

PRH Financial Projections for Years Two and Three

	Month	1	2	3	4	5	6	7	8	9	10	11	12	Yr 2 Total	
SALES															
Units Sales Forecast	ASP	6	6	6	7	9	9	10	11	11	12	13	13	113	
Total Revenue	\$7,500	\$45,000	\$45,000	\$45,000	\$52,500	\$67,500	\$67,500	\$75,000	\$82,500	\$82,500	\$90,000	\$97,500	\$97,500	\$847,500	
COST OF GOODS															
Materials - x-Distributor	\$3,950	\$23,700	\$23,700	\$23,700	\$27,650	\$35,550	\$35,550		\$33,250	\$36,575	\$36,575	\$39,900	\$43,225	\$43,225	\$169,850
- x-Manufacturer	\$3,325														\$232,750
Assembly labor	\$285	1,710	1,710	1,710	1,995	2,565	2,565	2,850	3,135	3,135	3,420	3,705	3,705	\$32,205	
Installation Labor	\$1,200	7,200	7,200	7,200	8,400	10,800	10,800	12,000	13,200	13,200	14,400	15,600	15,600	\$135,600	
Other (permits, subs, etc.)	\$500	3,000	3,000	3,000	3,500	4,500	4,500	5,000	5,500	5,500	6,000	6,500	6,500	\$56,500	
Total COGS	\$5,310	\$35,610	\$35,610	\$35,610	\$41,545	\$53,415	\$53,415	\$53,100	\$58,410	\$58,410	\$63,720	\$69,030	\$69,030	\$626,905	
GROSS PROFIT		\$9,390	\$9,390	\$9,390	\$10,955	\$14,085	\$14,085	\$21,900	\$24,090	\$24,090	\$26,280	\$28,470	\$28,470	\$220,595	
Gross Margin %		21%	21%	21%	21%	21%	21%	29%	29%	29%	29%	29%	29%	26%	
OPERATING EXPENSE															
<u>Payroll</u>															
Owner	\$25k/year	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$25,200	
Operations Manager	\$36k/year	800	800	800	800	800	800	800	800	800	800	800	800	9,600	
Office Manager	\$16k/year	700	700	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	14,900	
Sales Rep 1	\$24k/year	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	22,000	
Sales Rep 2	\$24k/year	0	0	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000	
Commissions	3.0%	0	0	0	225	675	675	900	1,125	1,125	1,350	1,575	1,575	9,225	
Shipping/Receiving Clerk	\$19k/year	0	0	0	0	0	0	0	1,600	1,600	1,600	1,600	1,600	8,000	
Payroll Taxes	10%	360	560	625	848	893	893	915	1,098	1,098	1,120	1,143	1,143	10,693	
Employee Benefits	10%	0	0	0	0	893	893	915	1,098	1,098	1,120	1,143	1,143	8,300	
Payroll Total		\$3,960	\$6,160	\$6,875	\$9,323	\$10,710	\$10,710	\$10,980	\$13,170	\$13,170	\$13,440	\$13,710	\$13,710	\$125,918	
<u>General and Administrative</u>															
Rent & Utilities		\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$27,000	
Communications		275	275	275	275	275	275	275	275	275	275	275	275	3,300	
Insurance, Bond		600	600	600	600	600	600	600	600	600	600	600	600	7,200	
Maintenance & Repairs		175	175	175	175	175	175	175	175	175	175	175	175	2,100	
Professional Services		100	100	100	100	100	100	100	100	100	100	100	100	1,200	
Office Supplies		150	150	150	150	150	150	150	150	150	150	150	150	1,800	
Equipment Rental		350	350	350	350	350	350	350	350	350	350	350	350	4,200	
Business tax & licenses	0.5%	225	225	225	263	338	338	375	413	413	450	488	488	4,238	
Bad Debt		0	0	0	0	0	0	0	0	0	0	0	0	0	
G&A Total		\$4,125	\$4,125	\$4,125	\$4,163	\$4,238	\$4,238	\$4,275	\$4,313	\$4,313	\$4,350	\$4,388	\$4,388	\$51,038	
