

The Business



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Table of Contents

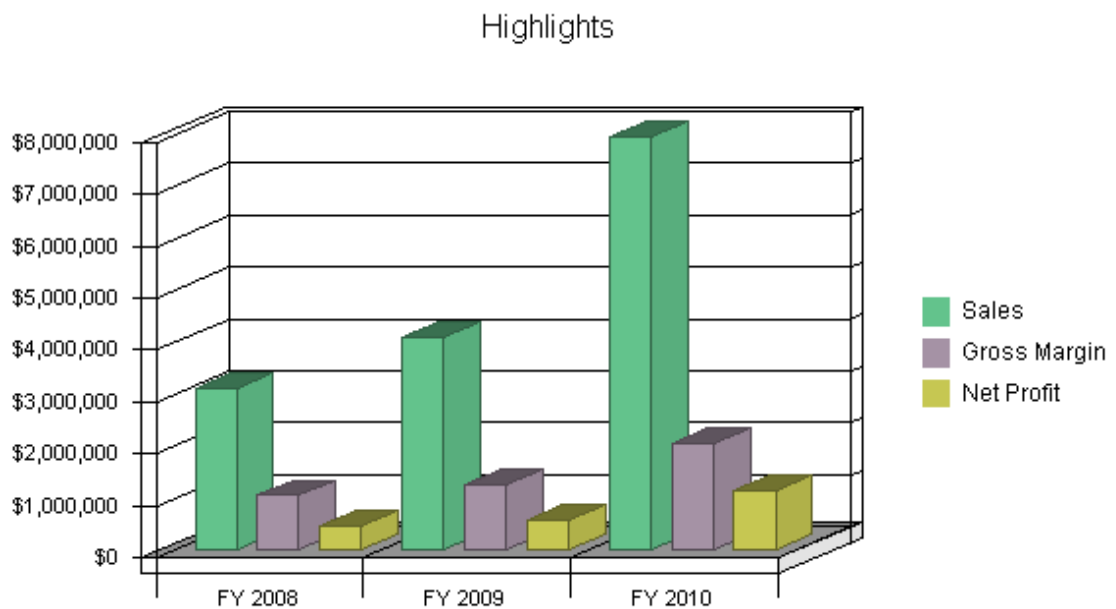
1.0	Executive Summary	1
1.1	Objectives	1
1.2	Mission	2
1.3	Keys to Success	2
2.0	Company Summary	2
2.1	Company Ownership	2
2.2	Start-up Summary	2
3.0	Services	3
4.0	Market Analysis Summary	4
4.1	Market Segmentation	4
4.2	Target Market Segment Strategy	4
4.3	Service Business Analysis	5
5.0	Strategy and Implementation Summary	6
5.1	SWOT Analysis	6
5.2	Competitive Edge	7
5.3	Marketing Strategy	7
5.4	Sales Strategy	7
5.4.1	Sales Forecast	7
6.0	Management Summary	9
6.1	Personnel Plan	10
7.0	Financial Plan	11
7.1	Start-up Funding	11
7.2	Important Assumptions	12
7.3	Break-even Analysis	12
7.4	Projected Profit and Loss	13
7.5	Projected Cash Flow	16
7.6	Projected Balance Sheet	18
7.7	Business Ratios	18
	Appendix	20

The Business

1.0 Executive Summary

The Business is a limited liability company that will begin providing services to its customers in July of 2007. The Business is a start-up state certified general contracting company and construction management. The business's two owners, Mr. Joseph Smith and Mr. Cleveland Smith both have an extensive amount of experience in the construction industry. They also have management experience, which will be used on their new endeavors of owning The Business. The Business will provide contracting and remodeling services for residents, commercial buildings, government agencies, and non-profit housing organizations. Services will either consist of new construction, remodeling or demolition.

The following chart contains financial highlights for the next three years.



1.1 Objectives

- Gain the first government job by December 2008
- Create a brand and image by 2009

The Business

1.2 Mission

The Business is a Christian based general contracting firm that strives to provide the highest, finest, and best construction services based on biblical principles. We deploy some of the latest technological building techniques including the NASA engineered Innovative Structural System, TM. Our team is committed to customer service and uncompromising quality! Whether it be a residential, commercial, or governmental project, regardless of the size, call on us and we will deliver!

1.3 Keys to Success

- Providing great customer service
- The ability to deliver the product in a timely manor

2.0 Company Summary

The Business is a start-up general contracting firm. It is the first African American owned and controlled on the treasure coast, with over 20 years of various construction related experience. The Business will carry all minority certification, including the requirements from the local, state, and the federal level. The management group brings management experience from a Fortune 50 company, as well as an educational background that includes an MBA in International Business. Members of the group have strong ties to the community and many relationships that have been forged over the years. The Business brings a strong network of sub contractors to complete every phase of the construction process.

2.1 Company Ownership

The Business is established as a limited liability company in the state of Florida. The business has two owners, Mr. Joseph Smith and Mr. Cleveland Smith.

2.2 Start-up Summary

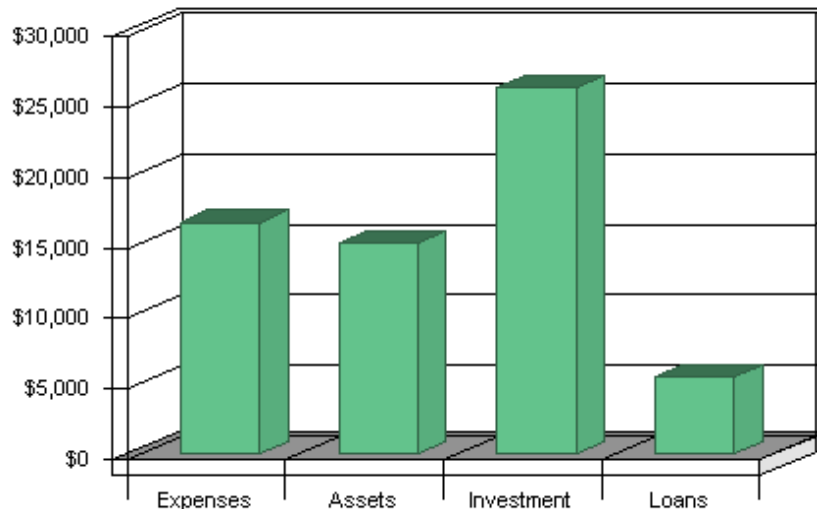
The total costs for start-up for The Business is \$31,400. These costs are split almost equally between both the start-up expenses and assets to be purchased. The start-up expenses total \$16,400 and includes business software, insurance, rent, computer and mass mailings to advertise before the business opens. The remains \$15,000 for start-up costs will go towards purchasing assets. The business will be purchasing one long term asset, a vehicle. The following chart and graph provide details of the start-up costs.

