

Summary

McGuire Home is serious about creating a homelike environment. Guests will feel like they are at their own home. They offer a highly skilled nursing facility, and an area where they will feel comfortable. This is perfect for short-term residents who need extra care. McGuire Home offers years of experience and an alternate vision of what the elderly need. They ensure that the elderly people under their care their care have a voice, encouraging them to enjoy their lives and the freedom of their home.

1.1 Objectives

McGuire Home has four objectives they aim to follow for first year.

- Funding – to raise proper funding for startup; money to cover every aspect of the business.
- Fill up – to fill up all the rooms within a six-month period.
- Funding needs – to help in providing developmental planning when it comes to their future funding needs.
- Skilled nursing facility – to open up the skilled nursing facility and maintain fully functional rooms.

1.2 Beyond Financial Needs

The nonfinancial needs serve to help the people that utilize the facilities.

- Training –to provide training to all of employees to prepare them to care for the patients correctly and efficiently; to make sure they have the knowledge to be compassionate and to follow all the patients' wishes.
- Home – to provide a safe, warm, and comfortable home for patients.
- Skilled training – ensure that temporary residents feel respected and comfortable during their stay.

1.2 Mission

McGuire Home wants to encourage its residents to know that they have great dignity and the ability to choose what they want to do and how they want to live. They want to give them a great quality of life instead of just being a name and number like and other nursing homes. They want the residents to have groups to help them make decisions and help them determine what goes on. Having these will help them develop a community and make them feel more at home. They want them to help decide what activities will do and even what food they would eat.

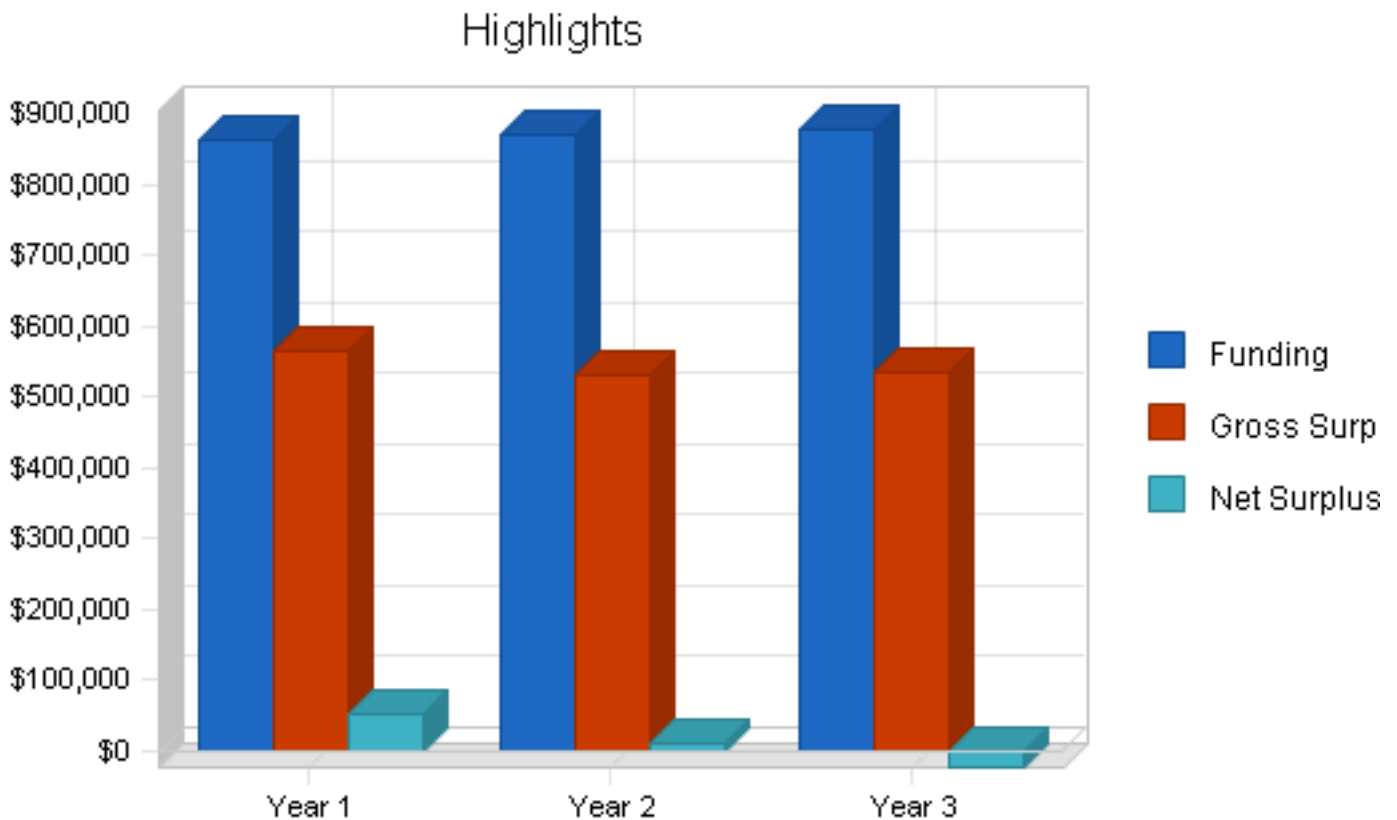
For their staff, they want to provide fair wages, flexible work schedules, and clear responsibilities. They want all of their employees to feel comfortable and welcome and feel safe. They will want their employees to be well trained and will not ask an employee to perform work that they are not trained for. They do ask that they get additional training and they do plan to offer additional training

for employees. They also want their employees to be strongly encouraged help make a difference and to help make the families of the patients that are in their facility comfortable and welcome.

1.3 Keys to Success

Four keys for a successful facility:

- Elder assistants. The use of their elder assistants lowers the overhead cost.
- Wages – offer wages that are better than most facilities. This keeps employees happy and keeps them from wanting to leave, leading to a much lower turnover rate than most facilities have.
- Skilled nursing facility – helps to provide for the specific needs of each resident.
- Home feeling – makes patients and their families feel welcome. Most people dread the thought of being in a nursing facility and never want to go. This causes much stress and makes their time at a nursing facility horrible. McGuire Home ensures that their residents will be happy and that their family members will be happy as well.



Organization Summary

McGuire Home holds a nonprofit 501(C)(3) and they have a goal of providing skilled nursing and assistant living that is both respectful and holistic. They offer this to 214 residents. They have created their location to look great and attract residents. They try to make them feel at home and make them feel like they are welcome.

