

## Key Assumptions:

This scenario assumes a lease, not a purchase

Retail sq.ft.	3303	Retail is typically 65 - 70% of total space
Total sq.ft.	5600	Existing Building, front part = 6000 sq ft, back part to be knocked down for parking

Lease Rate, Triple Net,

Year 1 \$ 56,000.00 Base rent before triple net expenses (TMI). Landord responsible for demo and parking lot

Real Estate Taxes,

Insurance, \$ 14,000.00 Taxes@ \$1.50/sq.ft. Insurance@.50/sq.ft. CAM@ \$1.00/sq.ft.

Total Lease Rate Year 1 \$ 70,000.00

(See Scenario Planning for Lease Rate Schedule)

Sales/sq.ft. \$ 500.00

Total Annual Sales		Growth Rates		Growth Rates	
Year 1	\$ 1,651,250	-	Year 6	2,188,509	5%
Year 2	\$ 1,766,838	30%	Year 7	2,297,934	5%
Year 3	\$ 1,890,516	20%	Year 8	2,412,831	5%
Year 4	\$ 1,985,042	10%	Year 9	2,533,472	5%
Year 5	\$ 2,084,294	10%	Year 10	2,660,146	5%

Utilities per sq.ft. Yr 1 \$ 4.00

Available Parking 17 6/1000 sq ft of retail space for customers, local minimum requirements vary. Employees park elsewhere. An alternate ratio is 4-11 spaces/1000 sq ft of total space. Est 25-30 off street spaces after demo

Depreciation Assumptions	Years	Includes
Building	39	Building Acquisition
Leasehold Improvements	15	Construction/Site Development, Fees, Holding Site Costs, Interest During Project, 50% Overrun Allocation
Equipment	7	Equipment, 50% Overrun Allocation
Organization Development Costs	1	Startup Staffing, Startup Promotion, Business Disruption

SOURCES			
Benefits & Donations	\$ 25,000	1.81%	Net Proceeds, unless expenses are shown in Uses (line 70 or 73)
Grants	\$ 200,000	14.47%	
Member Equity	\$ 120,000	8.68%	1000 members at an average of \$120/member. Member share requirement might be higher (e.g. \$200 or \$300) or ongoing (\$30/yr as equity). Member equity would need to be fully raised within 2-3 months of opening. End of: Stage 1 = 300 members, Stage 2A = 450 members, Stage 2B = 600 members, Stage 3A = 800 members, Opening or within 2 months after Opening = 1000 members. 4000 sq ft of retail has potential for 2500 - 3000 members by Year 5.
Preference Shares	\$ 500,000	36.18%	80 shares at an average size of \$5,000. Min. size loan is \$1,000 or \$2,000. Seek appropriate legal & consultant advice. Length of loan term: 4, 5, 6, 7, 8, 9 and 10 years, possibly longer.
Miscellaneous	\$ -	0.00%	Other types of equity investors. Does not include donations of time or in-kind contributions.
Owners Contribution	\$ 845,000	61.14%	Owner's Contribution should be as close to 50% (or higher) as possible, and at least 33%.
City/Community Loan	\$ -	0.00%	Low interest, long term loan accessed through local sources (city, neighborhoods, foundations) (5%, 10yrs). not easy to find, not always available, if available - possibly lots of hoops and red tape
Landlord Contribution	\$ 200,000	14.47%	~17% of leasehold improvements provided by the landlord, possible range equals 25-40% of leasehold improve, but not always (demo + parking is in addition).
Vendor Credit	\$ 40,000	2.89%	25% of inventory covered by regular terms with vendors (not just opening order terms). Terms need to be established with vendors over time. There is no guarantee of initial terms. Initial terms might be COD.
Free Fill	\$ 27,000	1.95%	15% of initial inventory provided by manufacturers, accessed by working with distributor
Gap	\$ -	0.00%	Unidentified source. 5% for 10 yrs.
External, subordinated	\$ 267,000	19.32%	
Bank Debt	\$ 270,050	19.54%	
1st Position Debt	\$ 270,050	19.54%	
<b>Total Sources</b>	<b>\$ 1,382,050</b>	<b>100.00%</b>	



