

**STARTING AND OPERATING A WOMAN-OWNED MECHANICAL
ENGINEERING CONSULTING FIRM IN KANSAS**

BUSINESS AND OPERATIONS PLAN

Prepared By
Ronald McEwing
Email: rmcewing@bbbb.com
Phone: (555) 555-5555

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This document was reviewed by:

Prof. Herbert Tuttle
Committee Chairman

Date

Marc Richardson
Committee Member

Date

Terry Flanagan
Committee Member

Date

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EXECUTIVE SUMMARY

Venture Description

The proposed business is a mechanical engineering consulting business that designs heating, ventilating and air conditioning (HVAC), plumbing and fire protection systems for commercial and industrial buildings. The proposed business is a woman-owned firm, and seeks out design projects requiring women and minority business participation.

The proposed business is currently in the start-up phase of operations.

The owner of the proposed business is a licensed professional engineer. The engineer will stamp all design documents, which includes plans and specifications.

Venture Organization and Structure

The proposed business is a Limited Liability Company (LLC), owned and operated by Elle McEwing. She has a Bachelor of Science Degree in Architectural Engineering from Kansas State University, 10 years of mechanical engineering design and management experience, and is a licensed professional engineer.

Elle McEwing will handle all engineering design, drawings, specifications, and client correspondence. An attorney and an accountant will be hired as needed for legal and tax expertise.

Venture Market

Buildings for commercial and industrial use are continually being built and/or renovated. Engineering services are in constant demand for all of these projects. In general, large architecture and engineering firms are hired for large design projects, and they often seek small businesses to handle some portion of their work. This is commonly due to fulfilling the minority and women-owned business goals for government work. There are 15 to 20 large firms and many small firms in the Kansas City area that are potential customers of the proposed business. The proposed business is one of very few businesses that can provide this service and business classification in the Kansas City Area.

Most of the marketing for the proposed business will consist of networking and telephone correspondence with known individuals in the engineering industry.

The proposed business will seek subcontractor roles for government contracts where the woman-owned status will aid in securing contracts. The marketing strategy will be to register on SBA's PRO-Net database (<http://pro-net.sba.gov>). PRO-Net is a searchable research database of small businesses that is used by both government buyers and small businesses. Government contracting officers and prime contractors use the database to identify small businesses that have the capability to provide the products or services they need. Small businesses can use it as a marketing tool and for researching their competition.

The proposed business will network to secure relationships with large local

Architectural/Engineering firms to provide support roles and to help meet the goals for subcontracting with small businesses, small disadvantaged businesses and woman-owned small businesses for government contracts.

Venture Operations

The proposed business will have very low operating costs. Services for customers will be billed by the hour, with an anticipated billing of \$75,000 to \$100,000 annually. This is based upon billing an average of 20 hours per week. This number of hours could increase in the future if the Owner wishes to spend additional time working. Expansion in terms of hiring additional employees is not anticipated.

Venture Financing

The company will be started with very little initial cost; approximately \$5000. A home office will be used for operations. The Owner already has a computer, printer and software needed for the business. An additional phone line and fax machine will be purchased, along with business cards and office supplies. State licensing fees, liability insurance and trade association memberships will be maintained annually. The initial money required for start-up will be obtained from personal savings.

START-UP DETAILS

Naming the Business

A name has not yet been determined for the proposed business. However, the proposed name is *Elle Engineering*. The following criteria will be used to determine the feasibility of the proposed name. The business name should be easy to understand, spell, pronounce, and remember. It must also portray the image wanted for the specific business. Names that are similar to those used by other businesses and those with unusual spelling will be avoided. In Kansas, some sources to check to avoid a name that is already in use are:

The Kansas Business Directory,

The Kansas Directory of Commerce,

The Kansas Secretary of State, www.sos.state.ks.us/

Kansas Department of Revenue, www.ksrevenue.org/

These resources are also a good source to determine competition and potential market.

The business name will be protected by registering it as a trademark, trade name, or servicemark. Kansas has an office that can help determine whether a trade name or trademark has already been registered. This information can be found at the Kansas Secretary of State, www.sos.state.ks.us/ or the First Stop Clearinghouse within the Kansas Department of Housing & Commerce, www.kansascommerce.com/.

Since the proposed business may eventually conduct services in other states, a federal trademark registration will be obtained. Also, since the proposed business will be an LLC or a corporation, the company name will need to be reserved. Kansas has a one-stop center where free professional assistance can be obtained for registering a business and obtaining information needed to legally operate a business in Kansas. The One-stop Capital Shop (OSCS), www.sba.gov/mo/kansas/kc-oscs.html will be contacted for this information.

The Kansas Department of Commerce & Housing has published a comprehensive guide to aid in starting a business. It is titled *Steps to Success : A guide to Starting your Business in Kansas*. It is available at the One-stop Capital Shop at the web address listed above.

State Licenses

An engineering business requires a special license to operate. Elle McEwing is currently licensed in Michigan. In order to practice engineering in Kansas and/or Missouri, she must obtain a license to practice in these states. An engineering business does not need a federal license to operate.

Local County and City Permits

There are requirements and restrictions regarding signage, parking, and the type of business allowed in a particular area. Special zoning ordinances will be checked with the

local city and county governments. In addition, some Kansas cities may require an additional local license to operate a business. The municipal offices of the city in which the business will be located will be checked to see if a local business license is required.

Registering to Pay Taxes

The IRS will be notified after obtaining the necessary licenses and permits the proposed business. The Kansas Department of Revenue has a single form called the CR-16, *Business Tax Application*, that will identify which taxes the business will be liable to pay. This form should be submitted four to six weeks prior to the business starting date. This form may also be completed and delivered to the Registration Section of the Kansas Department of Revenue in Topeka, Kansas if a certificate is required on the same day.

An employer identification number (EIN) must be obtained, even if the business has no additional employees (unless the business is a sole proprietorship and has no employees). To receive an EIN, *Form SS-4, Application for Employer Identification Number* should be registered with the Federal Government. This form can be obtained from the local IRS office. This form must be submitted at least four or five weeks before the EIN is needed. After receiving the EIN, it must be registered with the IRS Philadelphia Office. The EIN will also be needed in order to complete some other registrations.

As a small business in Kansas, estimated income taxes must be paid several times throughout the year (usually on a quarterly basis). This is done by estimating the amount of money the business has made and taxes paid on these estimates. If taxes are

underpaid, underpayment penalties will be assessed at the end of the year. The business Owner will seek the advice of an accountant on how best to plan for paying estimated income taxes.

In addition to paying estimated tax payments, a self-employment tax must also be paid, which is the contribution to Social Security and Medicare. This tax will be paid quarterly and is included in the estimated tax payment. One-half of the self-employment tax is deductible as a business expense on *Federal Form 1040*.

In Kansas, estimated state income tax must also be paid. This is reported on *Form K-40ES, Individual Estimated Income Tax*. Payments are due on the 15th day of April, June, September, and January. Forms can be obtained from the Kansas Department of Revenue and can be downloaded from the Kansas Department of Revenue Web site, www.ksrevenue.org/.

Property taxes are also assessed to pay for bonds, and pay for special projects at the county and community level. These taxes are usually paid on an annual basis to the county treasurer. In most cases, a bill will be provided by the county tax assessor. Kansas has several property tax abatements applicable to small businesses. These include an exemption of property including equipment, materials, supplies, and tools. More information on these will be obtained by contacting the Kansas Department of Revenue.