The Business

Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Legal	\$0
Stationery etc.	\$0
Insurance	\$4,000
Rent	\$2,400
Computer	\$2,500
Mailings	\$1,900
Business Software	\$5,600
Other	\$0
Total Start-up Expenses	\$16,400
Start-up Assets	
Cash Required	\$0
Other Current Assets	\$0
Long-term Assets	\$15,000
Total Assets	\$15,000
Total Requirements	\$31,400

Start-up



3.0 Services

The Business will be providing general contracting services both residential and commercial. The projects can then be broken down even further, the first being new projects. This will include custom home building and commercial building with mix-used applications, including retail. The Business has the ability to create both single story and multistory buildings. The second is existing projects, which would be projects that require remodeling or expansion. Finally, the third type of product is demolition and site preparation. The Business will deploy and utilize a new building method using the product Innovative Structural Systems, TM for the majority of the entire building application.

The Business

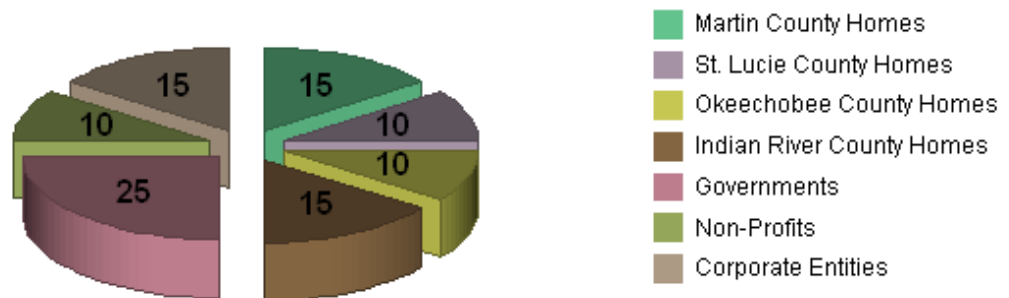
4.0 Market Analysis Summary

The Business offers a service that appeals and will attract a very large market. The Business will serve the residential, commercial, government and non-profit markets. Initially, the business will focus on the Treasure Coast, which will include Martin, St. Lucie, Okeechobee, and Indian River Counties. The additional customers in that area will be private homeowners, local and regional government, developers, non-profits involved in housing, and corporate entities moving into the area, such as CVS, Walgreens, and Wal-Mart.

4.1 Market Segmentation

The following pie chart illustrates the market for The Business. The target market will be the government, which is expected to account for 25% of the sales.

Market Analysis (Pie)



4.2 Target Market Segment Strategy

Although there are quite a few general contracting companies in the area, The Business will be the first African American general contracting firm of that area. The Treasure Coast has seen a spike in population that includes new home ownership. Also, Indian River and Martin Counties have seen a spike in the amount of wealth that is spent on homes. This will be the area that is targeted, along with the government. Governments who wish to do business with a minority contracting firm, that has expertise and the know how to do quality work, will hire the services of The Business. Approximately 25% of all sales will be government related.

4.3 Service Business Analysis

This industry comprises establishments primarily engaged in the use of concrete and asphalt to produce parking areas, building foundations, structures, and retaining walls, and in the use of all materials to produce patios, private driveways, and private walks. Activities performed by these establishments include grout and shotcrete work. The concrete work performed includes new work, additions, alterations and maintenance and repairs.

Statistics for 2005

- Industry Revenue - \$46,700 Million
- Industry Employment - 405,000
- Number of Enterprises - 78,000 Units

The main products or services supplied by this industry are as follows: concrete placement on construction projects, finishing on concrete slabs and footings, foundations, concrete construction, concrete pumping, concrete/asphalt sidewalk construction, concrete/asphalt driveway construction, culvert and guttering concrete curb construction/repair, placing concrete panels, concreting grout and shotcrete work, gunite work, patio construction, parking lot construction.

The major players are the top 5 to 10 companies in the industry based on total revenue. Companies must account for at least 5% of industry revenue to qualify. Currently there are no major players in the industry.

The industry "Concrete contractors" is in a growth phase of its life cycle, which means that the industry is generally growing faster than the economy. Capital/labor intensity is low and the uptake of new technology is medium. The industry's globalization level is low and the trend is at the same rate as the economy.

The industry has a low level of exports, which means exports generate less than 5% of the industry's revenue.

The industry has a low level of imports, which means imports generate less than 5% of the industry's domestic demand. Exports are steady and imports are steady. The level of regulation is light and steady and government assistance is none and steady.

The geographic spread gives an indication of the relative importance of this industry in each state:

- South East 20.7%
- Great Lakes 19.2%
- Far West 15.4%
- Plains 11.8%
- Mid East 11.4%
- South West 9.8%
- Rocky Mountains 7.3%
- New England 4.4%

The Business

*Information derived from America's Small Business Development Center Network

5.0 Strategy and Implementation Summary

The Business will use its competitive edge of being the only African American owned and managed general contractor in the area to success market itself. A variety of marketing strategies are planned on being used, including the Internet, mass mailings and an advertisement in the Yellow Pages. Sales are expected to increase gradually over the next three years, as The Business will appeal to a wide market.

5.1 SWOT Analysis

The SWOT analysis provides us with an opportunity to examine the internal strengths and weaknesses The Business must address. It also allows us to examine the opportunities presented to The Business as well as potential threats.