Dr. Kimberly McGuire is from Las Vegas, Nevada and is known as one of the top geriatric doctors from New England. In addition to the doctor they will have six elder assistants, and four licensed nurses. These employees will be here on a daily basis. They will also have a nutritionist that will come and visit and help plan dietary needs. The nutritionist will even give cooking lessons to their staff to ensure that their patients are eating correctly. Their staff will meet with the Board of Directors at least three times a year to make sure that everything needs to be met.

Miss Barone who has over 27 years of experience will oversee the financial operations of this business. They will also have a billing specialist and a development officer.

2.1 What Makes Them Unique From Everyone Else

For Medicaid and Medicare billing purposes, many nursing homes are set up to just give care, do procedures, and to make sure that test results are there and the nurses are there to take care of the patients. They do not offer quality environment, or anything for the patients to do. They do not provide a homelike environment at all. This can cause many problems for the people they are and their families.

Here at The McGuire Home they want to make sure that their elderly members are happy. At the final stages of their life they need to be happy and they to feel welcomed and reassured that they will be took care of. They acknowledge that this is their home and not just a medical facility. They make sure that the building meets their physical needs and their medical needs. They also make sure that they distinguish themselves and provide individual dignity. They take special care in taking care of personal preferences and making sure that all social connections are met. Residents will share common area that includes a living room and a dining room as well as the kitchen. They will each have their own private room and a private bath. As far as dining goes they offer all of their residents to come and share their food communion and have a great discussion at their dining table.

Many elderly suffer from something known as lack of purpose. Many elderly feel useless and feel like there's nothing that they can do anymore. Studies have shown that the elderly who believe that they are useful do more and are able to have better physical and mental health. Some hospital models try to organize activities but these activities generally do not have any involvement from the patients and many the patients simply do not like to do those activities. Here are they try to work with their patients to see what they will be interested in and what they want to do. There is no planning that they do without their consent. Legal

McGuire Home is located in Las Vegas, Nevada and they are nonprofit. their Board of Directors comes from local people that have been involved in both the medical field and community planning.

Board of Directors

- Members include Lori Smith attn.; John Durant, leader; Susan Ulak social worker.
- Pres. Dr. Patrick Michaels, Medical M.D.

2.3 their Location and Facilities

Recently they have completed the renovation of a former bed and breakfast to their main facilities. The main building they have will house their private insured residents and the other facility will offer residency for their temporary residents, and their postoperative residence.

For residents they will offer a private bathroom and bedroom and a communal living room, kitchen, dining room. If they have a married couple that was to come into the facility they do have a larger room they can accommodate a married couple. They can hold up to 14 residents for a total of 12 rooms. All of their rooms are wheelchair accessible. They also have room for oxygen machines and any other equipment that may be needed for their patients.

They have a skilled nursing facility that can hold up to 11 residents. This part of the housing area will hold the Medicaid and Medicare patients. This will be a full-service facility for people who can no longer take care of themselves and also a short-term center for those recovering from surgeries or medical emergencies.

Since they are located in Middletown they are at a convenient location and offer great quality of life to all of their residents.

3.1 Services

Assisted Living

For residents living in the main building they will know that they will have great care and respect. They will be allowed to do the activities of their choice with no others overseeing what they do each day. The assistants in the home will help with personal care as well as laundry, clean, and cook all meals. In this facility if the residents would like to cook their meals they can help. The residents will own their own home and they can have community meetings with the residents, they can plan activities and they can live life to the fullest. They can also choose who comes to see them and what time they come to see him. Residents can also plan outings whenever they want to. The only thing that they ask in return is that they share any concerns they have, what they like, their health, and their whereabouts.

Skilled Nursing

For the residents for the temporary residents that are in their skilled nursing facility they can expect to be supervised closely and given the same treatment that those are in the assisted living. They offer more supervision with this facility due to medical problems. Residents will experience the same level of care in the net skilled nursing facility.

In the skilled nursing facility, their residents will get the medication they need in any other treatments. They will also be encouraged to take part in every activity that happens in the house. This is been shown to help them heal faster and help overall mental health.

3.2 Alternate Providers

Most of facilities in their area are only hospital model facilities. They do not offer the level of care that they offer nor do they treat their residence like this is their home. The nonprofit status that they have allow them to offer better care and a more team oriented experience for residents. This also gives them the ability to offer more affordable pricing as well is better wages for their employees.

For Medicare residents, they offer much better treatments than a standard nursing home. They give them a better experience overall and a more humane experience. For their privately insured residents they treat the resident like they are a person. They ensure that their journey here is a happy one. They also work closely with the families of the patient to make sure that they like the lifestyle that their loved ones are living in that they approve of the care they are receiving.

3.3 Printed Information

McGuire Home has attached their brochure, that shows all the services offered. Included in the brochure they show the before of the bed and breakfast, and then they show the after pictures of what the bed-and-breakfast will look like after his turned into a skilled facility.

We have also included their fundraising packet. This includes testimonials from residents as well as the main doctor's colleagues. Also included is their main doctors resume as well as their mission statement.

Both brochures will be reimaged in June of this year. They will be updated to show better views of what they will be becoming and will also show potential residents and their families what they will be doing in the coming year.

3.4 Technology

They have advanced medical equipment here at McGuire Home. We also have a secure and up-to-date medical record system that is computerized. There are many benefits of the system. The system will even allow their residents to access their information with a password. This will allow them to see what is going on with their health and how to maintain their health.