Insurance Requirements

Insurance is a necessary business expense for a consulting engineering company.

Insurance is needed to protect the business and business Owner from hazards such as fire and other disasters, crime, general and professional liability, or an interruption of business. Worker's compensation insurance must be purchased. In addition, as the business expands, it may choose to provide health, life, or disability benefits for the business owner and employees.

Advantages of a Woman-Owned Business

One of the Government requirements that prime contractor must meet in order to be awarded a federal contract generates a significant market for small business subcontractors.

Major prime contractors and subcontractors receiving contracts valued over \$500,000 (\$1 million for construction) are required by federal regulations to develop plans and goals for subcontracting with small businesses, small disadvantaged businesses, woman-owned small businesses, Historically Underutilized Business Zone (HUBZone) small businesses, and service-disabled veteran-owned small businesses. Under the law, if a prime contractor selected by the government fails to negotiate an acceptable subcontracting plan addressing all of these groups, it will not be awarded the contract. Since certification as a woman-owned business is required before a prime can count a small disadvantaged subcontractor toward meeting its subcontracting plan requirements, it is important to register and become certified before marketing the business as a disadvantaged

subcontractor.

As a subcontractor, an agreement to provide services would be with a prime contractor, and therefore would have no contractual relationship with the Government. This can be advantageous since dealing with a prime contractor is generally more straightforward, less complicated, and less burdensome than dealing directly with the Government. In general, there is less administrative burden for a subcontractor because many of the administrative requirements imposed by the Government are borne by the prime contractor.

Registering as a Woman-Owned Business

An important step that should be done early in the process of setting up a woman-owned business is to register the business with the Central Contractor Registration (CCR) at <http://www.ccr.gov>. The CCR collects, validates, stores, and disseminates data in support of federal projects and missions.¹ This registration must be renewed once a year to maintain an active status. The Tax Identification Number (TIN), Commercial and Government Entity (CAGE) code, and Data Universal Numbering System (DUNS) number must be provided in order to register. The U.S. Federal TIN (Tax Identification Number) is the nine-digit number that a company uses for income tax purposes. The CAGE code will automatically be assigned as part of the CCR registration process. DUNS numbers can be obtained by contacting the Dun & Bradstreet Corporation (D&B)

¹ DiGiacomo, John, and James Kleckner. 2003. *Win Government Contracts for Your Small Business*. Second Edition. Chicago: CCH Incorporated.

at <http://www.dnb.com/dunsno/dunsno.htm>. The CCR application has a section that allows the business type to be defined. This is where it will be registered as a woman-owned business.

Effective December 31, 2002, when a business is registered in CCR, it is automatically registered in SBA's PRO-Net database (<http://pro-net.sba.gov>).² PRO-Net is a searchable research database of small businesses that is used by both government buyers and small businesses. Government contracting officers and prime contractors can use the database to identify small businesses that have the capability to provide the products or services they need. Small businesses can use it as a marketing tool and for researching their competition.

² DiGiacomo, John, and James Kleckner. 2003. *Win Government Contracts for Your Small Business*. Second Edition. Chicago: CCH Incorporated.

Start-Up Details Checklist ³

1. Register the business name by contacting the Kansas Secretary of State or the Kansas Department of Revenue.
2. Register any trademark, trade name, or servicemark that is necessary. Forms are available through the Kansas Secretary of State or the First Stop Clearinghouse.
3. Contact the First Stop Clearinghouse to register the business.
4. Register the business with the appropriate state licensing requirements. Forms are available through the First Stop Clearinghouse.
5. Obtain and read the guide published by the Kansas Department of Commerce & Housing titled *Steps to Success : A guide to Starting your Business in Kansas*. It is available at the One-stop Capital Shop at www.sba.gov/mo/kansas/kc-oscs.html
6. Determine if the business will be required to obtain a city sales or local business / occupation license.
7. Ensure the operations are consistent with current zoning regulations.
8. Get a local certification of occupancy.
9. Obtain a Federal employer identification number (EIN) by completing *Form SS-4*.
10. Contact the IRS and Kansas Department of Revenue for information on how and when to pay federal and state estimated taxes.
11. Register with the revenue department to pay the state sales and use tax by completing *Form CR-16, Business Tax Application* and determine how and when taxes will be paid to the state.

³ Calmes, Jere, L., ed.2004. *How to Start a Business in Kansas*. Entrepreneur Media Inc.

12. Determine the property tax (city and county) obligations and project these figures into the monthly cash flow statements.
13. Coordinate insurance risk and requirements.
14. Register the woman-owned business with the Central Contractor Registration (CCR) at <http://www.ccr.gov>.
15. Register for a U.S. Federal TIN (Tax Identification Number).
16. Register for a CAGE code.
17. Register the Dun & Bradstreet Corporation (D&B) DUNS number by contacting D&B at <http://www.dnb.com/dunsno/dunsno.htm>.
18. Register in SBA's PRO-Net database (<http://pro-net.sba.gov>).

MANAGEMENT & ORGANIZATION

Management Team

Elle McEwing, the owner of the proposed business, will be responsible for managing all areas of the business. These duties include engineering design, drawings, writing specifications, client correspondence, marketing, and daily accounting. Additional employees are not anticipated.

Compensation and Ownership

All compensation will go to the owner, Elle McEwing. Once the business has a positive cash flow, the Owner's draw will be 60% of the gross sales. This allows 30% for taxes and the remaining 10% to cover operating expenses.

Ownership of the proposed business will remain with Elle McEwing.

Advisory Board

The proposed business plans to enlist the guidance of several individuals as mentors and technical support for the business.

Mille Rafaf	Partner, KKKK (Consulting Engineering)
Ralph McEntire	Mechanical Engineer and Project Manager at Bingo and McDingo
Brady Hatchet	Vice President, P.U. Cuddell and Associates (Consulting Engineering)

Kelly Gordon

Mechanical Engineer and Small Business Owner

Infrastructure

The proposed business will seek outside assistance from several consultants, and they will be paid for their services as part of anticipated business expenses.

- Tax Accountant
- Insurance Broker
- Attorney

Contracts

The proposed business will utilize standard engineering design services contracts when working with clients, and an attorney will review these agreements as needed.

Insurance

Property insurance to protect the business equipment against damage or theft will be covered under the business Owner's personal homeowner's insurance policy. A general liability and errors and omissions insurance policy will be obtained by the proposed business to protect the business' assets and personal assets of Elle McEwing. Life insurance will also be obtained for Elle McEwing.

SERVICE PLAN

Purpose of the Service

The proposed business will provide consulting engineering services for the design of HVAC, plumbing and fire protection systems for commercial and industrial buildings.

The proposed business will provide complete design drawings and specifications for the construction of building mechanical systems.

Unique features

Elle McEwing is the sole contact for her clients, providing the personal service that is desirable in any business. She will receive all of the information first-hand that is required to do the engineering design by meeting with the clients personally. Then she will complete the design, drawings, and specifications for the projects. The clients are assured of a successful exchange of information that will be incorporated in their building's design.

Many building owners, especially the government, seek minority or women owned firms to do a portion of the design work for building projects. The proposed business is one of very few women-owned engineering firms in the Kansas City area. As a qualified mechanical engineer, Elle McEwing can provide this service to help meet this goal.