<u>Sales and Marketing</u>															
Advertising - Newspaper		\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$1,220	\$14,640	
Advertising - Yellow Page		0	0	0	800	800	800	800	800	800	1,800	1,800	1,800	10,200	
Tradeshows		1,200	0	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	13,200	
Travel & Entertainment	1.0%	450	450	450	525	675	675	750	825	825	900	975	975	8,475	
S&M Total		\$2,870	\$1,670	\$2,870	\$3,745	\$3,895	\$3,895	\$3,970	\$4,045	\$4,045	\$5,120	\$5,195	\$5,195	\$46,515	
<u>Debt Service</u>															
Loan Payments	\$50k@ 7%	\$758	\$758	\$758	\$758	\$758	\$758	\$758	\$758	\$758	\$758	\$758	\$758	\$9,096	
Credit Cards/Line	2%	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	12,204	
Debt Service Total		\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$21,300	
Total Expenses		\$12,730	\$13,730	\$15,645	\$19,005	\$20,618	\$20,618	\$21,000	\$23,303	\$23,303	\$24,685	\$25,068	\$25,068	\$244,770	
NET PROFIT / (LOSS)		(\$3,340)	(\$4,340)	(\$6,255)	(\$8,050)	(\$6,533)	(\$6,533)	\$900	\$788	\$788	\$1,595	\$3,403	\$3,403	(\$24,175)	
Cum Cash In / (Out)		(\$3,340)	(\$7,680)	(\$13,935)	(\$21,985)	(\$28,518)	(\$35,050)	(\$34,150)	(\$33,363)	(\$32,575)	(\$30,980)	(\$27,578)	(\$24,175)		
<u>Individual Sales Forecasts (units)</u>															
Bill		6	6	6	6	6	6	6	6	6	6	6	6	72	
Sales Rep 1		0	0	1	1	2	2	2	3	3	3	4	4	25	
Sales Rep 2		0	0	0	0	1	1	2	2	2	3	3	3	17	
Totals		6	6	7	7	9	9	10	11	11	12	13	13	114	

PRH Financial Projections for Years Two and Three

	Month	13	14	15	16	17	18	19	20	21	22	23	24	Yr 3 Total
SALES														
Units Sales Forecast	ASP	14	15	15	16	17	17	17	17	17	17	17	17	196
Total Revenue	\$7,500	\$105,000	\$112,500	\$112,500	\$120,000	\$127,500	\$127,500	\$127,500	\$127,500	\$127,500	\$127,500	\$127,500	\$127,500	\$1,470,000
COST OF GOODS														
Materials - x-Distributor	\$3,950													
- x-Manufacturer	\$3,325	\$46,550	\$49,875	\$49,875	\$53,200	\$56,525	\$56,525	\$56,525	\$56,525	\$56,525	\$56,525	\$56,525	\$56,525	\$651,700
Assembly labor	\$285	3,990	4,275	4,275	4,560	4,845	4,845	4,845	4,845	4,845	4,845	4,845	4,845	55,860
Installation Labor	\$1,200	16,800	18,000	18,000	19,200	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	235,200
Other (permits, subs, etc.)	\$500	7,000	7,500	7,500	8,000	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	98,000
Total COGS	\$5,310	\$74,340	\$79,650	\$79,650	\$84,960	\$90,270	\$90,270	\$90,270	\$90,270	\$90,270	\$90,270	\$90,270	\$90,270	\$1,040,760
GROSS PROFIT		\$30,660	\$32,850	\$32,850	\$35,040	\$37,230	\$37,230	\$37,230	\$37,230	\$37,230	\$37,230	\$37,230	\$37,230	\$429,240
Gross Margin %		29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
OPERATING EXPENSE														
<u>Payroll</u>														
Owner	\$25k/year	\$2,100	\$2,100	\$2,100	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$42,300
Operations Manager	\$36k/year	800	800	800	800	800	800	800	800	800	800	800	800	9,600