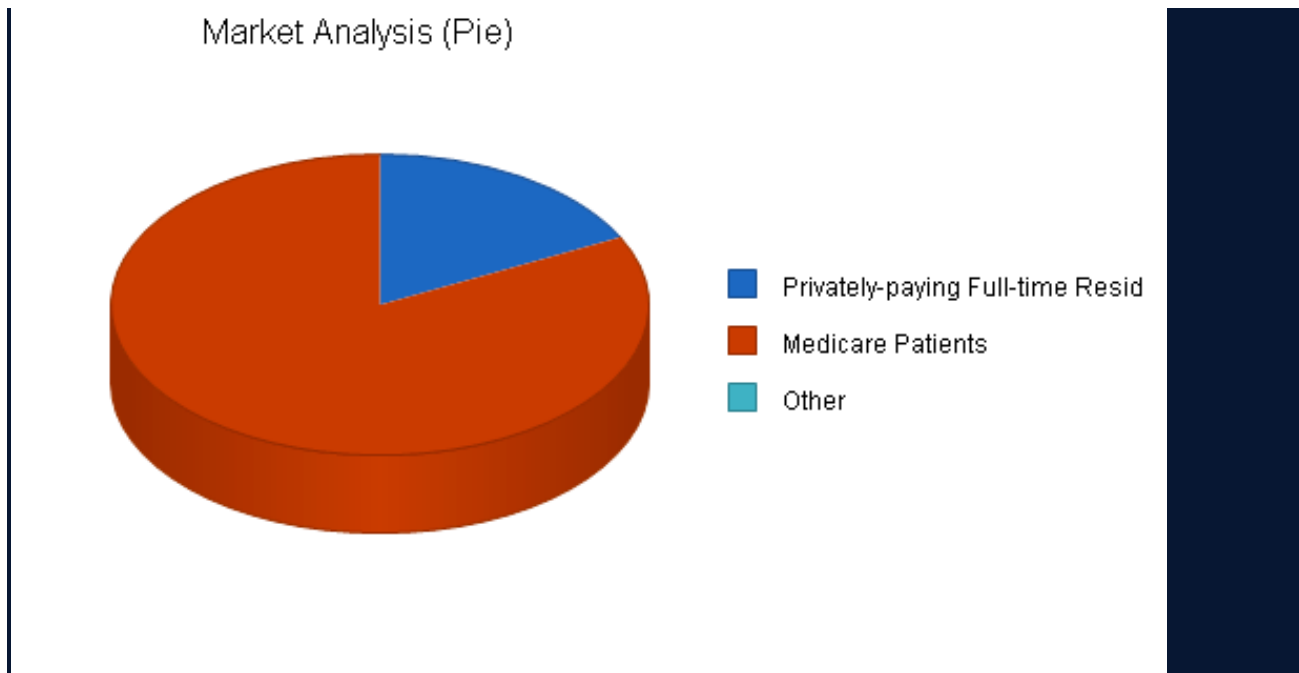
To ensure that they meet the health insurance portability and accountability act, they are working with BigMedTel. We also hold various training exercises to make sure that their staff is well knowledgeable in HIPAA.

3.5 Services in the Future

One of their main hopes is that they become a model for treatment of the elderly care in their region. We hope that they can get support for many facilities like McGuire Home. There is so much potential for the elderly to be treated correctly and be made to feel like they are at home. We hope to explore avenues to show ourselves to the community. We would like to go to some of the alternative schools and allow their residents to teach skills to some of the people there. Their residents could teach things from cooking to design to gardening and t many other things that could help kids flourish. This would help to get them out to the community and give the elderly here at their facility something to do that makes them feel useful.

Once they have a great financial backing they would like to make sure that they can reduce their costs. This is so they can make their facility more affordable for those who can't afford their facility at the moment. We want to learn as much as they can during this first few years to ensure that they offer great quality care for all future patients and that they offer this for many years in the future.

Market Analysis



MARKET ANALYSIS

		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	CAC
POTENTIAL CUSTOMERS	GROWTH						
Privately-paying Full-time	1%	12,906	13,035	13,165	13,297	13,430	1.00

Residents							
Medicare Patients	1%	60,735	61,342	61,955	62,575	63,201	1.00
Other	0%	0	0	0	0	0	0.00
Total	1.00%	73,641	74,377	75,120	75,872	76,631	1.00

4.1 Short Stays of Medicare Patients

Medicare patients have doubled since the prospective payment system was introduced. Many people do not stay in the hospital until they're completely well as their insurance does not always cover it. This leads for the need for skilled nursing facility.

4.2 Marketing Trends

Years ago the aging was take care of their families. Unfortunately many people cannot take care of their elderly for many different reasons including having the work and raising their own families. In some cases the church and other organizations will step in and try to help but there are times when I can work and the need for facilities like McGuire Home are necessary.

With better healthcare, living conditions and better nutrition the population over 75 is growing quickly. The growing cost of healthcare is also an issue. This leads to many people needing facility care at some point.

4.2.1 Marketing Needs

Baby boomers are strong factor in their population and the need for facilities. AARP has recently become a strong supporter in facilities like McGuire Home that offer a homelike environment instead of an environment that is not welcoming and too much like a hospital.

4.2.2 Resident's Needs

McGuire Home has years of experience in the field of elderly care. Here are the things that they know their residents need.

- Treatment – residents must be treated with dignity and respect.
- Community –residents benefit by being engaged and interacting in their community.
- Treatment – residents need to be involved in their treatment plans and know their medical situation fully. They need to be well involved in determining what medications they will be taking and how they will be taking them.
- Caring – residents will know people that are well trained and have strong medical knowledge will care them for. They will also know that people in this facility will be working as a team and fully skilled.

Of course their needs do not match the hospital model nursing home. This is because they do not want their elderly to have care just because the hospital billing system needs it that way. McGuire Home seeks to ensure that they have the care that they need and that they deserve.

4.3 Family Needs

Families of people that are in their facility have their own set of needs.

- Relief. The family members of residents in their facility will have the relief of knowing that their loved one is well taken care of. They will never have to worry about their loved one being injured, or not being safe. They will sleep easy knowing that they are taking care of their loved one and ensuring they live life to the fullest.
- Guilt. Family members who have loved ones in their facility will know that they should not feel guilty. They will know that they have done the right thing.
- Peace of mind. Their family members will know that all of their loved ones mental and physical needs will be met.

Many families that seek out care for their loved ones often feel horrible for having to put their loved one in a nursing home. Here at McGuire Home, they do not take the feeling lightly and they aim to ensure that the family member as well take care of and that is never their fault that they cannot take care of their loved one. We make sure that they know putting their loved one in their facility is a loving act.

5.1 Management of Care Giving

McGuire Home offers a unique care giving facility that is not like hospital model care giving. We have six Elder assistants that are self-managed. They meet with the nurse on-call every morning and the medical director. This gives them the ability to coordinate care for the day and to address any problems that may arise. In addition to this if there are any problems that arise during the day the nurse on-call or the medical director can easily be reached.

While the medical director has the utmost responsibility for all the residents and visitors, the care giving and nursing staff also have this. They are expected to discuss and recommend any kind of action needed for residents.

Unfortunately many facilities forget to remind their Elder assistants and their nurses how valuable they really are. Here they make sure that they do not have any shortages in their staff by giving great management structure and great benefits.

McGuire Home's highly experienced staff is constantly trained to ensure that all of their residents have the utmost medical care. All of their systems are trying to be certified nursing assistants and their doctor oversees every patient. With their staff they have over 75 years of experience in caring for geriatric patients.

5.2 Management – Financial

Roseanne Hill has been their overseer of financial management. She has over 25 years of experience. She first experience bright house when her mother needed long-term home-based hospice care. Ms. Hill is in charge of all financial operations here at McGuire Home.

Marketing and Advertising

McGuire Home is lucky to have Joann Best in their facility. She will be working as a volunteer for two years and their plan. Her job will be to help them plan open houses, as well as helping them design brochures, websites, and any other advertisements.