Stage of Development

This business plan completes the concept development stage for the proposed business.

Next, design standards and details, standard contracts, standard billing forms, and standard proposal formats will be developed to prepare for the business start-up. This work will be done over the next six months to a year before seeking contracts with clients. Start-up is anticipated in January 2007.

The time spent doing business is expected to gradually increase to average 20 hours per week and remain steady over the next 5 years. At that time, the business will be evaluated to see if expansion is desired.

Future Research and Development

In the engineering business, new ideas and design methods are developed continually. Articles about new and evolving design methods can be found in trade journals, and new types of equipment are advertised and promoted to engineers by those selling the equipment. By maintaining trade journal subscriptions and by keeping in contact with mechanical equipment sales representatives, the proposed business will maintain a competitive edge in mechanical engineering design. Continuing education credits will be maintained by attending local vendor training sessions and other national training sessions as necessary to maintain PE licensure. In addition, LEED's certification may be pursued by the Business Owner or future employees to add to the competitive advantage of the firm.

Trademarks, Patents, Copyrights, Licenses, Royalties

All of the drawings and specifications produced by the proposed business will be original

work and will be copyrighted. An engineering seal will be stamped on the drawings and specifications to protect this copyright. The proposed business will also develop a logo and register a service mark in the states of Kansas and Missouri.

Governmental Approvals

Elle McEwing currently holds a professional engineer's license in the state of Michigan. Most of the projects the proposed business plans to design are for buildings in Kansas in Missouri. Mechanical design documents for commercial and industrial buildings require an engineer's stamp with the state for which the building is in. Elle will apply to the licensing boards of Kansas and Missouri to obtain licenses for those states.

Service Limitations

The proposed business intends to do work in the states of Kansas and Missouri. If projects are sought outside of this area, licensing for other states may be needed. However, a contract may be negotiated with a larger firm possessing an engineering license for that state to stamp the drawings.

Projects encountered in the consulting engineering business typically have fast schedules and deadlines that are difficult to meet. Since Elle McEwing is the only worker for the proposed business, contracts will need to be selected carefully based on the time available to complete the work.

The proposed business will possess professional liability insurance with a limit in the

construction cost of each individual project. A project with an estimated cost beyond this limit may have to be turned down, or insurance coverage must be modified.

Service Liability

A mechanical engineer is responsible to design code compliant, safe and functioning mechanical systems for buildings. The engineer's license is given to experienced, qualified engineers who have taken examinations to demonstrate this competency. In the event that an error or omission occurs in the design of a project, professional liability insurance will protect the proposed business if a lawsuit is filed. General liability insurance and a life insurance policy will also be obtained.

Related Services and Spin-Offs

Currently, computer aided drafting is used throughout the building industry to produce drawings. AutoCAD is the most common software used and will be used by the proposed business. Although less profitable, if the engineering workload is low, the proposed business could pursue providing drafting services for other engineers.

Production

All engineering services, including client correspondence, field surveying, design calculations, drawing production, specification writing and construction follow-up will be provided by the proposed business. Initially, a reproduction services company will be used for printing and copying design documents. If, over time, it is determined economically feasible, this equipment may be purchased or leased to allow on-site

plotting and reproduction capability.

Facilities

A home office will be used for company operations, where the Owner already has all the office equipment required. The company's anticipated customers are larger engineering and architectural firms with commercial offices. Most client meetings will take place at their offices.

Suppliers

Suppliers for the proposed business include office supply stores, reproduction services and software manufacturers. Numerous office supply stores and reproduction services are available throughout the Kansas City area. The primary software required is AutoCAD.

Environmental Factors

Mechanical systems design must adhere to various codes that are adopted at the state and local level. These include the National Fire Protection Association (NFPA), American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE), and the International Building Code (IBC). Many of the standards set forth in these codes are in place to provide energy efficient buildings and mechanical systems and to specify environmentally friendly materials to be used.

The Leadership in Energy and Environmental Design (LEED) Green Building Rating

System has recently been developed as a voluntary, consensus-based national standard for developing high-performance, sustainable buildings. The proposed business will seek clients who wish to pursue LEED certification to be recognized as leaders in the green building sector and to qualify for numerous government incentives. Buildings that are LEED certified meet the highest performance standards and are environmentally responsible, healthy places to work.

MARKETING PLAN

Industry Profile: Growth Potential

Consulting engineering is a stable industry. Even at times when new construction is not abundant, building renovation work and mechanical equipment replacement is always needed.

Industry Profile: Geographic Locations

Engineering for buildings exists in all cities throughout the country. The larger the city, the more potential work will be found in that location. Most of the engineering done for buildings in the Kansas City area is done in this region.

Industry Profile: Industry Trends

Mechanical equipment, particularly heating, ventilating and air conditioning (HVAC) equipment, is continually being improved to be more efficient, maintenance free, and environmentally friendly. Therefore, mechanical engineering design is constantly evolving to design around the more efficient equipment.

Consulting engineering has changed dramatically over the last decade. Drawings were created by hand, and now they are all done using computer software. Information was transferred through the mail or hand delivered, and now most of it can be shared electronically between architects, building owners and engineers via email and websites. Engineering drawings are produced much quicker than they used to be. When questions

arise on the job site during the construction phase, answers are also expected much quicker now than they used to be.

Computer technology has not only affected the way mechanical systems are designed by the use of AutoCAD and load calculation software, but also the building mechanical controls systems. In new designs, all of a building's heating and air conditioning equipment is typically linked together electronically for more efficient operation and ease of maintenance.

These trends will continue as long as technology keeps improving. The most successful engineers will be the ones that keep up with the latest technology.

Industry Profile: Seasonality Factors

Engineering is not generally affected by the seasons. However, construction is affected by the seasons. Often for renovation projects that involve the heating or air conditioning of buildings, the construction must be done in the off-season. For example, if air conditioning systems are being renovated, the construction work will generally be done in the winter months. Similarly, for building heating systems, the construction work will generally be done in the summer months. Because buildings in this region require both heating and air conditioning, the seasonal work balances each other, resulting in a fairly consistent workload throughout the year.

Industry Profile: Profit Characteristics

Engineering is a service industry. Therefore, the gross margin is nearly 100%. Net margins in this industry before payroll are typically 75% - 85%. Due to low overhead costs, the proposed business anticipates a net margin approaching 90%.

Industry Profile: Basis of Competition

Reputation is the primary basis of competition in the engineering industry. Once a good reputation has been established with clients, pricing becomes key. If equal competitors are bidding the same design project, the one with the lower price typically prevails.

Competition Profile

There are very few direct competitors for the proposed business. Only five or six other small minority or women owned mechanical engineering firms are in the Kansas City area. For projects requiring minority or women participation (primarily government work) more work is available than all of the engineers in Kansas City can handle.

However, the minority and women participation in any given contract may be achieved through other services, such as architecture, electrical engineering, interior design or printing services. This indirect competition may be a larger obstacle for the proposed business than the direct competition.

Customer Profile

The proposed business's intended customers are larger engineering firms and architects. Elle McEwing knows personally many of these customers from previous work

experience and trade associations.

Target Market Profile

The proposed business will write letters and make phone calls to its target customers.

The top eight targeted engineering firms are listed below:

Black and Veatch

Burns and McDonnell

HNTB Corp.

George Butler Associates, Inc.