The Business has a valuable inventory of strengths that will help it succeed. These strengths include:

- A knowledgeable and friendly staff
- Over 20 years of experience in the construction industry
- Business training from a Fortune 50 Company
- Having an MBA background
- Maintaining a clear vision of the market need

Strengths are valuable, but it is also important to realize the weaknesses The Business must address. These weaknesses include:

- Lack of name recognition
- High material costs associated with greater overseas demands creates pressure on profits

The Business's strengths will help it capitalize on emerging opportunities. These opportunities include, but are not limited to:

- Interacting with the local government
- Many high end homes are purchased in the area and the new owners want a complete home make-over

Threats that The Business should be aware of include:

- Home construction is very cyclical
- Very dependent on the health of the economy
- Any emerging competitors

5.2 Competitive Edge

Although a competitive edge is not necessary to run a successful business, The Business does have one. This will allow the business to stand apart from the competition. The competitive edge for The Business contains the following aspects:

- The Business is a Minority owned and controlled business
- The owners have combined over 20 years of construction experience
- Management experience gained from working at a Fortune 50 Company
- The owner has a strong educational background, including an MBA

5.3 Marketing Strategy

The marketing strategy for The Business will utilize a variety of differing marketing mediums. The Internet will be used to host a website that will contain information about the business and to also create e-mailings to potential customers. Print media will also be used, such as a listing and advertisement in the Yellow Pages and initial mass mailings. Finally, The Business will become a member of various associations and building organization, along with the Chamber of Commerce.

5.4 Sales Strategy

All sales for The Business will be on a contractual basis that will include both an offer and an acceptance.

5.4.1 Sales Forecast

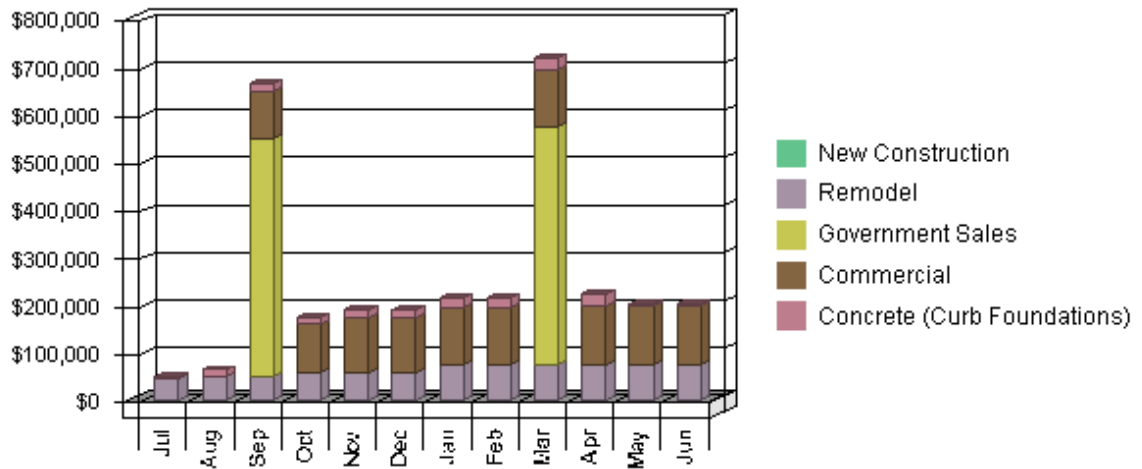
The following graphs and charts illustrate the sales forecast for The Business. The business expects its sales to increase 3% in each category the second year and 8% the third year.

The Business

Table: Sales Forecast

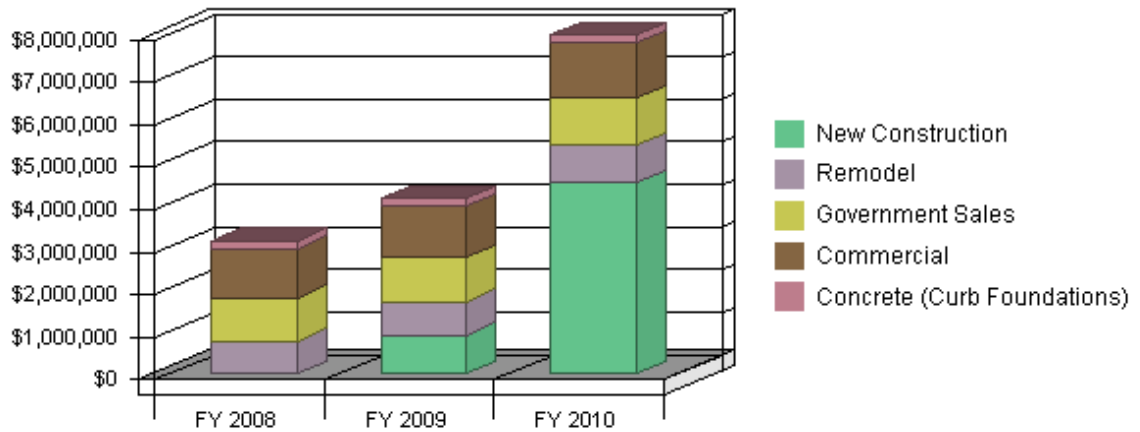
Sales Forecast			
	FY 2008	FY 2009	FY 2010
Sales			
New Construction	\$0	\$900,000	\$4,500,000
Remodel	\$775,000	\$798,250	\$862,110
Government Sales	\$1,000,000	\$1,030,000	\$1,112,400
Commercial	\$1,165,000	\$1,199,950	\$1,295,946
Concrete (Curb Foundations)	\$174,000	\$179,220	\$193,557
Total Sales	\$3,114,000	\$4,107,420	\$7,964,013
Direct Cost of Sales			
	FY 2008	FY 2009	FY 2010
New Construction Home Costs	\$0	\$720,000	\$3,600,000
Remodel Costs	\$503,750	\$518,862	\$560,371
Government Sales Costs	\$550,000	\$566,500	\$611,820
Commercial Costs	\$932,000	\$959,960	\$1,036,116
Concrete Costs	\$78,300	\$80,649	\$87,100
Subtotal Direct Cost of Sales	\$2,064,050	\$2,845,971	\$5,895,407

Sales Monthly



The Business

Sales by Year



6.0 Management Summary

A strong management team is vital to the success of a business. The management team of The Business consists of two individuals, Mr. Joseph Smith and Mr. Cleveland Smith. Both of these individuals possess the necessary skills, experience and education needed to manage The Business successfully.