Team Gaps

McGuire Home plans to hire one Elder assistants as well as one swing shift licensed practical nurse. We are currently advertising for this position at the Connecticut Hospital. We hope to be fully staffed by the end of December.

5.3 Personal Plan

Traditional nursing homes have a high turnover rate of its staff and often deal with the dissatisfaction of their staff as well. There are many nursing shortages and this number is projected to grow. The plan that they offer shows that they want to keep their employees happy and to make sure they are compensated fairly. We also want to make sure that they are compensated for the physical toll of their job as well as the emotional toll of their job.

A study by the Investigations Committee and the Nevada Program Review showed that residents were increased risk for preventable hospitalization, dehydration, bedsores, and malnutrition when staffing levels dropped. Here they offer a small size and their skilled nursing facility gives residents at least 5+ hours a day of nurse care.

The assisted living or treat will offer the care from their Elder assistants as well is nursing aides. They will be available whenever the residents need them.

We want to have a strong commitment to fair wages. This not only helps with keeping their employees but also helps make sure that residents are also happy. We will offer many health benefits including sick leave, two weeks paid vacation, and insurance. We have several part-time positions including Medicare billing Specialist, and development officer. Part-time benefits will include paid vacation and other benefits.

Here are the staffing goals.

- One medical director. This position will be full-time.
- Two licensed practical nurses – this will be full-time but alternating 30 to 40-hour weeks.
- One swing shift licensed practical nurse. This nurse will be given 35 hours per week.
- Six elder assistants – requires CNAs with first aid training.

- Financial manager – one full-time financial manager.
- Medicare billing Specialist – one part-time specialist.
- Development officer – one part-time developmental officer.

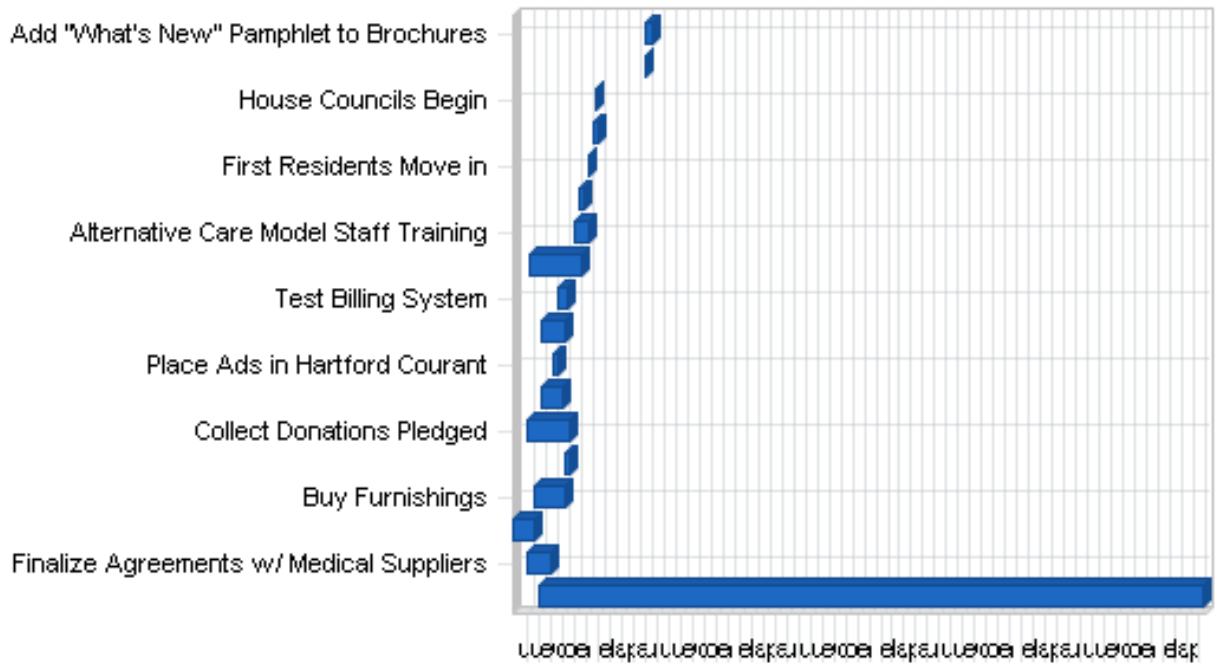
PERSONNEL PLAN

	YEAR 1	YEAR 2	YEAR 3
MEDICAL/CLINICAL PERSONNEL			
Medical Director	\$66,000	\$66,000	\$67,000
LPNs - Full-time 35-40 hrs, night	\$117,000	\$118,000	\$119,000
LPNs - swing shift, 30 hours, day	\$34,125	\$58,500	\$59,000
Subtotal	\$217,125	\$242,500	\$245,000
CARETAKING PERSONNEL			
Elder Assistants	\$221,520	\$223,000	\$255,000
Other	\$0	\$0	\$0
Subtotal	\$221,520	\$223,000	\$255,000
ADMINISTRATIVE PERSONNEL			
Medicare Liason / Billing Specialist	\$33,600	\$34,000	\$34,500
Financial Manager	\$64,800	\$65,000	\$65,500
Janice Ruthers - Part-time Marketing	\$0	\$0	\$0
Subtotal	\$98,400	\$99,000	\$100,000
FUNDRAISING PERSONNEL			
Development Officer - Part-time	\$14,400	\$15,000	\$15,500
Name or Title or Group	\$0	\$0	\$0
Name or Title or Group	\$0	\$0	\$0
Subtotal	\$14,400	\$15,000	\$15,500
Total People	14	14	14
Total Payroll	\$551,445	\$579,500	\$615,500

6.1 Implementation

McGuire Home has set very high goals. In order to reach these goals they will have to have clear responsibility and a clear budget. We will need to create milestones that they can achieve and these goals must be set in concrete. We will need to be meeting and discussing constantly in meeting with their house councils and making sure that they take in any other feedback from their residents and their families.