Bibb and Associates

Henderson Engineers

Larson Binkley Inc.

W.L. Cassell and Associates, Inc.

In addition, architectural firms will be targeted. The top eight are listed below:

ACI/Boland, Inc.

Gould Evans Goodman

BNIM Architects

HMN Architects

Ellerbe Beckett Inc.

DLR Group

Gastinger Walker Harden

Hollis and Miller Architects Inc.

Pricing Profile

Pricing is done differently for each potential project. Many projects are priced based on a percentage of the estimated construction cost. This is typically 3-1/2% to 6% for new construction. Other projects, particularly smaller projects, equipment replacement work, or energy studies are paid at an hourly rate. This rate is anticipated to be \$85 per hour. This rate is typical for the industry in the Kansas City area.

Break-Even Analysis

The proposed business's fixed expenses are \$10,000 per year. At a billing rate of \$85 per hour, the proposed business must bill 120 hours per year to break even.

OPERATING AND CONTROL SYSTEMS

Administrative Policies, Procedures, and Controls: Receiving Orders

The proposed business and its clients will sign written contracts for engineering services. In these contracts, the fees for engineering services will be clearly stated. A database of all ongoing contracts will be maintained with customer information, fees, and payment schedules.

Administrative Policies, Procedures, and Controls: Billing the Customers

The proposed business's clients will be billed on a monthly basis. A majority of projects will be set up as a lump sum fee for the total scope of work plus reimbursable fees for printing and travel costs. These clients will be billed each month for the percentage of work completed to date plus reimbursable fees. Other projects will be paid by the hour and billed accordingly each month. Payment typically takes 60 days from the time of billing.

Administrative Policies, Procedures, and Controls: Paying the Suppliers

The suppliers for the proposed business consist of office supply stores and printing services. All bills will be itemized in the company's accounting software along with the due dates. Payments to suppliers will be scheduled electronically on a monthly basis.

Administrative Policies, Procedures, and Controls: Collecting the Accounts

Receivable

Accounts receivable payments will be collected by the proposed business and logged into the accounting software.

Administrative Policies, Procedures, and Controls: Handling Warranties

Contracts for engineering work state that the design will meet code requirements and industry standards for plumbing, heating and air conditioning. If the end user (building Owner) finds that any of their systems are not working as designed, the proposed business will respond and recommend solutions to the Owner. If it is determined that extensive errors or omissions occurred, then the engineer's insurance will cover costs to correct the problem for the Owner.

Administrative Policies, Procedures, and Controls: Monitoring the Company

Budgets

Everyday expenses for the proposed business consist of office supplies, phone and Internet service and marketing. An initial budget will be set up for these expenses and will be reviewed monthly. If the monthly budget is not accurate after the first six months of operation, then the budget will be modified accordingly.

Expenses for computer software and equipment, insurance, accounting fees and attorney fees will be tracked on an annual basis. Additional software and equipment purchases beyond the current budget will be made only after the company has profits to cover the

extra expense.

Administrative Policies, Procedures, and Controls: Security Systems

Most of the valuable inventory for this business exists on the computer in the form of drawing files and specifications, accounting information and client correspondence. All computer files will be copied to a separate hard drive at the end of each business day to have a backup source of information. In addition, a CD of all files will be made on a weekly basis and stored in a separate location in case of emergency.

Administrative Policies, Procedures, and Controls: Quality Reviews and Quality Assurance

Due to the initial limited resources of the company, an outside engineering consultant will be utilized for reviewing and checking Contract Documents for errors and omissions. A quality review procedures document and checklist will be developed to define and summarize the quality review process.

Documents and Paper Flow

To obtain a client, the proposed business will produce a proposal for a particular project. This document will include proposed scope and fees for the work to be done. Once the proposal has been accepted by the client, the proposed business will write a contract, and it will be signed by both parties. Once work has begun on a project, the client will be sent an invoice on a monthly basis throughout the project indicating the payment due, the amount of work completed, and the amount of work remaining.

Planning Chart: Product/Service Development

Before the proposed business begins work for clients, a number of things must be done.

First, a Professional Engineer's License in the states of Kansas and Missouri will be obtained. This process may take up to three months to complete. The proposed business will also register in both states as a Limited Liability Company (LLC) and as a WBE.

Three to six months will be spent developing design standards, details, and specifications, standard contracts, standard billing forms, and standard proposal formats to be used for the business.

Within a month of starting work for clients, subscriptions will be bought for ASHRAE (American Society of Heating, Refrigeration and Air Conditioning Engineers), ASPE (American Society of Plumbing Engineers), NFPA (National Fire Protection Association) and the IBC (International Building Code).

A dedicated phone and Internet line will be set up in the Owner's home office.

AutoCAD software, a fax machine, office supplies, and business cards will also be purchased.

Planning Chart: Financial Requirements

It is estimated that five thousand dollars is needed before the start of business. This will pay for computer software, attorney fees, insurance and licensing fees, and three months operating expenses. This money will come from the Owner's personal savings.

Planning Chart: Marketing Flow Chart

Once the proposed business is ready to begin business, letters will be mailed to potential clients followed by phone calls and additional networking through personal contacts in the industry. Additional advertising is not anticipated.

FINANCIAL PLAN

Sales Projections

Sales projections for the first three years are; \$73,000 for the first year, \$85,000 for the second year, and \$96,000 for the third year. These numbers reflect working about 850 hours the first year (16 hours per week), 1000 hours the second year (20 hours per week), and 1000 hours the third year. Billing rates are anticipated to increase from \$85/hour to \$90/hour in the third year. Although the work may not be a constant load of 16 to 20 hours per week, it is anticipated that the work will be available, with fluctuations up and down possible throughout the year.

Income Projections

Net income projections for the next three years are approximately \$62,000 for the first year, \$75,000 for the second year and \$86,000 for the third year. The operating expenses average \$10,000 per year. The proposed business should become profitable within the first year of operation.

Cash Requirements

The proposed business anticipates needing \$5000 to start the business. Of this money, about \$3600 is needed for start-up expenditures. The other \$1400 will be needed for the first few months of operating expenses before any cash comes into the business. This capital will be obtained from personal savings. An Owner's draw will not be made until the third month of operations, and by the fourth month the business should break-even.

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APPENDIX

The proposed business attached financial projections

Start-up Funding and Expenditures	A-1
Sales Projections for Three years	A-2
Operating Expense Projections for Three Years	A-5
Cash Flow for Three Years	A-8
Monthly Income Statement for Three Years	A-11
Year-End Income Statement for Three Years	A-14
Year-End Balance Sheet for Three Years	A-15
Capital Budget Projections for Three Years	A-16

START-UP FUNDING & EXPENDITURES**Elle Engineering**

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Start-up Cash

Equity Investments	5,000
Loan Proceeds	-
Real-Estate Loans	-
Total Start-up Cash	5,000

Start-up Expenditures**Security Deposits**

Rent (last month's)	-
Telephone Deposit	-
Utilities Deposit	-
Other Deposits	-
Total Security Deposits	-

Start-up Expenses

Accounting Fees	200
Activation Fee	370
Corporate Fees & Taxes	200
Federal Tax ID	-
Fictitious Name Costs	-
Insurance	300
Legal & Consulting Fees	500
Meals & Entertainment	300
Office Supplies	1,230
Payroll Expenses (training/setup)	
Salaries & Wages	-
Payroll Taxes	-
Benefits	-
Pre-opening advertising	100
Printing (cards, stationery, brochures)	200
Sales Tax Permit	-
Other Start-up Expenses	-
Total Start-up Expenses	3,400