Mr. Joseph Smith

Mr. Smith's education includes a Bachelors of Science in Business Administration and Marketing received in 1991 from Florida Memorial University and an MBA in International Business from Nova Southeastern University received in 2004. Since 2005, he has been a Project Manager/Foreman at Scott Ball Plastering and Concrete. Mr. Smith's duties included supervising general labor/carpentry/drywall workers, ordering materials and blue print updates, consistently meeting deadlines, estimating project costs, and developing project proposals. Mr. Smith's sales experience, at Jennings and Associates as a Senior Sales Representative, will be useful. The skills gained there include expanding sales team from 10 to 25 representatives, increasing sales revenue by double digits in the four years employed, and assisting in the development of a new sales training manual.

Mr. Cleveland Smith

Mr. Smith's education includes receiving his high school diploma from South Fork High School in 1984. Since 2005, Mr. Smith has been the Owner/Vice President of Scott Ball Plastering and Concrete. While employed he was responsible for supervising general labor/carpentry/drywall workers, working with general contractor to estimate projects

The Business

and developing proposals, estimating project costs, performing take-offs and developing project proposals and working directly with the general contractor. His other management experience includes his position as Foreman at Signature Plastering for six years. Mr. Smith supervised general labor/carpentry/drywall workers, managed daily project completion and trades coordination and ordered materials and blue print updates.

6.1 Personnel Plan

The following is a list of the personnel along with their duties and responsibilities at The Business:

- President
 - Responsible for all sales
 - Generates new contracts
 - Maintains correct and up to date financials
 - Responsible for marketing
 - Soliciting new bids
- Vice President
 - Acts as hands on project manager
 - Overseeing all projects
 - Maintains an understanding of various job duties
- Administrative Assistant
 - Getting blue prints
 - Sending out the blue prints
 - Miscellaneous office tasks

To follow is the projected salary of the personnel team.

Table: Personnel

Personnel Plan	FY 2008	FY 2009	FY 2010
President	\$80,000	\$82,400	\$87,344
Vice President	\$65,000	\$66,950	\$70,967
Administrative Assistant	\$32,000	\$32,960	\$34,937
Laborers	\$145,600	\$149,968	\$158,966
Total People	8	8	8
Total Payroll	\$322,601	\$332,278	\$352,214

The Business

7.0 Financial Plan

The financial plan for The Business has a positive outlook that will continue to generate growth. Highlights from the projected financial plan include:

- Generating a profit of \$452,661 after one year
- A net profit percentage of 14.54%
- An overall gross margin of 33.72% after one year
- Cash balance of \$594,258 by the first year

7.1 Start-up Funding

The Business requires \$31,400 to fund the start-up costs. These costs are split almost equally between both the start-up expenses and assets to be purchased. The start-up expenses total \$16,400 and includes business software, insurance, rent, computer and mass mailings to advertise before the business opens. The remains \$15,000 for start-up costs will go towards purchasing assets. The business will be purchasing one long term asset, a vehicle.

Currently, one investment for \$1,000 has been received from the owner. The Business will be seeking an interest free loan in the amount of \$5,400 and also seeking an investment in the amount of \$25,000 to fund the remaining costs.

The Business

Table: Start-up Funding

Start-up Funding	
Start-up Expenses to Fund	\$16,400
Start-up Assets to Fund	\$15,000
Total Funding Required	\$31,400
Assets	
Non-cash Assets from Start-up	\$15,000
Cash Requirements from Start-up	\$0
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$0
Total Assets	\$15,000
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$5,400
Total Liabilities	\$5,400
Capital	
Planned Investment	
Owner	\$1,000
Investor	\$25,000
Additional Investment Requirement	\$0
Total Planned Investment	\$26,000
Loss at Start-up (Start-up Expenses)	(\$16,400)
Total Capital	\$9,600
Total Capital and Liabilities	\$15,000
Total Funding	\$31,400

7.2 Important Assumptions

All financials are projections and estimations based on the following assumptions:

- The Business will remain as the only African American owned contracting company
- The area of homes will remain in the upper income bracket
- The need for contracting services will continue

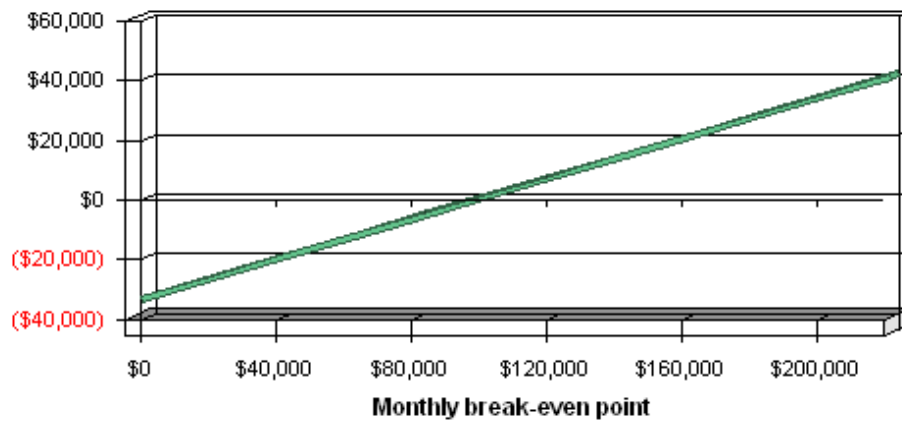
7.3 Break-even Analysis

The Business

Table: Break-even Analysis

Break-even Analysis	
Monthly Revenue Break-even	\$99,675
Assumptions:	
Average Percent Variable Cost	66%
Estimated Monthly Fixed Cost	\$33,608