Milestones



MILESTONES

MILESTONE	START DATE	END DATE	BUDGET	MANAGER	DEPARTMENT
Collect Pledges for Remaining Funds	5/13/2009	8/30/2004	\$0	Breindel	Department
Finalize Agreements w/ Medical Suppliers	7/30/2004	9/30/2004	\$0	Morgan	Department
Finish All Remodeling	6/23/2004	8/15/2004	\$5,000	Morgan, Ruthers	Department
Buy Furnishings	8/15/2004	11/1/2004	\$0	Morgan, Ruthers, Johnson	Department
Inspection	11/1/2004	11/15/2004	\$0	Johnson	Department
Collect Donations Pledged	7/26/2004	11/15/2004	\$0	Breindel, Morgan	Department
Install-Test Computerized Medical System	9/1/2004	10/30/2004	\$0	Hannah	Department
Place Ads in Hartford Courant	10/1/2004	10/15/2004	\$450	Ruthers	Department
Finish Brochures	9/1/2004	11/1/2004	\$2,000	Ruthers	Department
Test Billing System	10/15/2004	11/10/2004	\$0	Morgan, Hannah	Department
Finish Hiring Process	8/1/2004	12/15/2004	\$0	Morgan, Johnson	Department
Alternative Care Model Staff Training	12/1/2004	1/1/2005	\$5,000	Johnson	Department
Open House	12/10/2004	12/20/2004	\$0	Ruthers	Department

First Residents Move in	1/1/2005	1/5/2005	\$0	ABC	Departm
First Operational Review	1/15/2005	1/30/2005	\$0	Johnson, Morgan	Departm
House Councils Begin	1/20/2005	1/20/2005	\$0	Johnson, Elder Assistants	Departm
Assisted Living Facility Full	6/1/2005	6/1/2005	\$0	Johnson, Morgan, Ruthers	Departm
Add "What's New" Pamphlet to Brochures	6/1/2005	6/20/2005	\$200	Ruthers	Departm
Totals			\$12,650		

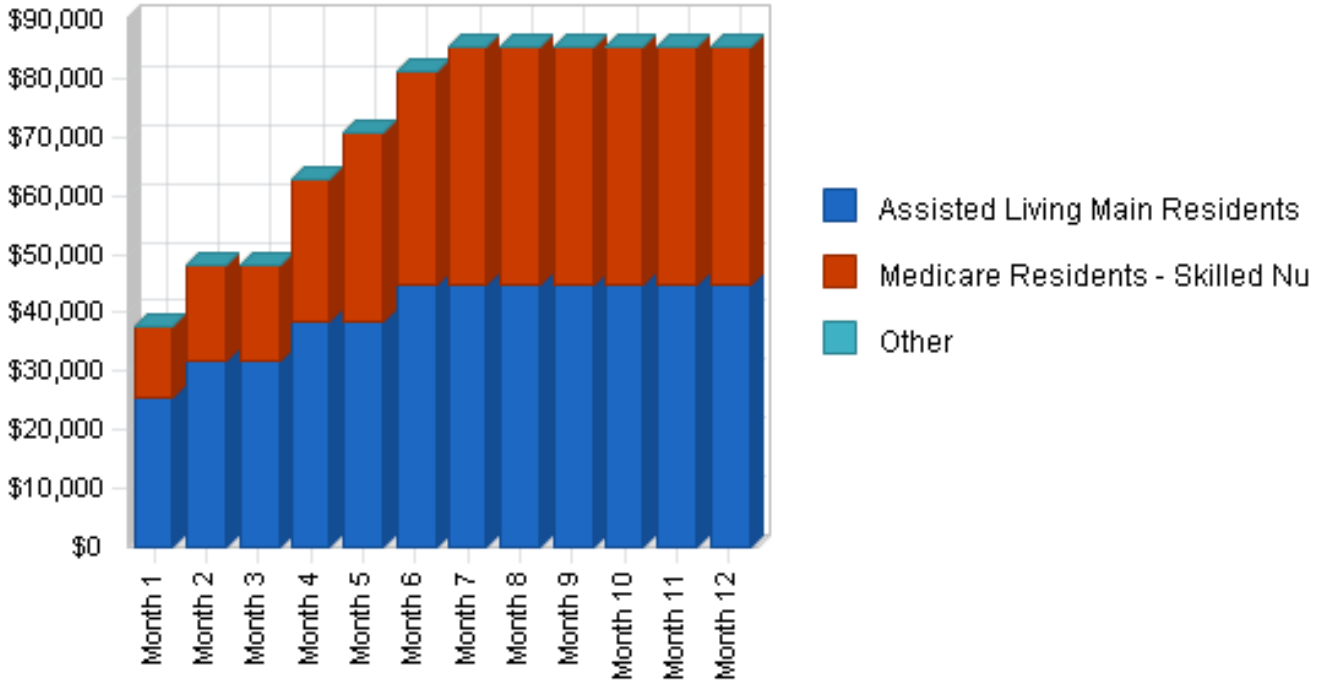
6.2 Assumptions

McGuire Home's models have shown that they can hope to experience full occupancy. The skilled nursing facility will have empty beds to accommodate needs for shorter stays. For that facility they are assuming that they will be at 10 full beds with one free for shorter stays.

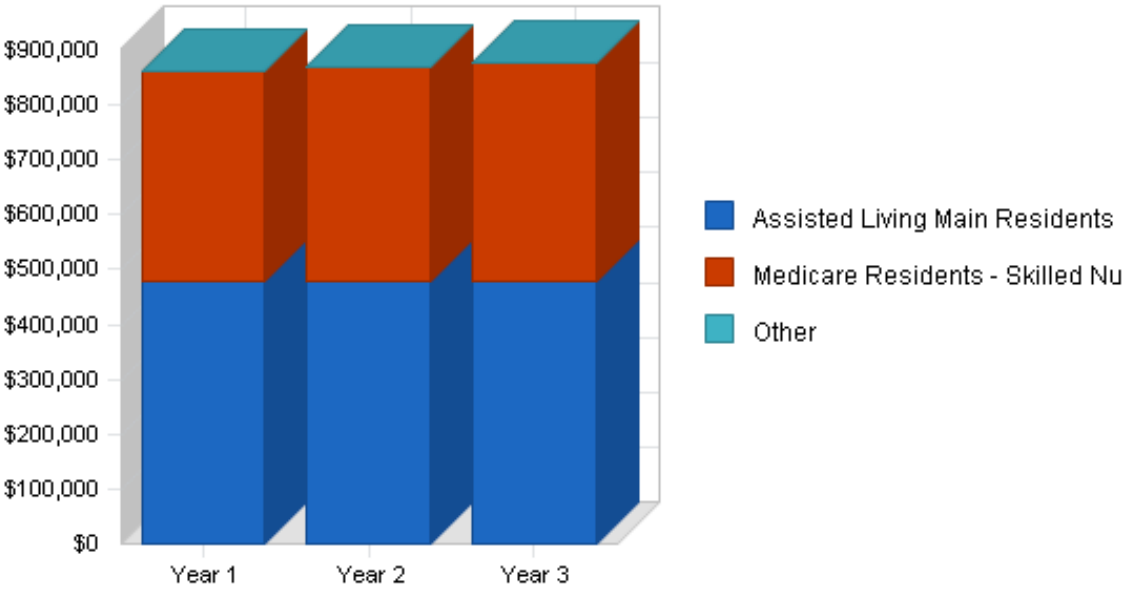
McGuire Home's prices are monthly and they are based on Medicare nursing hours. Medicare patients in their facility are billed at around \$135 a day. This does not include medication and any other things that might come up. The private patients are charged a bit higher to account for reimbursement rates by Medicare as well as to pay for some of the extra benefits that come from living in a McGuire Home residence. Fortunately their rates are much lower than other nursing homes in the area. Donations and their savings help this.