<b>USES</b>			
Leasehold	\$ 364,000	26.34%	\$65 cost per sq.ft. Typical range = \$80 - 100/sqft but it can be higher or lower
Improvements			
Equipment	\$ 392,000	28.36%	\$70 cost per sq.ft. Typical range = \$80 - 100/sqft but it can be higher or lower
Inventory	\$ 132,100	9.56%	\$40 cost per retail sq.ft. Typical range = \$35 - 45/retail sqft
Fees	\$ 65,000	4.70%	Includes consultants, architect/engineer, store design, legal, financing, environmental, misc. Fees are initially estimated at 10%. (Still need to add Project Manager fee if funded by the sources)
Start-up promotion	\$ 11,250	0.81%	Allows for promotion before opening day. Equivalent to 3 months of Year 1 advertising budget added on. 2% of Year 1 sales divided by 4
Start-up staffing	\$ 61,000	4.41%	Initially estimated as 1/12 of Year 1 labor (25% of sales) + salary/benefits for G.M. for 6 months (1/2 of \$60K)
Operating/Admin prior to opening	\$ 15,000	1.09%	Basic expenses incurred in 2013 - 2015 prior to opening
Holding/Site Costs	\$ 15,000	1.09%	Lease deposit, if required, plus option/rent/taxes/ins/CAM/utilities before opening
Interest during project	\$ 21,000	1.52%	Estimated at \$1,000,000 of debt at blended interest of 7% for 4 months at 50% avg. draw
Post-Opening professional support	\$ 20,000	1.45%	Set aside for consulting support to develop operating systems and provide support in Year 1
Working Capital allowance	\$ 160,000	11.58%	10% of Yr 1 sales. To provide adequate cash flow to cover initial operating losses. Range is 6 - 10% of Yr 1 sales
Subtotal Uses	\$ 1,256,350	90.90%	
Overrun Allocation (9% of project costs)	\$ 125,700	9.10%	Initially calculated at 15% of subtotal. Lowered to no lower than 10% as estimated costs become firm. Assumes overrun allowance is 50% leasehold improvements and 50% equipment.
<b>Total Uses</b>	<b>\$ 1,382,050</b>	<b>100.00%</b>	<b>\$ 246.79 /sq.ft.</b>

The current typical project cost for an existing co-op to relocate via a lease is \$250-300/sq ft

# Balance Sheet



	Uses	Beginning	YEAR 1	YEAR 2	YEAR 3	YEAR 4
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	180,000	180,000	317,682	382,519	445,406	514,545
Prepaid Items	0	0	0	0	0	0
Inventories	132,100	132,100	136,063	140,145	144,349	148,680
Accounts Receivable	0	0	0	0	0	0
<b>TOTAL CURRENT ASSETS</b>	<b>312,100</b>	<b>312,100</b>	<b>453,745</b>	<b>522,664</b>	<b>589,755</b>	<b>663,225</b>
<b>FIXED ASSETS</b>						
Equipment	454,850	454,850	458,350	463,850	473,850	483,850
Leasehold Improvements	327,850	327,850	330,350	332,850	336,350	339,850
Accumulated Depreciation	0	0	(87,502)	(175,956)	(266,072)	(357,850)
<b>Gross FIXED ASSETS</b>	<b>782,700</b>	<b>782,700</b>	<b>701,198</b>	<b>620,744</b>	<b>544,128</b>	<b>465,850</b>
<b>OTHER ASSETS</b>						
Investments	0	0	0	0	0	0
Organization Development Costs	87,250	87,250	87,250	87,250	87,250	87,250
Depreciation/Amortization	0	0	(87,250)	(87,250)	(87,250)	(87,250)
<b>TOTAL OTHER ASSETS</b>	<b>87,250</b>	<b>87,250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>1,182,050</b>	<b>1,182,050</b>	<b>1,154,943</b>	<b>1,143,408</b>	<b>1,133,883</b>	<b>1,129,075</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable	0	0	74,646	77,450	82,225	85,656
Accrued Payroll and Payroll Taxes	0	0	6,351	6,456	6,908	7,253
Sales Tax Payables	0	0	1,720	1,840	1,969	2,068
Income tax Payable	0	0	0	0	0	0
Loan Payable Current Portion	0	31,710	33,235	34,887	23,343	25,281
<b>TOTAL CURRENT LIABILITIES</b>	<b>0</b>	<b>31,710</b>	<b>115,952</b>	<b>120,634</b>	<b>114,445</b>	<b>120,257</b>
<b>LONG TERM LIABILITIES</b>						
City/Community Loan	0	0	0	0	0	0
Vendor Credit	40,000	26,667	13,333	0	0	0
Bank Debt	270,050	251,672	231,770	210,215	186,871	161,589
Gap Financing	0	0	0	0	0	0
Member Loans	0	0	19,000	19,000	19,000	19,000
<b>TOTAL LONG TERM LIABILITIES</b>	<b>310,050</b>	<b>278,339</b>	<b>264,103</b>	<b>229,215</b>	<b>205,871</b>	<b>180,589</b>
<b>TOTAL LIABILITIES</b>	<b>310,050</b>	<b>310,049</b>	<b>380,055</b>	<b>349,849</b>	<b>320,315</b>	<b>300,847</b>
<b>EQUITY</b>						
Member Equity	120,000	120,000	180,000	228,000	252,000	270,000
Preferred Shares	500,000	500,000	500,000	500,000	500,000	500,000
Dividends on Preferred Shares	0	0	0	0	0	(17,500)
Retained Earnings	252,000	252,000	94,888	65,559	61,567	75,728
<b>TOTAL EQUITY</b>	<b>872,000</b>	<b>872,000</b>	<b>774,888</b>	<b>793,559</b>	<b>813,567</b>	<b>828,228</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,182,050</b>	<b>1,182,049</b>	<b>1,154,943</b>	<b>1,143,408</b>	<b>1,133,883</b>	<b>1,129,075</b>

