	48,039
Credit Card Debt	-	-
Vehicle Loans	11,580	7,948
Other Bank Debt	-	-
Line of Credit Balance	36,009	16,965
Total Liabilities	<u>141,321</u>	<u>107,650</u>
Owner's Equity		
Common Stock	115,000	115,000
Retained Earnings	(16,712)	(5,655)
Dividends Dispersed	-	-
Total Owner's Equity	<u>98,288</u>	<u>109,345</u>
Total Liabilities and Owner's Equity	<u><u>239,609</u></u>	<u><u>216,995</u></u>

Statement Balances

Statement Balances

**Anns Nursery
Projected Income Statement - Year Three**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Income													
Local Nursery Plant mix	10,000	40,000	60,000	80,000	40,000	20,000	20,000	40,000	60,000	20,000	10,000	10,000	410,000
Web Gardner Plant Mix	5,000	20,000	30,000	30,000	20,000	20,000	10,000	20,000	15,000	10,000	5,000	5,000	190,000
Distant Nursery Plant Mix	5,000	5,000	20,000	10,000	10,000	10,000	5,000	15,000	15,000	5,000	5,000	5,000	110,000
Total Income	20,000	65,000	110,000	120,000	70,000	50,000	35,000	75,000	90,000	35,000	20,000	20,000	710,000
Cost of Sales													
Local Nursery Plant mix	5,500	22,000	33,000	44,000	22,000	11,000	11,000	22,000	33,000	11,000	5,500	5,500	225,500
Web Gardner Plant Mix	3,000	12,000	18,000	18,000	12,000	12,000	6,000	12,000	9,000	6,000	3,000	3,000	114,000
Distant Nursery Plant Mix	3,000	3,000	12,000	6,000	6,000	6,000	3,000	9,000	9,000	3,000	3,000	3,000	66,000
Total Cost of Sales	11,500	37,000	63,000	68,000	40,000	29,000	20,000	43,000	51,000	20,000	11,500	11,500	405,500
Gross Margin	8,500	28,000	47,000	52,000	30,000	21,000	15,000	32,000	39,000	15,000	8,500	8,500	304,500
Total Salary and Wages	12,054	12,054	12,054	12,054	12,054	12,054	12,054	12,054	12,054	12,054	12,054	12,054	144,649
Fixed Business Expenses													
Advertising	794	794	794	794	794	794	794	794	794	794	794	794	9,522
Car and Truck Expenses	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	12,696
Bank & Merchant Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
Conferences & Seminars	132	132	132	132	132	132	132	132	132	132	132	132	1,587
Customer Discounts and Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance (Liability and Property)	529	529	529	529	529	529	529	529	529	529	529	529	6,348
Licenses/Fees/Permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal and Professional Fees	198	198	198	198	198	198	198	198	198	198	198	198	2,381
Office Expenses & Supplies	265	265	265	265	265	265	265	265	265	265	265	265	3,174
Postage and Delivery	132	132	132	132	132	132	132	132	132	132	132	132	1,587
Rent (on business property)	397	397	397	397	397	397	397	397	397	397	397	397	4,761
Rent of Vehicles and Equipment	265	265	265	265	265	265	265	265	265	265	265	265	3,174
Sales & Marketing	397	397	397	397	397	397	397	397	397	397	397	397	4,761
Taxes-Other	265	265	265	265	265	265	265	265	265	265	265	265	3,174
Telephone and Communications	331	331	331	331	331	331	331	331	331	331	331	331	3,968
Travel	265	265	265	265	265	265	265	265	265	265	265	265	3,174
Utilities	661	661	661	661	661	661	661	661	661	661	661	661	7,935
Total Fixed Business Expenses	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	5,687	68,241
Other Expenses													
Amortized Start-up Expenses	244	244	244	244	244	244	244	244	244	244	244	244	2,933
Depreciation	730	730	730	730	730	730	730	730	730	730	730	730	8,757
Interest													
Commercial Loan	196	194	191	189	186	183	181	178	175	172	170	167	2,181
Commercial Mortgage	360	360	359	358	358	357	356	355	355	354	353	353	4,278

**Anns Nursery
Projected Income Statement - Year Three**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Line of Credit	113	221	249	256	172	81	0	0	0	0	0	0	1,092
Credit Card Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Loans	40	38	37	35	33	32	30	29	27	25	24	22	372
Other Bank Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	5,169	6,545	2,163	382	(801)	2,599	4,000	(799)	(2,099)	(2,098)	15,060
Total Other Expenses	1,684	1,786	6,979	8,357	3,886	2,009	740	4,135	5,531	727	(578)	(582)	34,674
Net Income	(10,925)	8,473	22,280	25,902	8,373	1,251	(3,481)	10,124	15,728	(3,467)	(8,663)	(8,658)	56,936