Since their facility is small they do not have the overhead cost of keeping up a large facility. The maintenance of their grounds and their building will be generally less costly than others.

Funding Monthly



Funding by Year



FUNDING FORECAST

	YEAR 1	YEAR 2	YEAR 3
UNITS			
Assisted Living Main Residents	150	150	150
Medicare Residents - Skilled Nursing Facility	94	96	98

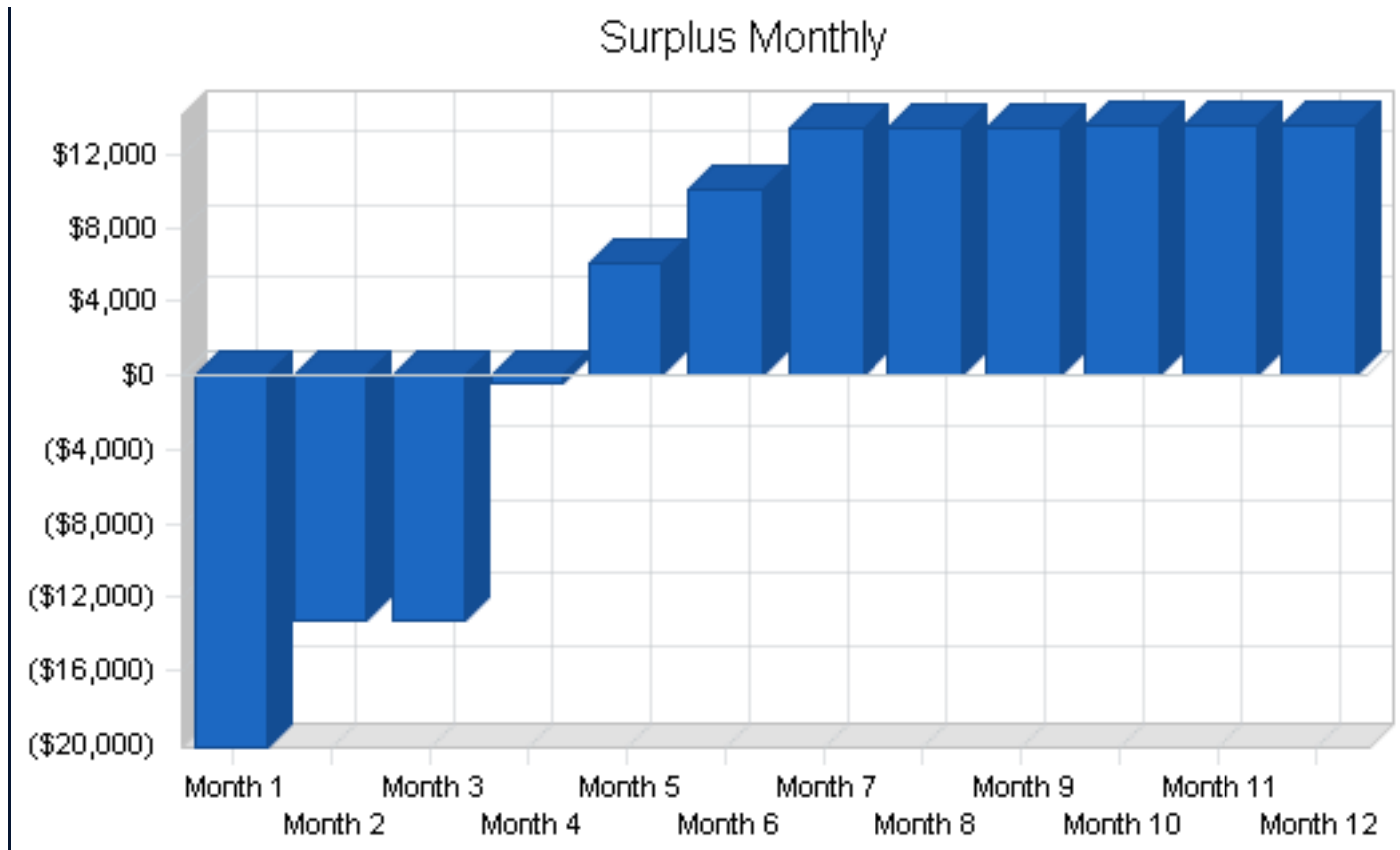


Other	0	0	0
Total Units	244	246	248
UNIT PRICES	YEAR 1	YEAR 2	YEAR 3
Assisted Living Main Residents	\$3,200.00	\$3,200.00	\$3,200.00
Medicare Residents - Skilled Nursing Facility	\$4,050.00	\$4,050.00	\$4,050.00
Other	\$0.00	\$0.00	\$0.00
FUNDING			
Assisted Living Main Residents	\$480,000	\$480,000	\$480,000
Medicare Residents - Skilled Nursing Facility	\$380,700	\$388,800	\$396,900
Other	\$0	\$0	\$0
Total Funding	\$860,700	\$868,800	\$876,900
DIRECT UNIT COSTS	YEAR 1	YEAR 2	YEAR 3
Assisted Living Main Residents	\$0.00	\$0.00	\$0.00
Medicare Residents - Skilled Nursing Facility	\$810.00	\$931.50	\$931.50
Other	\$0.00	\$0.00	\$0.00
DIRECT COST OF FUNDING			
Assisted Living Main Residents	\$0	\$0	\$0
Medicare Residents - Skilled Nursing Facility	\$76,140	\$89,424	\$91,287
Other	\$0	\$0	\$0
Subtotal Direct Cost of Funding	\$76,140	\$89,424	\$91,287

6.3 Key Financial Indicators

Over the next 5 years will closely watch the following two things.

- Capacity – watch their private residence capacity closely.
- Medicare –f closely watch the billing rates of Medicare and how long it takes to get reimbursement.