# Balance Sheet



	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	530,891	523,008	497,047	411,487	340,755	279,695
Prepaid Items	0	0	0	0	0	0
Inventories	153,140	157,734	162,466	167,340	172,361	177,531
Accounts Receivable	0	0	0	0	0	0
<b>TOTAL CURRENT ASSETS</b>	<b>684,031</b>	<b>680,742</b>	<b>659,514</b>	<b>578,827</b>	<b>513,116</b>	<b>457,226</b>
<b>FIXED ASSETS</b>						
Equipment	533,850	543,850	558,850	608,850	623,850	648,850
Leasehold Improvements	354,850	358,350	363,350	375,350	380,350	385,350
Accumulated Depreciation	(457,771)	(559,354)	(663,413)	(710,437)	(759,436)	(811,555)
<b>Gross FIXED ASSETS</b>	<b>430,929</b>	<b>342,846</b>	<b>258,787</b>	<b>273,763</b>	<b>244,764</b>	<b>222,645</b>
<b>OTHER ASSETS</b>						
Investments	0	0	0	0	0	0
Organization Development Costs	87,250	87,250	87,250	87,250	87,250	87,250
Depreciation/Amortization	(87,250)	(87,250)	(87,250)	(87,250)	(87,250)	(87,250)
<b>TOTAL OTHER ASSETS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>1,114,960</b>	<b>1,023,588</b>	<b>918,300</b>	<b>852,590</b>	<b>757,880</b>	<b>679,871</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable	89,225	93,686	98,370	103,289	108,453	113,876
Accrued Payroll and Payroll Taxes	7,616	7,996	8,396	8,816	9,257	9,720
Sales Tax Payables	2,171	2,280	2,394	2,513	2,639	2,771
Income tax Payable	0	0	0	20,222	45,433	49,200
Loan Payable Current Portion	27,379	29,652	32,113	34,779	37,665	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>126,391</b>	<b>133,614</b>	<b>141,273</b>	<b>169,619</b>	<b>203,448</b>	<b>175,567</b>
<b>LONG TERM LIABILITIES</b>						
City/Community Loan	0	0	0	0	0	0
Vendor Credit	0	0	0	0	0	0
Bank Debt	134,210	104,557	72,444	37,665	0	0
Gap Financing	0	0	0	0	0	0
Member Loans	0	0	0	0	0	0
<b>TOTAL LONG TERM LIABILITIE</b>	<b>134,210</b>	<b>104,557</b>	<b>72,444</b>	<b>37,665</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>	<b>260,601</b>	<b>238,171</b>	<b>213,717</b>	<b>207,285</b>	<b>203,448</b>	<b>175,567</b>
<b>EQUITY</b>						
Member Equity	288,000	300,000	312,000	318,000	324,000	330,000
Preferred Shares	500,000	400,000	275,000	125,000	(50,000)	(200,000)
Dividends on Preferred Shares	(37,500)	(57,500)	(73,500)	(87,250)	(93,500)	(91,000)
Retained Earnings	103,859	142,917	191,083	289,556	373,932	465,304
<b>TOTAL EQUITY</b>	<b>854,359</b>	<b>785,417</b>	<b>704,583</b>	<b>645,306</b>	<b>554,432</b>	<b>504,304</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,114,960</b>	<b>1,023,588</b>	<b>918,300</b>	<b>852,590</b>	<b>757,880</b>	<b>679,871</b>