Break-even Analysis



Break-even point = where line intersects with 0

7.4 Projected Profit and Loss

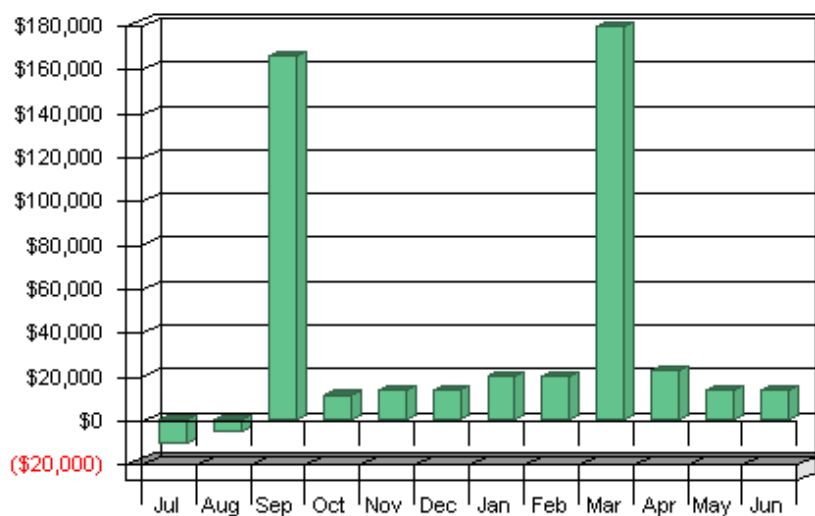
The following sections illustrate the projected profit and loss, along with the gross margin for The Business. By the end of the first year, the business expects to generate a net profit of \$452,661, a net percentage of 14.54% and a gross margin percentage, overall, of 33.72%. The high spikes in profits, during the first year, found both in September and March could be attributed to gaining government contracts. Details of the first year on a monthly basis can be found in the appendix.

The Business

Table: Profit and Loss

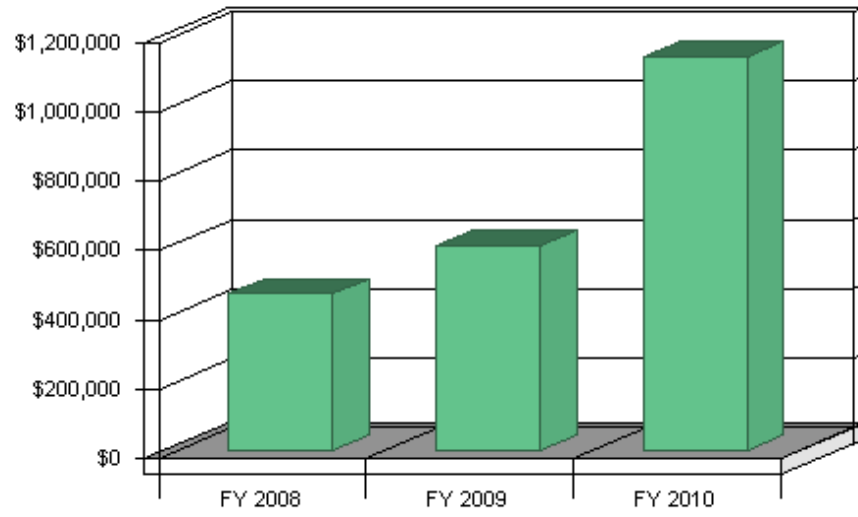
Pro Forma Profit and Loss			
	FY 2008	FY 2009	FY 2010
Sales	\$3,114,000	\$4,107,420	\$7,964,013
Direct Cost of Sales	\$2,064,050	\$2,845,971	\$5,895,407
Other Costs of Sales	\$0	\$0	\$0
Total Cost of Sales	\$2,064,050	\$2,845,971	\$5,895,407
Gross Margin	\$1,049,950	\$1,261,449	\$2,068,606
Gross Margin %	33.72%	30.71%	25.97%
Expenses			
Payroll	\$322,601	\$332,278	\$352,214
Marketing/Promotion	\$3,500	\$4,000	\$4,500
Depreciation	\$0	\$0	\$0
Rent	\$12,000	\$12,000	\$13,000
Utilities	\$800	\$850	\$900
Insurance	\$16,000	\$16,250	\$16,500
Payroll Taxes	\$48,390	\$49,842	\$52,832
Other	\$0	\$0	\$0
Total Operating Expenses	\$403,291	\$415,220	\$439,946
Profit Before Interest and Taxes	\$646,659	\$846,229	\$1,628,660
EBITDA	\$646,659	\$846,229	\$1,628,660
Interest Expense	\$0	\$1,500	\$1,750
Taxes Incurred	\$193,998	\$253,419	\$488,073
Net Profit	\$452,661	\$591,311	\$1,138,837
Net Profit/Sales	14.54%	14.40%	14.30%