SURPLUS AND DEFICIT

	YEAR 1	YEAR 2	YEAR 3
FUNDING	\$860,700	\$868,800	\$876,900
Direct Cost	\$76,140	\$89,424	\$91,287
Medical/Clinical Payroll	\$217,125	\$242,500	\$245,000
Non-reusable Medical Equipment	\$4,800	\$5,000	\$5,000
#NAME?	\$0	\$0	\$0
Total Direct Cost	\$298,065	\$336,924	\$341,287
Gross Surplus	\$562,635	\$531,876	\$535,613
Gross Surplus %	65.37%	61.22%	61.08%
OPERATING EXPENSES			
CARETAKING EXPENSES			
Caretaking Payroll	\$221,520	\$223,000	\$255,000
Groceries	\$16,800	\$18,000	\$20,000
Cleaning Supplies	\$1,200	\$1,200	\$1,300
Other Caretaking Expenses	\$0	\$0	\$0
Total Caretaking Expenses	\$239,520	\$242,200	\$276,300

Caretaking %	27.83%	27.88%	31.51%
ADMINISTRATIVE EXPENSES			
Administrative Payroll	\$98,400	\$99,000	\$100,000
Other Expense Account Name	\$0	\$0	\$0
Depreciation	\$1,200	\$1,500	\$1,800
Property Taxes	\$12,000	\$13,000	\$14,000
Utilities	\$24,000	\$25,000	\$26,000
Insurance	\$14,400	\$15,000	\$15,000
Payroll Taxes	\$82,717	\$86,925	\$92,325
Grounds and Building Upkeep	\$4,800	\$5,000	\$5,000
Other	\$0	\$0	\$0
Total Administrative Expenses	\$237,517	\$245,425	\$254,125
Administrative %	27.60%	28.25%	28.98%
FUNDRAISING EXPENSES:			
Fundraising Payroll	\$14,400	\$15,000	\$15,500
Brochures, Marketing	\$800	\$1,000	\$500
Fundraising Expenses	\$0	\$0	\$0
Total Fundraising Expenses	\$15,200	\$16,000	\$16,000
Fundraising %	1.77%	1.84%	1.82%
TOTAL OPERATING EXPENSES	\$492,237	\$503,625	\$546,425
Surplus Before Interest and Taxes	\$70,398	\$28,251	(\$10,812)
EBITDA	\$71,598	\$29,751	(\$9,012)
Interest Expense	\$20,479	\$17,200	\$13,450
Taxes Incurred	\$0	\$0	\$0
NET SURPLUS	\$49,919	\$11,051	(\$24,262)
Net Surplus/Funding	5.80%	1.27%	-2.77%

6.4 Cash Flow

McGuire Home has plans to sell 2 acres in the end of their property to local developers. They will be making single-family residences.

They will have several different fundraising campaigns. We hope that within the years two and three they will have \$35,000 to \$40,000. These funds will be used to help pay off their loans. We hope to pay the principal ahead so that they are not hit with additional fees and they are able to pay their loans off in a quicker manner.

They are conservative with their fundraising goals. Their plan allows them to maintain a positive cash flow and balance throughout the first five years of business.



PRO FORMA CASH FLOW

	YEAR 1	YEAR 2	YEAR 3
CASH RECEIVED			
Cash from Operations			
Cash Funding	\$645,525	\$651,600	\$657,675
Cash from Receivables	\$173,236	\$216,805	\$218,830
Subtotal Cash from Operations	\$818,761	\$868,405	\$876,505

Additional Cash Received

Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$5,000	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$25,000	\$0	\$0
New Investment Received	\$0	\$35,000	\$40,000
Subtotal Cash Received	\$848,761	\$903,405	\$916,505

EXPENDITURES

	YEAR 1	YEAR 2	YEAR 3
Expenditures from Operations			
Cash Spending	\$551,445	\$579,500	\$615,500
Bill Payments	\$237,601	\$277,935	\$283,575
Subtotal Spent on Operations	\$789,046	\$857,435	\$899,075

Additional Cash Spent

Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$5,500	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$25,000	\$35,000	\$40,000
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0

Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$819,546	\$892,435	\$939,075
NET CASH FLOW	\$29,215	\$10,970	(\$22,570)
Cash Balance	\$107,215	\$118,186	\$95,616

6.5 PROJECTED BALANCE SHEET

PRO FORMA BALANCE SHEET

	YEAR 1	YEAR 2	YEAR 3
ASSETS			
Current Assets			
Cash	\$107,215	\$118,186	\$95,616
Accounts Receivable	\$41,939	\$42,334	\$42,729
Inventory	\$8,100	\$9,513	\$9,711
Other Current Assets	\$31,000	\$31,000	\$31,000
Total Current Assets	\$188,254	\$201,033	\$179,055
Long-term Assets			
Long-term Assets	\$725,000	\$725,000	\$725,000
Accumulated Depreciation	\$1,200	\$2,700	\$4,500
Total Long-term Assets	\$723,800	\$722,300	\$720,500

Total Assets	\$912,054	\$923,333	\$899,555
LIABILITIES AND CAPITAL	YEAR 1	YEAR 2	YEAR 3
Current Liabilities			
Accounts Payable	\$22,635	\$22,863	\$23,347
Current Borrowing	\$4,500	\$4,500	\$4,500
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$27,135	\$27,363	\$27,847
Long-term Liabilities	\$185,000	\$150,000	\$110,000
Total Liabilities	\$212,135	\$177,363	\$137,847
Paid-in Capital	\$699,150	\$734,150	\$774,150
Accumulated Surplus/Deficit	(\$49,150)	\$769	\$11,820
Surplus/Deficit	\$49,919	\$11,051	(\$24,262)
Total Capital	\$699,919	\$745,970	\$761,708
Total Liabilities and Capital	\$912,054	\$923,333	\$899,555
Net Worth	\$699,919	\$745,970	\$761,708

6.6 Standard Ratios

RATIO ANALYSIS

	YEAR 1	YEAR 2	YEAR 3	INDUSTRY PROFILE
Funding Growth	0.00%	0.94%	0.93%	1.62%

PERCENT OF TOTAL ASSETS

Accounts Receivable	4.60%	4.58%	4.75%	14.37%
Inventory	0.89%	1.03%	1.08%	0.55%
Other Current Assets	3.40%	3.36%	3.45%	36.74%
Total Current Assets	20.64%	21.77%	19.90%	51.66%
Long-term Assets	79.36%	78.23%	80.10%	48.34%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	2.98%	2.96%	3.10%	20.58%
Long-term Liabilities	20.28%	16.25%	12.23%	28.02%
Total Liabilities	23.26%	19.21%	15.32%	48.60%
Net Worth	76.74%	80.79%	84.68%	51.40%

PERCENT OF FUNDING

Funding	100.00%	100.00%	100.00%	100.00%
Gross Surplus	65.37%	61.22%	61.08%	100.00%
Selling, General & Administrative Expenses	59.57%	59.95%	63.85%	80.78%
Advertising Expenses	1.95%	2.07%	2.28%	0.39%
Surplus Before Interest and Taxes	8.18%	3.25%	-1.23%	2.77%