# Income Statement



	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>INCOME</b>					
RETAIL SQ/FT	3,303	3,303	3,303	3,303	3,303
GROSS SALES SQ/FT	500	535	572	601	631
<b>GROSS SALES</b>	<b>1,651,250</b>	<b>1,766,838</b>	<b>1,890,516</b>	<b>1,985,042</b>	<b>2,084,294</b>
% SALES GROWTH		7.00%	7.00%	5.00%	5.00%
<b>COST OF GOODS SOLD</b>	<b>1,089,825</b>	<b>1,130,776</b>	<b>1,200,478</b>	<b>1,250,576</b>	<b>1,302,684</b>
• AS % OF GROSS SALES	66.00%	64.00%	63.50%	63.00%	62.50%
<b>GROSS MARGIN</b>	<b>561,425</b>	<b>636,062</b>	<b>690,038</b>	<b>734,466</b>	<b>781,610</b>
• AS % OF GROSS SALES	34.00%	36.00%	36.50%	37.00%	37.50%
<b>EXPENSES</b>					
Personnel Costs					
Payroll & Salary Expense	264,200	268,559	287,358	301,726	316,813
Payroll Taxes & Benefits	66,050	67,140	71,840	75,432	79,203
<b>Total Personnel Costs</b>	<b>330,250</b>	<b>335,699</b>	<b>359,198</b>	<b>377,158</b>	<b>396,016</b>
• AS % OF GROSS SALES	20.00%	19.00%	19.00%	19.00%	19.00%
Occupancy Expenses					
Rent	30,000	56,000	56,000	57,120	57,120
Real and Property Taxes, Insurance & CAM	14,000	14,420	14,853	15,298	15,757
Repairs & Maintenance	4,954	5,102	5,255	5,413	5,575
Insurance	3,633	3,742	3,854	3,970	4,089
Utilities	22,400	23,520	24,696	25,931	27,227
Licenses & Permits	250	258	265	273	281
Building Services	1,200	1,236	1,273	1,311	1,351
Depreciation/Amortization	174,752	88,454	90,116	91,778	99,921
<b>Total Occupancy Expenses</b>	<b>251,188</b>	<b>192,732</b>	<b>196,313</b>	<b>201,094</b>	<b>211,322</b>
• AS % OF GROSS SALES	15.21%	10.91%	10.38%	10.13%	10.14%
Occupancy Expenses less Depreciation/Amortization	4.63%	5.90%	5.62%	5.51%	5.34%
Depreciation/Amortization	10.58%	5.01%	4.77%	4.62%	4.79%
<b>Operating Expenses</b>					
Store Supplies	41,281	22,085	23,631	24,813	26,054
Credit Card Fees	22,292	23,852	25,522	26,798	28,138
Telephone/Internet	1,347	1,388	1,429	1,472	1,517
Small Equipment purchases	2,642	2,827	3,025	3,176	3,335
Trash/Baler	991	1,060	1,134	1,191	1,251
Bad Debt, Cash Over (Short), Bank Charges	165	177	189	199	208
Vehicle Expense	50	53	54	56	57
Miscellaneous	3,633	4,417	4,726	4,963	5,211
<b>Total Operating Expenses</b>	<b>72,401</b>	<b>55,859</b>	<b>59,711</b>	<b>62,667</b>	<b>65,770</b>
• AS % OF GROSS SALES	4.38%	3.16%	3.16%	3.16%	3.16%
<b>Administrative Expenses</b>					
Office Supplies/Postage	5,469	7,315	7,827	8,218	8,629
Dues & Subscriptions	1,595	3,445	3,687	3,871	4,064
Legal, Accounting, Consulting Fees	6,836	10,575	11,315	11,505	11,793
Travel Expenses	684	1,219	1,304	1,370	1,438
<b>Total Administrative Expenses</b>	<b>14,584</b>	<b>22,554</b>	<b>24,132</b>	<b>24,964</b>	<b>25,924</b>
• AS % OF GROSS SALES	0.88%	1.28%	1.28%	1.26%	1.24%

