

PRO-FORMA INCOME STATEMENT

| INCOME STATEMENT | Mo 1 | Mo 2 | Mo 3 | Mo 4 | Mo 5 | Mo 6 | Mo 7 | Mo 8 | Mo 9 | Mo 10 | Mo 11 | Mo 12 | Yr 1 Tot | % Sales | Year 2 | Year 3 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|-------------|----------------|----------------|
| Revenue Stream 1 | 4,000 | 4,000 | 3,000 | 6,000 | 5,000 | 8,000 | 3,000 | 4,000 | 4,000 | 7,000 | 10,000 | 9,000 | 67,000 | 30% | 75,000 | 90,000 |
| Revenue Stream 2 | 5,000 | 5,000 | 5,000 | 6,000 | 6,000 | 6,000 | 8,000 | 8,000 | 8,000 | 12,000 | 12,000 | 12,000 | 93,000 | 41% | 100,000 | 110,000 |
| Revenue Stream 3 | 7,000 | 7,000 | 7,000 | 4,000 | 4,000 | 4,000 | 4,000 | 5,000 | 5,000 | 5,000 | 7,000 | 7,000 | 66,000 | 29% | 75,000 | 80,000 |
| TOTAL REVENUES | 16,000 | 16,000 | 15,000 | 16,000 | 15,000 | 18,000 | 15,000 | 17,000 | 17,000 | 24,000 | 29,000 | 28,000 | 226,000 | 100% | 250,000 | 280,000 |
| COGS - Rev Stream 1 | 1,800 | 1,800 | 1,350 | 2,700 | 2,250 | 3,600 | 1,350 | 1,800 | 1,800 | 3,150 | 4,500 | 4,050 | 30,150 | 13% | 33,750 | 40,500 |
| COGS - Rev Stream 2 | 2,600 | 2,600 | 2,600 | 3,120 | 3,120 | 3,120 | 4,160 | 4,160 | 4,160 | 6,240 | 6,240 | 6,240 | 48,360 | 21% | 52,000 | 57,200 |
| COGS - Rev Stream 3 | 4,550 | 4,550 | 4,550 | 2,600 | 2,600 | 2,600 | 2,600 | 3,250 | 3,250 | 3,250 | 4,550 | 4,550 | 42,900 | 19% | 48,750 | 52,000 |
| TOTAL COGS | 8,950 | 8,950 | 8,500 | 8,420 | 7,970 | 9,320 | 8,110 | 9,210 | 9,210 | 12,640 | 15,290 | 14,840 | 121,410 | 54% | 134,500 | 149,700 |
| TOTAL GROSS MARGIN \$ | 7,050 | 7,050 | 6,500 | 7,580 | 7,030 | 8,680 | 6,890 | 7,790 | 7,790 | 11,360 | 13,710 | 13,160 | 104,590 | 46% | 115,500 | 130,300 |
| GM % | 44% | 44% | 43% | 47% | 47% | 48% | 46% | 46% | 46% | 47% | 47% | 47% | 46% | | 46% | 47% |
| Advertising | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 6,000 | 3% | 8,000 | 10,000 |
| Marketing Payroll / Benefits | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 | 11% | 27,000 | 27,000 |
| Commissions | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,200 | 1% | 1,500 | 1,500 |
| Travel / Entertainment - Mktg | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,200 | 1% | 1,500 | 1,500 |
| Mailing Costs - Marketing | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,200 | 1% | 2,000 | 2,000 |
| TOTAL MARKETING EXP | 2,800 | 2,800 | 2,800 | 2,800 | 2,800 | 2,800 | 2,800 | 2,800 | 2,800 | 2,800 | 2,800 | 2,800 | 33,600 | 15% | 40,000 | 42,000 |
| Rent | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 6,000 | 3% | 6,000 | 6,000 |
| Utilities | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 | 2% | 3,700 | 3,900 |
| Repairs / Maintenance | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 600 | 0% | 800 | 1,000 |
| Payroll / Benefits | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 | 11% | 30,000 | 36,000 |
| Depreciation Expense | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,200 | 1% | 1,200 | 1,500 |
| Professional Services | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 | 2% | 4,000 | 5,000 |
| Travel / Entertainment - G&A | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,200 | 1% | 2,000 | 3,000 |
| Insurance | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,200 | 1% | 1,200 | 1,500 |
| Telephone | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,200 | 1% | 1,500 | 2,500 |
| Dues & Subscriptions | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 360 | 0% | 360 | 360 |
| Office Supplies | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,200 | 1% | 1,500 | 1,800 |
| Security System | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 600 | 0% | 600 | 600 |
| Misc Expenses | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,200 | 1% | 2,000 | 3,000 |
| TOTAL G&A EXPENSES | 3,830 | 3,830 | 3,830 | 3,830 | 3,830 | 3,830 | 3,830 | 3,830 | 3,830 | 3,830 | 3,830 | 3,830 | 45,960 | 20% | 54,860 | 66,160 |
| TOTAL EXPENSES | 6,630 | 6,630 | 6,630 | 6,630 | 6,630 | 6,630 | 6,630 | 6,630 | 6,630 | 6,630 | 6,630 | 6,630 | 79,560 | 35% | 94,860 | 108,160 |
| NET PROFIT (EBIT) | 420 | 420 | -130 | 950 | 400 | 2,050 | 260 | 1,160 | 1,160 | 4,730 | 7,080 | 6,530 | 25,030 | 11% | 20,640 | 22,140 |
| % of Sales | 3% | 3% | -1% | 6% | 3% | 11% | 2% | 7% | 7% | 20% | 24% | 23% | | | 8% | 8% |
| Interest Expenses | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,200 | 1% | 1,200 | 1,200 |
| NET PROFITS (EBT) | 320 | 320 | -230 | 850 | 300 | 1,950 | 160 | 1,060 | 1,060 | 4,630 | 6,980 | 6,430 | 23,830 | 11% | 19,440 | 20,940 |
| Taxes (Will be "0" unless C-Corp) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 0 |
| NET PROFITS AFTER TAXES | 320 | 320 | -230 | 850 | 300 | 1,950 | 160 | 1,060 | 1,060 | 4,630 | 6,980 | 6,430 | 23,830 | 11% | 19,440 | 20,940 |