Other Costs

Opening Inventory	-
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Capital Expenditures

Computer Equipment	200
Equipment/Machinery	-
Furniture & Fixtures	-
Vehicles	-
Leasehold Improvements	-
Buildings	-
Land	-
Total Start-up Capital Expenditures	200

Total Start-up Expenditures	3,600
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SALES PROJECTIONS

Elle Engineering

Year 1		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
YEAR 1	Sales Budget													
	Product/Service Category A	5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	7,000	7,000	7,000	7,000	73,000
	Product/Service Category B	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category C	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category D	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category E	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category F	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category G	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross Sales	5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	7,000	7,000	7,000	7,000	73,000
	Less: Returns & Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Sales	5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	7,000	7,000	7,000	7,000	73,000	
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	7,000	7,000	7,000	7,000	73,000	
YEAR 1	Credit Management													
	Sales (cash)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sales (credit)	5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	7,000	7,000	7,000	7,000	73,000
	Received on Account	-	-	5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	7,000	7,000	59,000
	Bad Debt Expense	125	125	125	150	150	150	150	150	175	175	175	175	1,825
YEAR 1	Year 1 Assumptions													
	Product/Service Category A	At an average billing rate of \$85/hour: Jan - Mar 60 hours/month, Apr - Aug 70 hours/month, Sep - Dec 80 hours/month												
	Product/Service Category B													
	Product/Service Category C													
	Product/Service Category D													
	Product/Service Category E													
	Product/Service Category F													
	Product/Service Category G													
	Less: Returns & Allowances													
	Other Income													
Sales (cash)														
Sales (credit)														
Received on Account														
Bad Debt Expense														

SALES PROJECTIONS

Elle Engineering

Year 2		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
YEAR 2	Sales Budget													
	Product/Service Category A	7,000	7,000	7,000	7,000	7,000	6,000	6,000	6,000	8,000	8,000	8,000	8,000	85,000
	Product/Service Category B	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category C	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category D	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category E	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category F	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category G	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross Sales	7,000	7,000	7,000	7,000	7,000	6,000	6,000	6,000	8,000	8,000	8,000	8,000	85,000
	Less: Returns & Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-
	Net Sales	7,000	7,000	7,000	7,000	7,000	6,000	6,000	6,000	8,000	8,000	8,000	8,000	85,000
	Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Income	7,000	7,000	7,000	7,000	7,000	6,000	6,000	6,000	8,000	8,000	8,000	8,000	85,000
	YEAR 2	Credit Management												
Sales (cash)		-	-	-	-	-	-	-	-	-	-	-	-	-
Sales (credit)		7,000	7,000	7,000	7,000	7,000	6,000	6,000	6,000	8,000	8,000	8,000	8,000	85,000
Received on Account		7,000	7,000	7,000	7,000	7,000	7,000	7,000	6,000	6,000	6,000	8,000	8,000	83,000
Bad Debt Expense		175	175	175	175	175	150	150	150	200	200	200	200	2,125
YEAR 2	Year 2 Assumptions													
	Product/Service Category A	At \$85/hour: Jan - May 80 hours/month, Jun - Aug 70 hours/month, Sep - Dec 94 hours/month												
	Product/Service Category B													
	Product/Service Category C													
	Product/Service Category D													
	Product/Service Category E													
	Product/Service Category F													
	Product/Service Category G													
	Less: Returns & Allowances													
	Other Income													
	Sales (cash)													
	Sales (credit)													
Received on Account														
Bad Debt Expense														

SALES PROJECTIONS

Elle Engineering

Year 3		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
YEAR 3	Sales Budget													
	Product/Service Category A	8,500	8,500	8,500	8,500	8,500	6,500	6,500	6,500	8,500	8,500	8,500	8,500	96,000
	Product/Service Category B	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category C	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category D	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category E	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category F	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category G	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross Sales	8,500	8,500	8,500	8,500	8,500	6,500	6,500	6,500	8,500	8,500	8,500	8,500	96,000
	Less: Returns & Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-
	Net Sales	8,500	8,500	8,500	8,500	8,500	6,500	6,500	6,500	8,500	8,500	8,500	8,500	96,000
	Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Income	8,500	8,500	8,500	8,500	8,500	6,500	6,500	6,500	8,500	8,500	8,500	8,500	96,000
	YEAR 3	Credit Management												
Sales (cash)		-	-	-	-	-	-	-	-	-	-	-	-	-
Sales (credit)		8,500	8,500	8,500	8,500	8,500	6,500	6,500	6,500	8,500	8,500	8,500	8,500	96,000
Received on Account		8,000	8,000	8,500	8,500	8,500	8,500	8,500	6,500	6,500	6,500	8,500	8,500	95,000
Bad Debt Expense		213	213	213	213	213	163	163	163	213	213	213	213	2,400
YEAR 3	Year 3 Assumptions													
	Product/Service Category A	At \$90/hour: Jan - May 94 hours/month, Jun - Aug 70 hours/month, Sep - Dec 94 hours/month												
	Product/Service Category B													
	Product/Service Category C													
	Product/Service Category D													
	Product/Service Category E													
	Product/Service Category F													
	Product/Service Category G													
	Less: Returns & Allowances													
	Other Income													
	Sales (cash)													
	Sales (credit)													
Received on Account														
Bad Debt Expense														

OPERATING EXPENSE PROJECTIONS
Elle Engineering

Year 1		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
YEAR 1	Operating Expenses													
	Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank Charges	20	20	20	20	20	20	20	20	20	20	20	20	240
	Dues & Subscriptions	-	-	-	-	-	-	200	-	-	-	-	-	200
	Insurance	-	-	-	300	-	-	300	-	-	300	-	-	900
	Licenses & Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
	Marketing & Promotion	-	-	-	-	-	-	-	-	-	-	-	-	-
	Meals & Entertainment	100	100	100	100	100	100	100	100	100	100	100	100	1,200
	Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
	Office Expense (postage)	10	10	10	10	10	10	10	10	10	10	10	10	120
	Office Supplies	30	30	30	30	30	30	30	30	30	30	30	30	360
	Outside Services	-	-	500	-	-	-	-	-	-	-	-	-	500
	Payroll Expenses													
	Salaries & Wages	-	-	-	-	-	-	-	-	-	-	-	-	-
	Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
	Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
	Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
	Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
	Shipping & Delivery	25	25	25	25	25	25	25	25	25	25	25	25	300
	Telephone	100	100	100	100	100	100	100	100	100	100	100	100	1,200
	Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
	Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
	Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Operating Expenses	285	285	785	585	285	285	785	285	285	285	585	285	285
Assumptions - Year 1														
Advertising	No advertising in first year													
Bank Charges	Monthly Fee assumption													
Dues & Subscriptions	ASHRAE - Due in July													
Insurance	\$1200/year paid quarterly (first payment is included in start-up cost)													
Licenses & Fees	License is paid for first year with start-up cost													
Marketing & Promotion														
Meals & Entertainment	Marketing - lunches with clients													
Miscellaneous														
Office Expense (postage)														
Office Supplies	Paper and writable cds													
Outside Services	Accountant for taxes													
Payroll Expenses														
Salaries & Wages														
Payroll Taxes														
Benefits														
Professional Fees														
Property Taxes														
Rent														
Repairs & Maintenance														
Shipping & Delivery	Miscellaneous delivery charges (most deliveries will be hand delivered)													
Telephone	Wireless phone and internet service													
Training & Development														
Travel														
Utilities														
Vehicle														
Other														
Other														
Other														