margin - labour = stanc

# Income Statement



	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
<b>INCOME</b>					
RETAIL SQ/FT	3,303	3,303	3,303	3,303	3,303
GROSS SALES SQ/FT	663	696	731	767	805
<b>GROSS SALES</b>	<b>2,188,509</b>	<b>2,297,934</b>	<b>2,412,831</b>	<b>2,533,472</b>	<b>2,660,146</b>
% SALES GROWTH	5.00%	5.00%	5.00%	5.00%	5.00%
<b>COST OF GOODS SOLD</b>					
• AS % OF GROSS SALES	62.50%	62.50%	62.50%	62.50%	62.50%
<b>GROSS MARGIN</b>	<b>820,691</b>	<b>861,725</b>	<b>904,812</b>	<b>950,052</b>	<b>997,555</b>
• AS % OF GROSS SALES	37.50%	37.50%	37.50%	37.50%	37.50%
<b>EXPENSES</b>					
Personnel Costs					
Payroll & Salary Expense	332,653	349,286	366,750	385,088	404,342
Payroll Taxes & Benefits	83,163	87,321	91,688	96,272	101,086
<b>Total Personnel Costs</b>	<b>415,817</b>	<b>436,607</b>	<b>458,438</b>	<b>481,360</b>	<b>505,428</b>
• AS % OF GROSS SALES	19.00%	19.00%	19.00%	19.00%	19.00%
Occupancy Expenses					
Rent	57,120	58,834	60,599	62,417	64,289
Real and Property Taxes, Insurance & CAM	16,230	16,717	17,218	17,735	18,267
Repairs & Maintenance	5,743	5,915	6,092	6,275	6,464
Insurance	4,211	4,338	4,468	4,602	4,740
Utilities	28,589	30,018	31,519	33,095	34,750
Licenses & Permits	290	299	307	317	326
Building Services	1,391	1,433	1,476	1,520	1,566
Depreciation/Amortization	101,583	104,059	47,023	49,000	52,119
<b>Total Occupancy Expenses</b>	<b>215,156</b>	<b>221,612</b>	<b>168,703</b>	<b>174,960</b>	<b>182,520</b>
• AS % OF GROSS SALES	9.83%	9.64%	6.99%	6.91%	6.86%
Occupancy Expenses less Depreciation/Amortization	5.19%	5.12%	5.04%	4.97%	4.90%
Depreciation/Amortization	4.64%	4.53%	1.95%	1.93%	1.96%
<b>Operating Expenses</b>					
Store Supplies	27,356	28,724	30,160	31,668	33,252
Credit Card Fees	29,545	31,022	32,573	34,202	35,912
Telephone/Internet	1,562	1,609	1,657	1,707	1,758
Small Equipment purchases	3,502	3,677	3,861	4,054	4,256
Trash/Baler	1,313	1,379	1,448	1,520	1,596
Bad Debt, Cash Over (Short), Bank Charges	219	230	241	253	266
Vehicle Expense	59	61	63	65	67
Miscellaneous	5,471	5,745	6,032	6,334	6,650
<b>Total Operating Expenses</b>	<b>69,027</b>	<b>72,446</b>	<b>76,035</b>	<b>79,802</b>	<b>83,757</b>
• AS % OF GROSS SALES	3.15%	3.15%	3.15%	3.15%	3.15%
<b>Administrative Expenses</b>					
Office Supplies/Postage	9,060	9,513	9,989	10,489	11,013
Dues & Subscriptions	4,268	4,481	4,705	4,940	5,187
Legal, Accounting, Consulting Fees	12,383	13,002	13,652	14,334	15,051
Travel Expenses	1,510	1,586	1,665	1,748	1,836
<b>Total Administrative Expenses</b>	<b>27,221</b>	<b>28,582</b>	<b>30,011</b>	<b>31,511</b>	<b>33,087</b>
• AS % OF GROSS SALES	1.24%	1.24%	1.24%	1.24%	1.24%