MAIN RATIOS

Current	6.94	7.35	6.43	1.61
Quick	6.64	7.00	6.08	1.20
Total Debt to Total Assets	23.26%	19.21%	15.32%	54.58%

Pre-tax Return on Net Worth	7.13%	1.48%	-3.19%	5.88%
Pre-tax Return on Assets	5.47%	1.20%	-2.70%	12.94%
ADDITIONAL RATIOS	YEAR 1	YEAR 2	YEAR 3	
Net Surplus Margin	5.80%	1.27%	-2.77%	n.a
Return on Equity	7.13%	1.48%	-3.19%	n.a
ACTIVITY RATIOS				
Accounts Receivable Turnover	5.13	5.13	5.13	n.a
Collection Days	57	71	71	n.a
Inventory Turnover	11.82	10.15	9.50	n.a
Accounts Payable Turnover	11.50	12.17	12.17	n.a
Payment Days	27	30	30	n.a
Total Asset Turnover	0.94	0.94	0.97	n.a
DEBT RATIOS				
Debt to Net Worth	0.30	0.24	0.18	n.a
Current Liab. to Liab.	0.13	0.15	0.20	n.a
LIQUIDITY RATIOS				
Net Working Capital	\$161,119	\$173,670	\$151,208	n.a
Interest Coverage	3.44	1.64	-0.80	n.a
ADDITIONAL RATIOS				
Assets to Funding	1.06	1.06	1.03	n.a
Current Debt/Total Assets	3%	3%	3%	n.a

Grounds and Building Upkeep	15%	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Administrative Expenses		\$18,938	\$19,406	\$19,406	\$19,406	\$19,406	\$20,137	\$20,137	\$20,137	\$20,137	\$20,137	\$20,137	\$20,137
Administrative %		50.17%	40.26%	40.26%	30.95%	27.41%	24.78%	23.61%	23.61%	23.61%	23.61%	23.61%	23.61%
FUNDRAISING EXPENSES:													
Fundraising Payroll		\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Brochures, Marketing		\$800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fundraising Expenses		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Fundraising Expenses		\$2,000	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Fundraising %		5.30%	2.49%	2.49%	1.91%	1.69%	1.48%	1.41%	1.41%	1.41%	1.41%	1.41%	1.41%
TOTAL OPERATING EXPENSES													
		\$38,038	\$40,826	\$40,826	\$40,826	\$40,826	\$41,557	\$41,557	\$41,557	\$41,557	\$41,557	\$41,557	\$41,557
Surplus Before Interest and Taxes		(\$18,368)	(\$11,516)	(\$11,516)	\$1,365	\$7,845	\$11,878	\$15,118	\$15,118	\$15,118	\$15,118	\$15,118	\$15,118
EBITDA		(\$18,268)	(\$11,416)	(\$11,416)	\$1,465	\$7,945	\$11,978	\$15,218	\$15,218	\$15,218	\$15,218	\$15,218	\$15,218
Interest Expense		\$1,821	\$1,808	\$1,792	\$1,775	\$1,750	\$1,725	\$1,696	\$1,671	\$1,646	\$1,621	\$1,596	\$1,579
Taxes Incurred		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET SURPLUS		(\$20,188)	(\$13,324)	(\$13,307)	(\$411)	\$6,095	\$10,153	\$13,422	\$13,447	\$13,472	\$13,497	\$13,522	\$13,539
Net Surplus/Funding		-53.48%	-27.64%	-27.61%	-0.65%	8.61%	12.50%	15.74%	15.76%	15.79%	15.82%	15.85%	15.87%

PRO FORMA CASH FLOW

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12
--	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------

CASH RECEIVED

Accumulated Depreciation	\$0	\$100	\$200	\$300	\$400	\$500	\$600	\$700	\$800	\$900	\$1,000	\$1,100	\$1,200
Total Long-term Assets	\$750,000	\$749,900	\$749,800	\$749,700	\$749,600	\$749,500	\$749,400	\$724,300	\$724,200	\$724,100	\$724,000	\$723,900	\$723,800
Total Assets	\$865,000	\$862,965	\$850,621	\$835,617	\$836,322	\$840,958	\$848,794	\$859,471	\$869,112	\$879,560	\$890,033	\$900,531	\$912,054
LIABILITIES AND CAPITAL		MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12
Current Liabilities													
Accounts Payable	\$0	\$14,653	\$17,133	\$17,436	\$20,552	\$22,094	\$22,776	\$23,531	\$22,724	\$22,700	\$22,676	\$22,651	\$22,635
Current Borrowing	\$5,000	\$9,500	\$9,000	\$8,000	\$7,000	\$6,000	\$5,000	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$5,000	\$24,153	\$26,133	\$25,436	\$27,552	\$28,094	\$27,776	\$28,031	\$27,224	\$27,200	\$27,176	\$27,151	\$27,135
Long-term Liabilities	\$210,000	\$209,000	\$208,000	\$207,000	\$206,000	\$204,000	\$202,000	\$199,000	\$196,000	\$193,000	\$190,000	\$187,000	\$185,000
Total Liabilities	\$215,000	\$233,153	\$234,133	\$232,436	\$233,552	\$232,094	\$229,776	\$227,031	\$223,224	\$220,200	\$217,176	\$214,151	\$212,135
Paid-in Capital	\$699,150	\$699,150	\$699,150	\$699,150	\$699,150	\$699,150	\$699,150	\$699,150	\$699,150	\$699,150	\$699,150	\$699,150	\$699,150
Accumulated Surplus/Deficit	(\$49,150)	(\$49,150)	(\$49,150)	(\$49,150)	(\$49,150)	(\$49,150)	(\$49,150)	(\$49,150)	(\$49,150)	(\$49,150)	(\$49,150)	(\$49,150)	(\$49,150)
Surplus/Deficit	\$0	(\$20,188)	(\$33,512)	(\$46,819)	(\$47,230)	(\$41,135)	(\$30,982)	(\$17,560)	(\$4,112)	\$9,360	\$22,858	\$36,380	\$49,919
Total Capital	\$650,000	\$629,812	\$616,488	\$603,181	\$602,770	\$608,865	\$619,018	\$632,440	\$645,888	\$659,360	\$672,858	\$686,380	\$699,919
Total Liabilities and Capital	\$865,000	\$862,965	\$850,621	\$835,617	\$836,322	\$840,958	\$848,794	\$859,471	\$869,112	\$879,560	\$890,033	\$900,531	\$912,054
Net Worth	\$650,000	\$629,812	\$616,488	\$603,181	\$602,770	\$608,865	\$619,018	\$632,440	\$645,888	\$659,360	\$672,858	\$686,380	\$699,919