OPERATING EXPENSE PROJECTIONS
Elle Engineering

Year 2		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
YEAR 2	Operating Expenses													
	Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank Charges	20	20	20	20	20	20	20	20	20	20	20	20	240
	Dues & Subscriptions	-	-	-	-	-	-	200	-	-	-	-	-	200
	Insurance	300	-	-	300	-	-	300	-	-	300	-	-	1,200
	Licenses & Fees	-	-	-	-	-	-	-	-	200	-	-	-	200
	Marketing & Promotion	-	-	-	-	-	-	-	-	-	-	-	-	-
	Meals & Entertainment	100	100	100	100	100	100	100	100	100	100	100	100	1,200
	Miscellaneous	100	100	100	100	100	100	100	100	100	100	100	100	1,200
	Office Expense (postage)	10	10	10	10	10	10	10	10	10	10	10	10	120
	Office Supplies	30	30	30	30	30	30	30	30	30	30	30	30	360
	Outside Services	500	-	500	-	-	-	-	-	-	-	-	-	1,000
	Payroll Expenses													
	Salaries & Wages	-	-	-	-	-	-	-	-	-	-	-	-	-
	Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
	Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
	Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
	Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
	Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
	Shipping & Delivery	25	25	25	25	25	25	25	25	25	25	25	25	300
	Telephone	100	100	100	100	100	100	100	100	100	100	100	100	1,200
	Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
	Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
	Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other	55	-	-	-	-	-	-	-	-	-	-	-	55
	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Operating Expenses	1,240	385	885	685	385	385	885	385	585	685	385	385	7,275	
YEAR 2	Assumptions - Year 2													
	Advertising	No advertising anticipated												
	Bank Charges	Monthly Fee assumption												
	Dues & Subscriptions	ASHRAE - Due in July												
	Insurance	\$1200/year paid quarterly												
	Licenses & Fees	Engineering License Renewal (Biannually)												
	Marketing & Promotion													
	Meals & Entertainment	Marketing - lunches with clients												
	Miscellaneous	Unexpected expenses												
	Office Expense (postage)													
	Office Supplies	Paper and writable cds												
	Outside Services	Attorney in January to review company structure; Accountant for taxes in March												
	Payroll Expenses													
	Salaries & Wages													
	Payroll Taxes													
	Benefits													
	Professional Fees													
	Property Taxes													
Rent														
Repairs & Maintenance														
Shipping & Delivery	Miscellaneous delivery charges (most deliveries will be hand delivered)													
Telephone	Wireless phone and internet service													
Training & Development														
Travel														
Utilities														
Vehicle														
Other	Kansas Secretary of State Annual Business Fee													
Other														
Other														

Elle Engineering
Cash Flow Statement (Projected)

2007	Pre Start-up	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Cash In														
Cash Sales		-	-	-	-	-	-	-	-	-	-	-	-	-
Collections from Accounts Receivables		(125)	(125)	4,875	4,850	4,850	5,850	5,850	5,850	5,825	5,825	6,825	6,825	57,175
Equity Received	5,000	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Loans Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (receipts from other assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (interest, royalties etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash In	5,000	(125)	(125)	4,875	4,850	4,850	5,850	5,850	5,850	5,825	5,825	6,825	6,825	62,175
Total Cash Available	5,000	1,275	865	5,455	7,020	5,829	8,894	6,046	7,611	9,651	6,545	9,285	12,325	63,575
Cash Out														
Inventory Expenditures														
Inventory/Raw Material (Cash)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory/Raw Material (Paid on Account)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses														
Advertising	100	-	-	-	-	-	-	-	-	-	-	-	-	100
Bank Charges	-	20	20	20	20	20	20	20	20	20	20	20	20	240
Dues & Subscriptions	-	-	-	-	-	-	-	200	-	-	-	-	-	200
Insurance	300	-	-	-	300	-	-	300	-	-	300	-	-	1,200
Licenses & Fees	200	-	-	-	-	-	-	-	-	-	-	-	-	200
Marketing & Promotion	200	-	-	-	-	-	-	-	-	-	-	-	-	200
Meals & Entertainment	300	100	100	100	100	100	100	100	100	100	100	100	100	1,500
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Expense	-	10	10	10	10	10	10	10	10	10	10	10	10	120
Office Supplies	1,230	30	30	30	30	30	30	30	30	30	30	30	30	1,590
Outside Services	-	-	-	500	-	-	-	-	-	-	-	-	-	500
Payroll Expenses														
Salaries & Wages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	700	-	-	-	-	-	-	-	-	-	-	-	-	700
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	-	25	25	25	25	25	25	25	25	25	25	25	25	300
Telephone	-	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	370	-	-	-	-	-	-	-	-	-	-	-	-	370
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid on Account	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating Costs														
Capital Purchases	200	-	-	-	-	-	-	-	-	-	-	-	-	200
Estimated Income Tax Payments	-	-	-	-	2,956	-	4,914	-	-	5,146	-	-	5,791	18,807
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Draw	-	-	-	2,500	2,500	2,500	3,500	3,500	3,500	3,500	3,500	3,500	5,000	33,500
Other Cash Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Out	3,600	285	285	3,285	6,041	2,785	8,699	4,285	3,785	8,931	4,085	3,785	11,076	60,927
Monthly Cash Flow (cash in - cash out)	1,400	(410)	(410)	1,590	(1,191)	2,065	(2,849)	1,565	2,065	(3,106)	1,740	3,040	(4,251)	1,249
Beginning Cash Balance	-	1,400	990	580	2,170	979	3,044	196	1,761	3,826	720	2,460	5,500	-
Ending Cash Balance	1,400	990	580	2,170	979	3,044	196	1,761	3,826	720	2,460	5,500	1,249	1,249

Elle Engineering
Cash Flow Statement (Projected)