lard is a 15% spread

# Income Statement



	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>Governance/Member Expense</b>					
Board of Directors	2,477	3,975	4,963	4,863	5,107
Newsletter Expense	750	750	788	827	868
Member Services	578	618	662	695	730
<b>Total Governance/Member Expense</b>	<b>3,805</b>	<b>5,344</b>	<b>6,412</b>	<b>6,385</b>	<b>6,704</b>
• AS % OF GROSS SALES	0.23%	0.30%	0.34%	0.32%	0.32%
<b>Promotion Expense</b>					
Advertising	16,513	26,503	23,631	24,813	26,054
Merchandising & Promotion	8,256	6,626	6,144	6,451	6,774
Contributions/Donations	600	660	726	799	878
<b>Total Promotional Expenses</b>	<b>25,369</b>	<b>33,788</b>	<b>30,502</b>	<b>32,063</b>	<b>33,706</b>
• AS % OF GROSS SALES	1.54%	1.91%	1.61%	1.62%	1.62%
<b>TOTAL OPERATING EXPENSES</b>	<b>697,597</b>	<b>645,976</b>	<b>676,268</b>	<b>704,331</b>	<b>739,442</b>
• AS % OF GROSS SALES	42.25%	36.56%	35.77%	35.48%	35.48%
<b>INCOME FROM OPERATIONS</b>	<b>(136,172)</b>	<b>(9,914)</b>	<b>13,771</b>	<b>30,134</b>	<b>42,168</b>
• AS % OF GROSS SALES	-8.25%	-0.56%	0.73%	1.52%	2.02%
<b>Other Revenue (Expenses)</b>					
Interest Income	0	0	0	0	0
Interest Expense	0	0	0	0	0
Other non-operating Income	0	0	0	0	0
Other Non-operating (expense)	0	0	0	0	0
Total Other Revenues (Expenses)	0	0	0	0	0
• AS % OF GROSS SALES	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Interest expense</b>					
City/Community Loan	0	0	0	0	0
Member Shares Dividends	0	0	0	0	0
Gap Financing	0	0	0	0	0
Vendor Credit	(1)	0	0	0	0
Bank Debt	20,940	19,414	17,762	15,973	14,036
Total Interest Expense	20,940	19,415	17,763	15,973	14,036
• AS % OF GROSS SALES	1.27%	1.10%	0.94%	0.80%	0.67%
<b>PROFIT/(LOSS) BEFORE PATRONAGE &amp; TAXES</b>	<b>(157,112)</b>	<b>(29,329)</b>	<b>(3,992)</b>	<b>14,161</b>	<b>28,131</b>
• AS % OF GROSS SALES	-9.51%	-1.66%	-0.21%	0.71%	1.35%
<b>Patronage Rebate expense</b>					
• AS % OF GROSS SALES	0.00%	0.00%	0.00%	0.00%	0.00%
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>(157,112)</b>	<b>(29,329)</b>	<b>(3,992)</b>	<b>14,161</b>	<b>28,131</b>
• AS % OF GROSS SALES	-9.51%	-1.66%	-0.21%	0.71%	1.35%
<b>Income Taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
• AS % OF GROSS SALES	0.00%	0.00%	0.00%	0.00%	0.00%
<b>PROFIT/(LOSS)</b>	<b>(157,112)</b>	<b>(29,329)</b>	<b>(3,992)</b>	<b>14,161</b>	<b>28,131</b>
• AS % OF GROSS SALES	-9.51%	-1.66%	-0.21%	0.71%	1.35%