Office Manager	\$16k/year	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	16,200
Sales Rep 1	\$24k/year	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
Sales Rep 2	\$24k/year	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
Commissions	3.0%	1,800	2,025	2,025	2,250	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475	27,900
Shipping/Receiving Clerk	\$19k/year	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	19,200
Payroll Taxes	10%	1,165	1,188	1,188	1,400	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	16,320
Employee Benefits	10%	1,165	1,188	1,188	1,400	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	16,320
Payroll Total		\$13,980	\$14,250	\$14,250	\$16,800	\$17,070	\$17,070	\$17,070	\$17,070	\$17,070	\$17,070	\$17,070	\$17,070	\$195,840
<u>General and Administrative</u>														
Rent & Utilities		\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$2,350	\$28,200
Communications		300	300	300	300	300	300	300	300	300	300	300	300	3,600
Insurance, Bond		650	650	650	650	650	650	650	650	650	650	650	650	7,800
Maintenance & Repairs		175	175	175	175	175	175	175	175	175	175	175	175	2,100
Professional Services		100	100	100	100	100	100	100	100	100	100	100	100	1,200
Office Supplies		200	200	200	200	200	200	200	200	200	200	200	200	2,400
Equipment Rental		350	350	350	350	350	350	350	350	350	350	350	350	4,200
Business tax & licenses	0.5%	525	563	563	600	638	638	638	638	638	638	638	638	7,350
Bad Debt		0	0	0	0	0	0	0	0	0	0	0	0	0
G&A Total		\$4,650	\$4,688	\$4,688	\$4,725	\$4,763	\$4,763	\$4,763	\$4,763	\$4,763	\$4,763	\$4,763	\$4,763	\$56,850
<u>Sales and Marketing</u>														
Advertising - Newspaper		\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$27,600
Advertising - Yellow Page		1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600
Tradeshows		1,200	0	1,200	0	1,200	1,200	0	1,200	1,200	0	1,200	1,200	9,600
Travel & Entertainment	1.0%	1,050	1,125	1,125	1,200	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	14,700
S&M Total		\$6,350	\$5,225	\$6,425	\$5,300	\$6,575	\$6,575	\$5,375	\$6,575	\$6,575	\$5,375	\$6,575	\$6,575	\$73,500
<u>Debt Service</u>														
Loan Payments	\$50k@ 7%	\$758	\$758	\$758	\$758	\$758	\$758	\$758	\$758	\$758	\$758	\$758	\$758	\$9,096
Credit Cards/Line	2%	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	12,204
Debt Service Total		\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$21,300
Total Expenses		\$26,755	\$25,938	\$27,138	\$28,600	\$30,183	\$30,183	\$28,983	\$30,183	\$30,183	\$28,983	\$30,183	\$30,183	\$347,490
NET PROFIT / (LOSS)		\$3,905	\$6,913	\$5,713	\$6,440	\$7,048	\$7,048	\$8,248	\$7,048	\$7,048	\$8,248	\$7,048	\$7,048	\$81,750
Cum Cash In / (Out)		(\$20,270)	(\$13,358)	(\$7,645)	(\$1,205)	\$5,843	\$12,890	\$21,138	\$28,185	\$35,233	\$43,480	\$50,528	\$57,575	
<u>Individual Sales Forecasts (units)</u>														
Bill		6	6	6	6	6	6	6	6	6	6	6	6	72
Sales Rep 1		4	5	5	5	6	6	6	6	6	6	6	6	67
Sales Rep 2		4	4	4	5	5	5	5	5	5	5	5	5	57
Totals		14	15	15	16	17	17	17	17	17	17	17	17	196