Profit Monthly

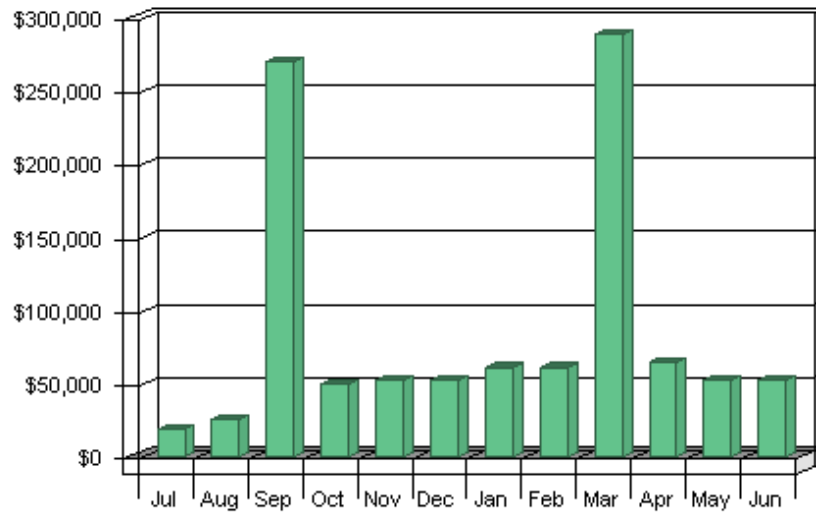


The Business

Profit Yearly

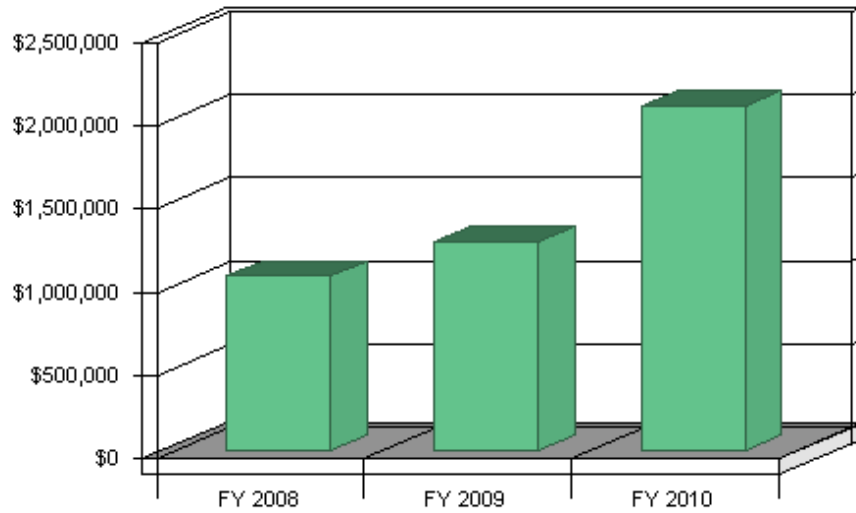


Gross Margin Monthly



The Business

Gross Margin Yearly



7.5 Projected Cash Flow

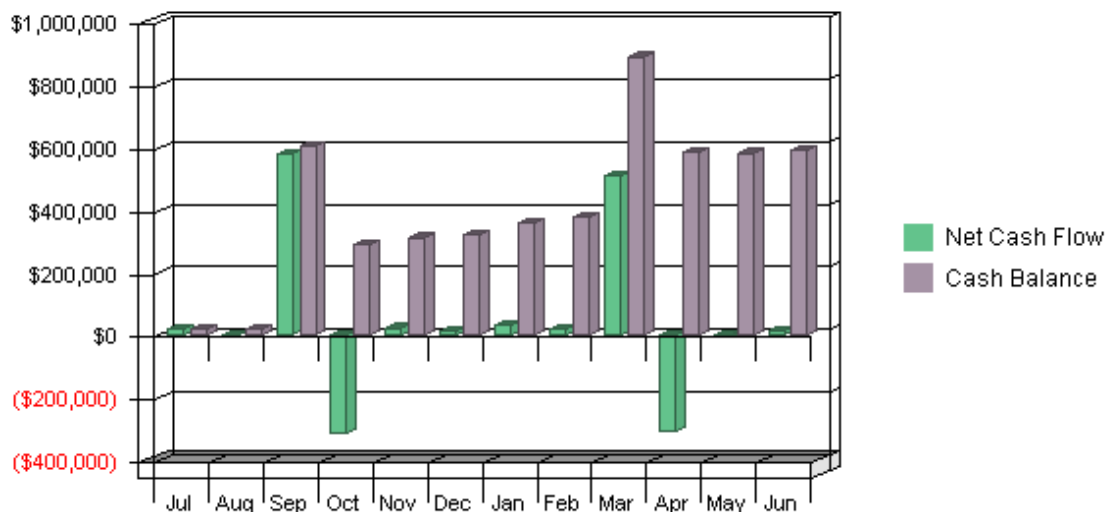
The projected cash flow for The Business is illustrated in the chart and graph to follow. The first year is expected to generate a cash balance of \$594,258. Although the net cash flow will fall below zero, the cash balance will always remain positive, which is necessary to ensure that the business has enough cash to pay the bills. Details of the first year can be found in the appendix.

The Business

Table: Cash Flow

Pro Forma Cash Flow			
	FY 2008	FY 2009	FY 2010
Cash Received			
Cash from Operations			
Cash Sales	\$3,114,000	\$4,107,420	\$7,964,013
Subtotal Cash from Operations	\$3,114,000	\$4,107,420	\$7,964,013
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$15,000	\$20,000	\$0
New Other Liabilities (interest-free)	\$10,000	\$0	\$0
New Long-term Liabilities	\$0	\$40,000	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$3,139,000	\$4,167,420	\$7,964,013
Expenditures			
Expenditures from Operations			
Cash Spending	\$322,601	\$332,278	\$352,214
Bill Payments	\$2,182,141	\$3,078,744	\$6,202,623
Subtotal Spent on Operations	\$2,504,742	\$3,411,022	\$6,554,837
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$15,000	\$20,000	\$15,000
Other Liabilities Principal Repayment	\$10,000	\$5,000	\$0
Long-term Liabilities Principal Repayment	\$0	\$10,000	\$10,000
Purchase Other Current Assets	\$15,000	\$20,000	\$20,000
Purchase Long-term Assets	\$0	\$40,000	\$0
Dividends	\$0	\$20,000	\$0
Subtotal Cash Spent	\$2,544,742	\$3,526,022	\$6,599,837
Net Cash Flow	\$594,258	\$641,398	\$1,364,176
Cash Balance	\$594,258	\$1,235,657	\$2,599,833

Cash



The Business

7.6 Projected Balance Sheet

The following is the projected balance sheet for The Business. Details of the first year on a monthly basis can be found in the appendix.

Table: Balance Sheet

Pro Forma Balance Sheet			
	FY 2008	FY 2009	FY 2010
Assets			
Current Assets			
Cash	\$594,258	\$1,235,657	\$2,599,833
Other Current Assets	\$15,000	\$35,000	\$55,000
Total Current Assets	\$609,258	\$1,270,657	\$2,654,833
Long-term Assets			
Long-term Assets	\$15,000	\$55,000	\$55,000
Accumulated Depreciation	\$0	\$0	\$0
Total Long-term Assets	\$15,000	\$55,000	\$55,000
Total Assets	\$624,258	\$1,325,657	\$2,709,833
Liabilities and Capital			
Current Liabilities			
Accounts Payable	\$156,597	\$261,685	\$532,024
Current Borrowing	\$0	\$0	(\$15,000)
Other Current Liabilities	\$5,400	\$400	\$400
Subtotal Current Liabilities	\$161,997	\$262,085	\$517,424
Long-term Liabilities			
Total Liabilities	\$161,997	\$292,085	\$537,424
Capital			
Paid-in Capital	\$26,000	\$26,000	\$26,000
Retained Earnings	(\$16,400)	\$416,261	\$1,007,572
Earnings	\$452,661	\$591,311	\$1,138,837
Total Capital	\$462,261	\$1,033,572	\$2,172,409
Total Liabilities and Capital	\$624,258	\$1,325,657	\$2,709,833
Net Worth	\$462,261	\$1,033,572	\$2,172,409

7.7 Business Ratios

The Business's ratios for the years of this plan are shown below. Industry profile ratios based on the North American Industry Classification System (NAICS) code 23571, Concrete Contractors, are shown for comparison.