# Income Statement



	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
<b>Governance/Member Expense</b>					
Board of Directors	5,362	5,630	5,911	6,207	6,517
Newsletter Expense	912	957	1,005	1,055	1,108
Member Services	766	804	844	887	931
<b>Total Governance/Member Expense</b>	<b>7,039</b>	<b>7,391</b>	<b>7,761</b>	<b>8,149</b>	<b>8,557</b>
• AS % OF GROSS SALES	0.32%	0.32%	0.32%	0.32%	0.32%
<b>Promotion Expense</b>					
Advertising	27,356	28,724	28,954	30,402	31,922
Merchandising & Promotion	7,113	7,468	7,842	8,234	8,645
Contributions/Donations	966	1,063	1,169	1,286	1,415
<b>Total Promotional Expenses</b>	<b>35,435</b>	<b>37,255</b>	<b>37,965</b>	<b>39,922</b>	<b>41,982</b>
• AS % OF GROSS SALES	1.62%	1.62%	1.57%	1.58%	1.58%
<b>TOTAL OPERATING EXPENSES</b>	<b>769,696</b>	<b>803,894</b>	<b>778,912</b>	<b>815,704</b>	<b>855,330</b>
• AS % OF GROSS SALES	35.17%	34.98%	32.28%	32.20%	32.15%
<b>INCOME FROM OPERATIONS</b>	<b>50,995</b>	<b>57,832</b>	<b>125,899</b>	<b>134,348</b>	<b>142,225</b>
• AS % OF GROSS SALES	2.33%	2.52%	5.22%	5.30%	5.35%
<b>Other Revenue (Expenses)</b>					
Interest Income	0	0	0	0	0
Interest Expense	0	0	0	0	0
Other non-operating Income	0	0	0	0	0
Other Non-operating (expense)	0	0	0	0	0
Total Other Revenues (Expenses)	0	0	0	0	0
• AS % OF GROSS SALES	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Interest expense</b>					
City/Community Loan	0	0	0	0	0
Member Shares Dividends	0	0	0	0	0
Gap Financing	0	0	0	0	0
Vendor Credit	0	0	0	0	0
Bank Debt	11,937	9,665	7,204	4,538	1,652
Total Interest Expense	11,937	9,665	7,204	4,538	1,652
• AS % OF GROSS SALES	0.55%	0.42%	0.30%	0.18%	0.06%
<b>PROFIT/(LOSS) BEFORE PATRONAGE &amp; TAXES</b>	<b>39,058</b>	<b>48,166</b>	<b>118,695</b>	<b>129,810</b>	<b>140,573</b>
• AS % OF GROSS SALES	1.78%	2.10%	4.92%	5.12%	5.28%
<b>Patronage Rebate expense</b>					
• AS % OF GROSS SALES	0.00%	0.00%	0.00%	0.00%	0.00%
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>39,058</b>	<b>48,166</b>	<b>118,695</b>	<b>129,810</b>	<b>140,573</b>
• AS % OF GROSS SALES	1.78%	2.10%	4.92%	5.12%	5.28%
<b>Income Taxes</b>	<b>0</b>	<b>0</b>	<b>20,222</b>	<b>45,433</b>	<b>49,200</b>
• AS % OF GROSS SALES	0.00%	0.00%	0.84%	1.79%	1.85%
<b>PROFIT/(LOSS)</b>	<b>39,058</b>	<b>48,166</b>	<b>98,473</b>	<b>84,376</b>	<b>91,372</b>
• AS % OF GROSS SALES	1.78%	2.10%	4.08%	3.33%	3.43%



# Statement of Cash Flow



	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Profit (loss)	(157,112)	(29,329)	(3,992)	14,161	28,131
Depreciation (Gross Accumulated Depreciation)	174,752	88,454	90,116	91,778	99,921
Interest Expense Add back	20,940	19,415	17,763	15,973	14,036
<b>Subtotal</b>	<b>38,580</b>	<b>78,540</b>	<b>103,887</b>	<b>121,912</b>	<b>142,089</b>
<b>Changes In Working Capital</b>					
Prepaid Items	0	0	0	0	0
Inventories	(3,963)	(4,082)	(4,204)	(4,330)	(4,460)
Accounts Receivable	0	0	0	0	0
Accounts Payable	74,646	2,805	4,774	3,431	3,569
Accrued Payroll and Payroll Taxes	6,351	105	452	345	363
Sales Tax Payables	1,720	120	129	98	103
Income tax Payable	0	0	0	0	0
<b>TOTAL</b>	<b>78,754</b>	<b>(1,052)</b>	<b>1,150</b>	<b>(455)</b>	<b>(425)</b>
<b>CASH FLOWS FROM OPERATIONS</b>	<b>117,333</b>	<b>77,488</b>	<b>105,037</b>	<b>121,457</b>	<b>141,663</b>
<b>INVESTMENTS</b>					
Equipment	(3,500)	(5,500)	(10,000)	(10,000)	(50,000)
Leasehold Improvements	(2,500)	(2,500)	(3,500)	(3,500)	(15,000)
<b>CASH FLOW FROM INVESTMENTS</b>	<b>(6,000)</b>	<b>(8,000)</b>	<b>(13,500)</b>	<b>(13,500)</b>	<b>(65,000)</b>
<b>CASH FLOWS FROM EQUITY ACTIVITIES:</b>					
Member Equity	60,000	48,000	24,000	18,000	18,000
Preferred Shares	0	0	0	0	0
Dividends on Preferred Shares	0	0	0	(17,500)	(20,000)
<b>CASH FLOWS FROM EQUITY ACTIVITIES:</b>	<b>60,000</b>	<b>48,000</b>	<b>24,000</b>	<b>500</b>	<b>(2,000)</b>
<b>CASH FLOW BEFORE DEBT SERVICE</b>	<b>171,333</b>	<b>117,488</b>	<b>115,537</b>	<b>108,457</b>	<b>74,663</b>
<b>DEBT SERVICE (Principal &amp; Interest)</b>					
City/Community Loan	0	0	0	0	0
Vendor Credit	(13,333)	(13,333)	(13,333)	0	0
Gap Financing	0	0	0	0	0
Bank Debt	(39,317)	(39,317)	(39,317)	(39,317)	(39,317)
Member Shares	0	0	0	0	0
<b>TOTAL LONG TERM LIABILITIES</b>	<b>(52,651)</b>	<b>(52,651)</b>	<b>(52,651)</b>	<b>(39,317)</b>	<b>(39,317)</b>
<b>TOTAL CASH FLOW</b>	<b>118,683</b>	<b>64,838</b>	<b>62,886</b>	<b>69,140</b>	<b>35,346</b>
<b>BEGINNING CASH</b>	<b>180,000</b>	<b>298,682</b>	<b>363,519</b>	<b>426,406</b>	<b>495,545</b>
<b>ENDING CASH</b>	<b>298,683</b>	<b>363,519</b>	<b>426,406</b>	<b>495,545</b>	<b>530,891</b>