**Anns Nursery
Balance Sheet - Year Three**

	<u>End of Year Two</u>	<u>End of Year Three</u>
Assets		
Current Assets		
Cash	3,076	7,918
Accounts Receivable	16,500	22,000
Inventory	40,000	50,000
Prepaid Expenses	2,933	(0)
Other Current	-	-
Total Current Assets	<u>62,510</u>	<u>79,918</u>
Fixed Assets		
Real Estate-Land	100,000	100,000
Buildings	30,000	30,000
Leasehold Improvements	15,000	15,000
Equipment	5,000	5,000
Furniture and Fixtures	2,000	2,000
Vehicles	20,000	20,000
Other Fixed Assets	-	10,000
Total Fixed Assets	<u>172,000</u>	<u>182,000</u>
Less: Accumulated Depreciation	17,514	26,271
Total Assets	<u><u>216,995</u></u>	<u><u>235,646</u></u>
Liabilities and Owner's Equity		
Liabilities		
Accounts Payable	8,500	11,500
Notes Payable	26,197	21,853
Mortgage Payable	48,039	46,919
Credit Card Debt	-	-
Vehicle Loans	7,948	4,093
Other Bank Debt	-	-
Line of Credit Balance	16,965	0
Total Liabilities	<u>107,650</u>	<u>84,365</u>
Owner's Equity		
Common Stock	115,000	115,000
Retained Earnings	(5,655)	51,281
Dividends Dispersed	-	15,000
Total Owner's Equity	<u>109,345</u>	<u>151,281</u>
Total Liabilities and Owner's Equity	<u><u>216,995</u></u>	<u><u>235,646</u></u>

Statement Balances

Statement Balances

Anns Nursery Financial Ratios

Ratio	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>	<u>RMA Industry Norms</u> <u>NAICS Code 111421</u>
Liquidity				
Current Ratio	0.5	0.6	0.9	1.5
Quick Ratio	0.3	0.2	0.4	0.5
Safety				
Debt to Equity Ratio	1.4	1.0	0.6	1.8
Debt to Coverage Ratio	-0.1	0.2	0.8	
Profitability				
Sales Growth	0.0%	39.2%	47.0%	
COGS to Sales	56.4%	57.0%	57.1%	57.6%
Gross Profit Margin	43.6%	43.0%	42.9%	42.4%
SG&A to Sales	42.0%	35.5%	30.0%	38.1%
Net Profit Margin	-4.8%	2.3%	8.0%	3.4%
Return on Equity	-17.0%	10.1%	37.6%	13.0%
Return on Assets	-7.0%	5.1%	24.2%	4.3%
Owner's Compensation to Sales	13.8%	11.9%	10.5%	3.0%
Efficiency				
Days in Receivables	38.9	12.3	11.2	19.5
Accounts Receivable Turnover	9.3	29.3	32.3	
Days in Inventory	55.2	52.3	44.4	80.0
Inventory Turnover	6.5	6.9	8.1	
Sales to Total Assets	1.4	2.2	3.0	1.7

Anns Nursery Breakeven Analysis

	Dollars	Percent
Breakeven Analysis		
Annual Sales Revenue	\$ 347,000	100.00%
Cost of Sales	195,700	56.40%
Gross Margin	<u>151,300</u>	<u>43.60%</u>
Salaries and Wages	94,010	
Fixed Operating Expenses	71,069	
Total Fixed Business Expenses	<u>165,079</u>	
Breakeven Sales Calculation	<u>165,079</u>	
	43.60%	
Breakeven Sales in Dollars	<u><u>\$ 378,601</u></u>	

Anns Nursery Financial Diagnostics

This sheet performs a few tests on your numbers to see if they seem within certain reasonable ranges. Remember, no computer can tell whether your projections are truly well-constructed, only a human can do that. But these tests can at least look for values that are critically out of range.

Financial Diagnostics	Value	Findings
General Financing Assumptions		
Owner's Cash Injection into the Business	53.8%	Owner's injection is reasonable
Cash Request as percent of Total Required Funds	1.4%	Cash request seems reasonable with respect to total request
Loan Assumptions		
Commercial Loan Interest rate	9.0%	Interest rate seems reasonable
Commercial Loan Term in Months	84	Loan term seems within range for this type of loan
Commercial Mortgage Interest rate	9.0%	Interest rate seems reasonable
Commercial Mortgage Term in Months	240	Loan term seems within range for this type of loan
Loan Payments as a Percent of Projected Sales	0.4%	Calculated loan payments as a percent of sales seem reasonable
Income Statement		
Gross Margin as a Percent of Sales	43.6%	Gross margin percentage seems reasonable
Owner's Compensation Lower Limit Check	\$ 48,000	An owner's compensation amount has been established
Owner's Compensation Upper Limit Check	-287.2%	Owner's compensation seems reasonable
Advertising Expense Levels as a Percent of Sales	2.1%	Advertising as a percent of sales may be too low
Profitability Levels	\$ (16,712)	The business is not showing a profit
Profitability as a Percent of Sales	-4.8%	The projection does not seem highly unreasonable
Cash Flow Statement		
Desired Operating cash Flow Levels	\$ 60,509	The financial projection does not provide the desired level of cash flow
Line of Credit Drawdowns	\$ 60,509	The business will need at least this level of a line of credit
Accounts Receivable Ratio to Sales	10.8%	Accounts receivable amount as a percent of sales seems reasonable
Balance Sheet		
Does the Base Period Balance Sheet Balance?	-	The balance sheet does balance
Does the Final Balance Sheet Balance	-	The balance sheet does balance
Debt to Equity Ratio	143.8%	The debt to equity ratio seems reasonable
Breakeven Analysis		
Breakeven Levels	\$ (31,601)	The sales projection is less than the break-even amount