The Business

Table: Ratios

Ratio Analysis	FY 2008	FY 2009	FY 2010	Industry Profile
Sales Growth	0.00%	31.90%	93.89%	10.88%
Percent of Total Assets				
Other Current Assets	2.40%	2.64%	2.03%	34.03%
Total Current Assets	97.60%	95.85%	97.97%	66.69%
Long-term Assets	2.40%	4.15%	2.03%	33.31%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	25.95%	19.77%	19.09%	32.65%
Long-term Liabilities	0.00%	2.26%	0.74%	22.04%
Total Liabilities	25.95%	22.03%	19.83%	54.69%
Net Worth	74.05%	77.97%	80.17%	45.31%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	33.72%	30.71%	25.97%	25.79%
Selling, General & Administrative Expenses	19.18%	16.32%	11.67%	9.86%
Advertising Expenses	0.11%	0.10%	0.06%	0.53%
Profit Before Interest and Taxes	20.77%	20.60%	20.45%	2.17%
Main Ratios				
Current	3.76	4.85	5.13	1.74
Quick	3.76	4.85	5.13	1.25
Total Debt to Total Assets	25.95%	22.03%	19.83%	61.21%
Pre-tax Return on Net Worth	139.89%	81.73%	74.89%	7.16%
Pre-tax Return on Assets	103.59%	63.72%	60.04%	18.47%
Additional Ratios				
	FY 2008	FY 2009	FY 2010	
Net Profit Margin	14.54%	14.40%	14.30%	n.a
Return on Equity	97.92%	57.21%	52.42%	n.a
Activity Ratios				
Accounts Payable Turnover	14.93	12.17	12.17	n.a
Payment Days	27	24	22	n.a
Total Asset Turnover	4.99	3.10	2.94	n.a
Debt Ratios				
Debt to Net Worth	0.35	0.28	0.25	n.a
Current Liab. to Liab.	1.00	0.90	0.96	n.a
Liquidity Ratios				
Net Working Capital	\$447,261	\$1,008,572	\$2,137,409	n.a
Interest Coverage	0.00	564.15	930.66	n.a
Additional Ratios				
Assets to Sales	0.20	0.32	0.34	n.a
Current Debt/Total Assets	26%	20%	19%	n.a
Acid Test	3.76	4.85	5.13	n.a
Sales/Net Worth	6.74	3.97	3.67	n.a
Dividend Payout	0.00	0.03	0.00	n.a

Appendix

Table: Sales Forecast

Sales Forecast		Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
Sales													
New Construction	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remodel	0%	\$45,000	\$50,000	\$50,000	\$60,000	\$60,000	\$60,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Government Sales	0%	\$0	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000	\$0	\$0	\$0
Commercial	0%	\$0	\$0	\$100,000	\$100,000	\$115,000	\$115,000	\$120,000	\$120,000	\$120,000	\$125,000	\$125,000	\$125,000
Concrete (Curb Foundations)	0%	\$5,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$20,000	\$20,000	\$25,000	\$25,000	\$2,000	\$2,000
Total Sales		\$50,000	\$65,000	\$665,000	\$175,000	\$190,000	\$190,000	\$215,000	\$215,000	\$720,000	\$225,000	\$202,000	\$202,000
Direct Cost of Sales													
New Construction Home Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remodel Costs		\$29,250	\$32,500	\$32,500	\$39,000	\$39,000	\$39,000	\$48,750	\$48,750	\$48,750	\$48,750	\$48,750	\$48,750
Government Sales Costs		\$0	\$0	\$275,000	\$0	\$0	\$0	\$0	\$0	\$275,000	\$0	\$0	\$0
Commercial Costs		\$0	\$0	\$80,000	\$80,000	\$92,000	\$92,000	\$96,000	\$96,000	\$96,000	\$100,000	\$100,000	\$100,000
Concrete Costs		\$2,250	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$9,000	\$9,000	\$11,250	\$11,250	\$900	\$900
Subtotal Direct Cost of Sales		\$31,500	\$39,250	\$394,250	\$125,750	\$137,750	\$137,750	\$153,750	\$153,750	\$431,000	\$160,000	\$149,650	\$149,650

Appendix

Table: Personnel

Personnel Plan		Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
President	0%	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667
Vice President	0%	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417
Administrative Assistant	0%	\$2,667	\$2,667	\$2,667	\$2,667	\$2,667	\$2,667	\$2,667	\$2,667	\$2,667	\$2,667	\$2,667	\$2,667
Laborers	0%	\$12,133	\$12,133	\$12,133	\$12,133	\$12,133	\$12,133	\$12,133	\$12,133	\$12,133	\$12,133	\$12,133	\$12,133
Total People		8	8	8	8	8	8	8	8	8	8	8	8
Total Payroll		\$26,884	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883

Appendix

Table: Profit and Loss

Pro Forma Profit and Loss												
	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
Sales	\$50,000	\$65,000	\$665,000	\$175,000	\$190,000	\$190,000	\$215,000	\$215,000	\$720,000	\$225,000	\$202,000	\$202,000
Direct Cost of Sales	\$31,500	\$39,250	\$394,250	\$125,750	\$137,750	\$137,750	\$153,750	\$153,750	\$431,000	\$160,000	\$149,650	\$149,650
Other Costs of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$31,500	\$39,250	\$394,250	\$125,750	\$137,750	\$137,750	\$153,750	\$153,750	\$431,000	\$160,000	\$149,650	\$149,650
Gross Margin	\$18,500	\$25,750	\$270,750	\$49,250	\$52,250	\$52,250	\$61,250	\$61,250	\$289,000	\$65,000	\$52,350	\$52,350
Gross Margin %	37.00%	39.62%	40.71%	28.14%	27.50%	27.50%	28.49%	28.49%	40.14%	28.89%	25.92%	25.92%
Expenses												
Payroll	\$26,884	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883
Marketing/Promotion	\$292	\$292	\$292	\$292	\$292	\$292	\$292	\$292	\$292	\$292	\$292	\$292
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Utilities	\$67	\$67	\$67	\$67	\$67	\$67	\$67	\$67	\$67	\$67	\$67	\$67
Insurance	\$1,333	\$1,333	\$1,333	\$1,333	\$1,333	\$1,333	\$1,333	\$1,333	\$1,333	\$1,333	\$1,333	\$1,333
Payroll Taxes	\$4,033	\$4,033	\$4,033	\$4,033	\$4,033	\$4,033	\$4,033	\$4,033	\$4,033	\$4,033	\$4,033	\$4,033
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$33,608	\$33,608	\$33,608	\$33,608	\$33,608	\$33,608	\$33,608	\$33,608	\$33,608	\$33,608	\$33,608	\$33,608
Profit Before Interest and Taxes	(\$15,108)	(\$7,857)	\$237,143	\$15,643	\$18,643	\$18,643	\$27,643	\$27,643	\$255,393	\$31,393	\$18,743	\$18,743
EBITDA	(\$15,108)	(\$7,857)	\$237,143	\$15,643	\$18,643	\$18,643	\$27,643	\$27,643	\$255,393	\$31,393	\$18,743	\$18,743
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	(\$4,532)	(\$2,357)	\$71,143	\$4,693	\$5,593	\$5,593	\$8,293	\$8,293	\$76,618	\$9,418	\$5,623	\$5,623
Net Profit	(\$10,576)	(\$5,500)	\$166,000	\$10,950	\$13,050	\$13,050	\$19,350	\$19,350	\$178,775	\$21,975	\$13,120	\$13,120
Net Profit/Sales	-21.15%	-8.46%	24.96%	6.26%	6.87%	6.87%	9.00%	9.00%	24.83%	9.77%	6.49%	6.49%