2008	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Cash In													
Cash Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Collections from Accounts Receivables	6,825	6,825	6,825	6,825	6,825	6,850	6,850	5,850	5,800	5,800	7,800	7,800	80,875
Equity Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (receipts from other assets)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (interest, royalties etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash In	6,825	6,825	6,825	6,825	6,825	6,850	6,850	5,850	5,800	5,800	7,800	7,800	80,875
Total Cash Available	8,074	8,159	10,599	12,539	9,332	11,797	8,891	9,856	11,271	7,235	10,350	13,765	82,124
Cash Out													
Inventory Expenditures													
Inventory/Raw Material (Cash)	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory/Raw Material (Paid on Account)	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses													
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Charges	20	20	20	20	20	20	20	20	20	20	20	20	240
Dues & Subscriptions	-	-	-	-	-	-	200	-	-	-	-	-	200
Insurance	300	-	-	300	-	-	300	-	-	300	-	-	1,200
Licenses & Fees	-	-	-	-	-	-	-	-	200	-	-	-	200
Marketing & Promotion	-	-	-	-	-	-	-	-	-	-	-	-	-
Meals & Entertainment	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Miscellaneous	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Office Expense	10	10	10	10	10	10	10	10	10	10	10	10	120
Office Supplies	30	30	30	30	30	30	30	30	30	30	30	30	360
Outside Services	500	-	500	-	-	-	-	-	-	-	-	-	1,000
Payroll Expenses													
Salaries & Wages	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	25	25	25	25	25	25	25	25	25	25	25	25	300
Telephone	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	55	-	-	-	-	-	-	-	-	-	-	-	55
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid on Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating Costs													
Capital Purchases	1,500	-	-	-	-	-	-	-	-	-	-	-	1,500
Estimated Income Tax Payments	-	-	-	5,347	-	5,371	-	-	5,251	-	-	6,541	22,510
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Draw	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	5,500	49,500
Other Cash Out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Out	6,740	4,385	4,885	10,032	4,385	9,756	4,885	4,385	9,836	4,685	4,385	12,426	80,785
Monthly Cash Flow (cash in - cash out)	85	2,440	1,940	(3,207)	2,440	(2,906)	1,965	1,465	(4,036)	1,115	3,415	(4,626)	90
Beginning Cash Balance	1,249	1,334	3,774	5,714	2,507	4,947	2,041	4,006	5,471	1,435	2,550	5,965	1,249
Ending Cash Balance	1,334	3,774	5,714	2,507	4,947	2,041	4,006	5,471	1,435	2,550	5,965	1,339	1,339

Elle Engineering
Cash Flow Statement (Projected)

2009	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Cash In													
Cash Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Collections from Accounts Receivables	7,788	7,788	8,288	8,288	8,288	8,338	8,338	6,338	6,288	6,288	8,288	8,288	92,600
Equity Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (receipts from other assets)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (interest, royalties etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash In	7,788	7,788	8,288	8,288	8,288	8,338	8,338	6,338	6,288	6,288	8,288	8,288	92,600
Total Cash Available	9,126	10,674	13,576	15,979	11,918	14,870	11,428	11,881	12,783	7,936	10,538	13,441	93,939
Cash Out													
Inventory Expenditures													
Inventory/Raw Material (Cash)	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory/Raw Material (Paid on Account)	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses													
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Charges	20	20	20	20	20	20	20	20	20	20	20	20	240
Dues & Subscriptions	-	-	-	-	-	-	200	-	-	-	-	-	200
Insurance	300	-	-	300	-	-	300	-	-	300	-	-	1,200
Licenses & Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Promotion	-	-	-	-	-	-	-	-	-	-	-	-	-
Meals & Entertainment	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Miscellaneous	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Office Expense	10	10	10	10	10	10	10	10	10	10	10	10	120
Office Supplies	30	30	30	30	30	30	30	30	30	30	30	30	360
Outside Services	500	-	500	-	-	-	-	-	-	-	-	-	1,000
Payroll Expenses													
Salaries & Wages	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	25	25	25	25	25	25	25	25	25	25	25	25	300
Telephone	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	55	-	-	-	-	-	-	-	-	-	-	-	55
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid on Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating Costs													
Capital Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated Income Tax Payments	-	-	-	6,663	-	6,395	-	-	5,750	-	-	6,980	25,788
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Draw	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	6,000	61,000
Other Cash Out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Out	6,240	5,385	5,885	12,348	5,385	11,780	5,885	5,385	11,135	5,685	5,385	13,365	93,863
Monthly Cash Flow (cash in - cash out)	1,548	2,403	2,403	(4,061)	2,903	(3,442)	2,453	953	(4,847)	603	2,903	(5,077)	(1,263)
Beginning Cash Balance	1,339	2,886	5,289	7,691	3,630	6,533	3,091	5,543	6,496	1,648	2,251	5,153	1,339
Ending Cash Balance	2,886	5,289	7,691	3,630	6,533	3,091	5,543	6,496	1,648	2,251	5,153	76	76

MONTHLY INCOME STATEMENT
Elle Engineering

2007	Pre Start-up	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
Net Sales (less returns & allowances)		5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	7,000	7,000	7,000	7,000	73,000
Cost of Goods Sold		-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Income		5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	7,000	7,000	7,000	7,000	73,000
Operating Expenses														
Advertising	100	-	-	-	-	-	-	-	-	-	-	-	-	100
Bad Debt Expense	-	125	125	125	150	150	150	150	150	175	175	175	175	1,825
Bank Charges	-	20	20	20	20	20	20	20	20	20	20	20	20	240
Depreciation & Amortization	-	6	6	6	6	6	6	6	6	6	6	6	6	67
Dues & Subscriptions	-	-	-	-	-	-	-	200	-	-	-	-	-	200
Insurance	300	-	-	-	300	-	-	300	-	-	300	-	-	1,200
Licenses & Fees	200	-	-	-	-	-	-	-	-	-	-	-	-	200
Marketing & Promotion	200	-	-	-	-	-	-	-	-	-	-	-	-	200
Meals & Entertainment	300	100	100	100	100	100	100	100	100	100	100	100	100	1,500
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Expense	-	10	10	10	10	10	10	10	10	10	10	10	10	120
Office Supplies	1,230	30	30	30	30	30	30	30	30	30	30	30	30	1,590
Outside Services	-	-	-	500	-	-	-	-	-	-	-	-	-	500
Payroll Expenses														
Salaries & Wages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	700	-	-	-	-	-	-	-	-	-	-	-	-	700
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	-	25	25	25	25	25	25	25	25	25	25	25	25	300
Telephone	-	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	370	-	-	-	-	-	-	-	-	-	-	-	-	370
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	3,400	416	416	916	741	441	441	941	441	466	766	466	466	10,312
Operating Income	(3,400)	4,584	4,584	4,084	5,259	5,559	5,559	5,059	5,559	6,534	6,234	6,534	6,534	62,688
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income (interest, royalties, etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Before Taxes	(3,400)	4,584	4,584	4,084	5,259	5,559	5,559	5,059	5,559	6,534	6,234	6,534	6,534	62,688

MONTHLY INCOME STATEMENT
Elle Engineering

2008	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
Net Sales (less returns & allowances)	7,000	7,000	7,000	7,000	7,000	6,000	6,000	6,000	8,000	8,000	8,000	8,000	85,000
Cost of Goods Sold	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Income	7,000	7,000	7,000	7,000	7,000	6,000	6,000	6,000	8,000	8,000	8,000	8,000	85,000
Operating Expenses													
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debt Expense	175	175	175	175	175	150	150	150	200	200	200	200	2,125
Bank Charges	20	20	20	20	20	20	20	20	20	20	20	20	240
Depreciation & Amortization	47	47	47	47	47	47	47	47	47	47	47	47	567
Dues & Subscriptions	-	-	-	-	-	-	200	-	-	-	-	-	200
Insurance	300	-	-	300	-	-	300	-	-	300	-	-	1,200
Licenses & Fees	-	-	-	-	-	-	-	-	200	-	-	-	200
Marketing & Promotion	-	-	-	-	-	-	-	-	-	-	-	-	-
Meals & Entertainment	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Miscellaneous	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Office Expense	10	10	10	10	10	10	10	10	10	10	10	10	120
Office Supplies	30	30	30	30	30	30	30	30	30	30	30	30	360
Outside Services	500	-	500	-	-	-	-	-	-	-	-	-	1,000
Payroll Expenses													
Salaries & Wages	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	25	25	25	25	25	25	25	25	25	25	25	25	300
Telephone	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	55	-	-	-	-	-	-	-	-	-	-	-	55
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	1,462	607	1,107	907	607	582	1,082	582	832	932	632	632	9,967
Operating Income	5,538	6,393	5,893	6,093	6,393	5,418	4,918	5,418	7,168	7,068	7,368	7,368	75,033
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income (interest, royalties, etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Before Taxes	5,538	6,393	5,893	6,093	6,393	5,418	4,918	5,418	7,168	7,068	7,368	7,368	75,033