# Statement of Cash Flow



	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Profit (loss)	39,058	48,166	98,473	84,376	91,372
Depreciation (Gross Accumulated Depreciation)	101,583	104,059	47,023	49,000	52,119
Interest Expense Add back	11,937	9,665	7,204	4,538	1,652
Subtotal	152,578	161,891	152,700	137,914	145,143
<b>Changes In Working Capital</b>					
Prepaid Items	0	0	0	0	0
Inventories	(4,594)	(4,732)	(4,874)	(5,020)	(5,171)
Accounts Receivable	0	0	0	0	0
Accounts Payable	4,461	4,684	4,919	5,164	5,423
Accrued Payroll and Payroll Taxes	381	400	420	441	463
Sales Tax Payables	109	114	120	126	132
Income tax Payable	0	0	20,222	25,211	3,767
<b>TOTAL</b>	356	466	20,806	25,922	4,614
<b>CASH FLOWS FROM OPERATIONS</b>	152,934	162,357	173,506	163,836	149,757
<b>INVESTMENTS</b>					
Equipment	(10,000)	(15,000)	(50,000)	(15,000)	(25,000)
Leasehold Improvements	(3,500)	(5,000)	(12,000)	(5,000)	(5,000)
<b>CASH FLOW FROM INVESTMENTS</b>	(13,500)	(20,000)	(62,000)	(20,000)	(30,000)
<b>CASH FLOWS FROM EQUITY ACTIVITIES:</b>					
Member Equity	12,000	12,000	6,000	6,000	6,000
Preferred Shares	(100,000)	(125,000)	(150,000)	(175,000)	(150,000)
Dividends on Preferred Shares	(20,000)	(16,000)	(13,750)	(6,250)	2,500
<b>CASH FLOWS FROM EQUITY ACTIVITIES:</b>	(108,000)	(129,000)	(157,750)	(175,250)	(141,500)
<b>CASH FLOW BEFORE DEBT SERVICE</b>	31,434	13,357	(46,244)	(31,414)	(21,743)
<b>DEBT SERVICE (Principal &amp; Interest)</b>					
City/Community Loan	0	0	0	0	0
Vendor Credit	0	0	0	0	0
Gap Financing	0	0	0	0	0
Bank Debt	(39,317)	(39,317)	(39,317)	(39,317)	(39,317)
Member Shares	0	0	0	0	0
<b>TOTAL LONG TERM LIABILITIES</b>	(39,317)	(39,317)	(39,317)	(39,317)	(39,317)
<b>TOTAL CASH FLOW</b>	(7,883)	(25,961)	(85,561)	(70,731)	(61,061)
BEGINNING CASH	530,891	523,008	497,047	411,487	340,755
ENDING CASH	523,008	497,047	411,487	340,755	279,695