Appendix

Table: Cash Flow

Pro Forma Cash Flow	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
Cash Received												
Cash from Operations												
Cash Sales	\$50,000	\$65,000	\$665,000	\$175,000	\$190,000	\$190,000	\$215,000	\$215,000	\$720,000	\$225,000	\$202,000	\$202,000
Subtotal Cash from Operations	\$50,000	\$65,000	\$665,000	\$175,000	\$190,000	\$190,000	\$215,000	\$215,000	\$720,000	\$225,000	\$202,000	\$202,000
Additional Cash Received												
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
New Other Liabilities (Interest-free)	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$52,083	\$67,083	\$667,083	\$177,083	\$192,083	\$192,083	\$217,083	\$217,083	\$722,083	\$227,083	\$204,083	\$204,083
Expenditures												
Expenditures from Operations												
Cash Spending	\$26,884	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883	\$26,883
Bill Payments	\$1,123	\$34,023	\$57,900	\$460,952	\$137,597	\$150,067	\$150,690	\$168,767	\$180,286	\$503,069	\$175,670	\$161,997
Subtotal Spent on Operations	\$28,007	\$60,906	\$84,784	\$487,835	\$164,480	\$176,950	\$177,574	\$195,650	\$207,169	\$529,952	\$202,554	\$188,880
Additional Cash Spent												
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
Other Liabilities Principal Repayment	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$31,340	\$64,239	\$88,117	\$491,169	\$167,814	\$180,284	\$180,907	\$198,984	\$210,503	\$533,285	\$205,887	\$192,214
Net Cash Flow	\$20,743	\$2,844	\$578,966	(\$314,085)	\$24,270	\$11,800	\$36,176	\$18,100	\$511,581	(\$306,202)	(\$1,804)	\$11,870
Cash Balance	\$20,743	\$23,587	\$602,553	\$288,468	\$312,738	\$324,538	\$360,714	\$378,814	\$890,394	\$584,192	\$582,389	\$594,258

Appendix

Table: Balance Sheet

Pro Forma Balance Sheet													
	Starting Balances	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
Assets													
Current Assets													
Cash	\$0	\$20,743	\$23,587	\$602,553	\$288,468	\$312,738	\$324,538	\$360,714	\$378,814	\$890,394	\$584,192	\$582,389	\$594,258
Other Current Assets	\$0	\$1,250	\$2,500	\$3,750	\$5,000	\$6,250	\$7,500	\$8,750	\$10,000	\$11,250	\$12,500	\$13,750	\$15,000
Total Current Assets	\$0	\$21,993	\$26,087	\$606,303	\$293,468	\$318,988	\$332,038	\$369,464	\$388,814	\$901,644	\$596,692	\$596,139	\$609,258
Long-term Assets													
Long-term Assets	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long-term Assets	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Total Assets	\$15,000	\$36,993	\$41,087	\$621,303	\$308,468	\$333,988	\$347,038	\$384,464	\$403,814	\$916,644	\$611,692	\$611,139	\$624,258
Liabilities and Capital													
Current Liabilities													
Accounts Payable	\$0	\$32,569	\$42,163	\$456,380	\$132,595	\$145,065	\$145,065	\$163,141	\$163,141	\$497,197	\$170,271	\$156,597	\$156,597
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
Subtotal Current Liabilities	\$5,400	\$37,969	\$47,563	\$461,780	\$137,995	\$150,465	\$150,465	\$168,541	\$168,541	\$502,597	\$175,671	\$161,997	\$161,997
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$5,400	\$37,969	\$47,563	\$461,780	\$137,995	\$150,465	\$150,465	\$168,541	\$168,541	\$502,597	\$175,671	\$161,997	\$161,997
Paid-in Capital	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000
Retained Earnings	(\$16,400)	(\$16,400)	(\$16,400)	(\$16,400)	(\$16,400)	(\$16,400)	(\$16,400)	(\$16,400)	(\$16,400)	(\$16,400)	(\$16,400)	(\$16,400)	(\$16,400)
Earnings	\$0	(\$10,576)	(\$16,076)	\$149,924	\$160,873	\$173,923	\$186,973	\$206,323	\$225,672	\$404,447	\$426,422	\$439,542	\$452,661
Total Capital	\$9,600	(\$976)	(\$6,476)	\$159,524	\$170,473	\$183,523	\$196,573	\$215,923	\$235,272	\$414,047	\$436,022	\$449,142	\$462,261
Total Liabilities and Capital	\$15,000	\$36,993	\$41,087	\$621,303	\$308,468	\$333,988	\$347,038	\$384,464	\$403,814	\$916,644	\$611,692	\$611,139	\$624,258
Net Worth	\$9,600	(\$976)	(\$6,476)	\$159,524	\$170,473	\$183,523	\$196,573	\$215,923	\$235,272	\$414,047	\$436,022	\$449,142	\$462,261