MONTHLY INCOME STATEMENT
Elle Engineering

2009	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
Net Sales (less returns & allowances)	8,500	8,500	8,500	8,500	8,500	6,500	6,500	6,500	8,500	8,500	8,500	8,500	96,000
Cost of Goods Sold	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Income	8,500	8,500	8,500	8,500	8,500	6,500	6,500	6,500	8,500	8,500	8,500	8,500	96,000
Operating Expenses													
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debt Expense	213	213	213	213	213	163	163	163	213	213	213	213	2,400
Bank Charges	20	20	20	20	20	20	20	20	20	20	20	20	240
Depreciation & Amortization	47	47	47	47	47	47	47	47	47	47	47	47	567
Dues & Subscriptions	-	-	-	-	-	-	200	-	-	-	-	-	200
Insurance	300	-	-	300	-	-	300	-	-	300	-	-	1,200
Licenses & Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Promotion	-	-	-	-	-	-	-	-	-	-	-	-	-
Meals & Entertainment	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Miscellaneous	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Office Expense	10	10	10	10	10	10	10	10	10	10	10	10	120
Office Supplies	30	30	30	30	30	30	30	30	30	30	30	30	360
Outside Services	500	-	500	-	-	-	-	-	-	-	-	-	1,000
Payroll Expenses													
Salaries & Wages	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	25	25	25	25	25	25	25	25	25	25	25	25	300
Telephone	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	55	-	-	-	-	-	-	-	-	-	-	-	55
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	1,500	645	1,145	945	645	595	1,095	595	645	945	645	645	10,042
Operating Income	7,000	7,855	7,355	7,555	7,855	5,905	5,405	5,905	7,855	7,555	7,855	7,855	85,958
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income (interest, royalties, etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Before Taxes	7,000	7,855	7,355	7,555	7,855	5,905	5,405	5,905	7,855	7,555	7,855	7,855	85,958

Elle Engineering
Year-End
Income Statement (Projected)

	2007	2008	2009
Net Sales (less returns & allowances)	73,000	85,000	96,000
Cost of Goods Sold	-	-	-
Gross Income	\$ 73,000	\$ 85,000	\$ 96,000
Operating Expenses			
Advertising	100	-	-
Bad Debt Expense	1,825	2,125	2,400
Bank Charges	240	240	240
Depreciation & Amortization	67	567	567
Dues & Subscriptions	200	200	200
Insurance	1,200	1,200	1,200
Licenses & Fees	200	200	-
Marketing & Promotion	200	-	-
Meals & Entertainment	1,500	1,200	1,200
Miscellaneous	-	1,200	1,200
Office Expense	120	120	120
Office Supplies	1,590	360	360
Outside Services	500	1,000	1,000
Payroll Expenses			
Salaries & Wages	-	-	-
Payroll Taxes	-	-	-
Benefits	-	-	-
Professional Fees	700	-	-
Property Taxes	-	-	-
Rent	-	-	-
Repairs & Maintenance	-	-	-
Shipping & Delivery	300	300	300
Telephone	1,200	1,200	1,200
Training & Development	-	-	-
Travel	-	-	-
Utilities	370	-	-
Vehicle	-	-	-
Other	-	55	55
Other	-	-	-
Other	-	-	-
Total Operating Expenses	\$ 10,312	\$ 9,967	\$ 10,042
Operating Income	\$ 62,688	\$ 75,033	\$ 85,958
Interest Expense	-	-	-
Other Income (interest, royalties, etc.)	-	-	-
Income Before Taxes	\$ 62,688	\$ 75,033	\$ 85,958
Income Taxes (if C Corp)	-	-	-
Net Income	\$ 62,688	\$ 75,033	\$ 85,958

Elle Engineering
Year-End
Balance Sheet (Projected)

	2007	2008	2009
Assets			
Current Assets			
Cash & Equivalents	1,249	1,339	76
Accounts Receivable	14,000	16,000	17,000
Inventory	-	-	-
Security Deposits	-	-	-
Other Current Assets	-	-	-
Total Current Assets	\$ 15,249	\$ 17,339	\$ 17,076
Fixed Assets			
Property, Plant & Equipment	200	1,700	1,700
Less: Accumulated Depreciation	(67)	(633)	(1,200)
Other Non-Current Assets	-	-	-
Total Non-Current Assets	\$ 133	\$ 1,067	\$ 500
Total Assets	\$ 15,382	\$ 18,405	\$ 17,576
Liabilities			
Current Liabilities			
Accounts Payable	-	-	-
Line of Credit	-	-	-
Other Current Liabilities	-	-	-
Total Current Liabilities	\$ -	\$ -	\$ -
Long-term Liabilities			
Loans	-	-	-
Mortgages	-	-	-
Other Non-Current Liabilities	-	-	-
Total Non-Current Liabilities	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -
Equity			
Equity Investments	5,000	5,000	5,000
Retained Earnings	62,688	137,722	223,680
Less: Owner's & Investor's Draws	(52,307)	(124,317)	(211,104)
Total Equity	\$ 15,382	\$ 18,405	\$ 17,576
Total Liabilities and Equity	\$ 15,382	\$ 18,405	\$ 17,576

CAPITAL BUDGET PROJECTIONS
Elle Engineering

Year 2		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL		
YEAR 2	Capital Budget															
	Owner's Draw	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	5,500	49,500		
	Investor's Draw	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Depreciation (existing assets)	6	6	6	6	6	6	6	6	6	6	6	6	67		
	Capital Asset Purchases	1,500	-	-	-	-	-	-	-	-	-	-	-	-	1,500	
	Depreciation (new purchases)	42	42	42	42	42	42	42	42	42	42	42	42	42	500	
	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
															Year 2 Total Depreciation	567
	Assumptions - Year 2															
	Owner's Draw															
Investor's Draw																
Dividends Paid																
Security Deposits																
Amortization																
Equipment																
Equipment Depreciation																
Furniture																
Furniture Depreciation																
Leasehold Improvements																
Leasehold Depreciation																
Vehicles																
Vehicle Depreciation																
Building																
Building Depreciation																
Land																

CAPITAL BUDGET PROJECTIONS
Elle Engineering

Year 3		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
YEAR 3	Capital Budget														
	Owner's Draw	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	6,000	61,000	
	Investor's Draw	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Depreciation (existing assets)	6	6	6	6	6	6	6	6	6	6	6	6	67	
	Capital Asset Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Depreciation (new purchases)	42	42	42	42	42	42	42	42	42	42	42	42	500	
	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
													Year 3 Total Depreciation	567	
Assumptions - Year 3															
Owner's Draw															
Investor's Draw															
Dividends Paid															
Security Deposits															
Amortization															
Equipment															
Equipment Depreciation															
Furniture															
Furniture Depreciation															
Leasehold Improvements															
Leasehold Depreciation															
Vehicles															
Vehicle Depreciation															
Building															
Building Depreciation															
Land															