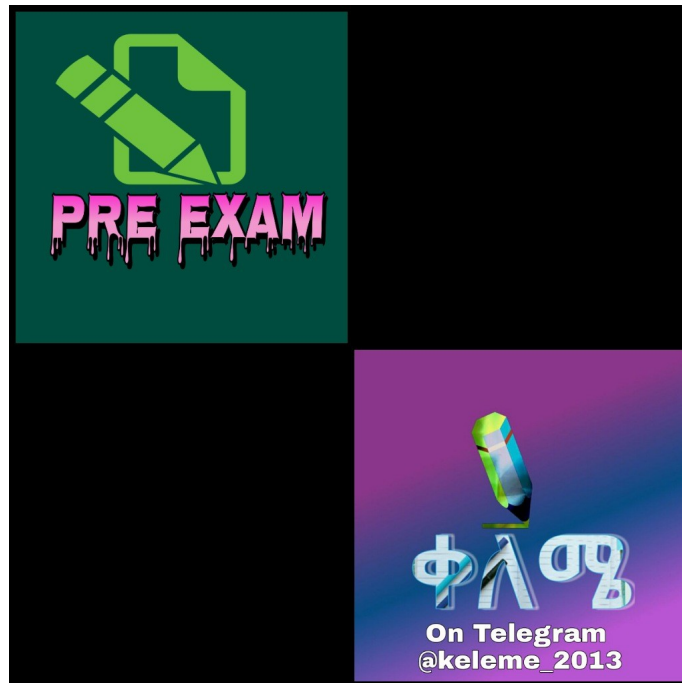


[COMPANY NAME]

Business Plan



[NAME] - Owner

Mailing Address:

[ADDRESS]

[CITY, STATE ZIP]

Phone: (XXX) XXX-XXXX

Fax (XXX) XXX-XXXX

[Email]

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1.0 Executive Summary

[COMPANY NAME]
[NAME], Owner
Mailing Address:
[ADDRESS]
[CITY, STATE ZIP]
Phone: (XXX) XXX-XXXX
Fax (XXX) XXX-XXXX
[EMAIL]

Introduction

[COMPANY NAME] is a historic 12-suite high quality motel owned and operated by [NAME] for more than 40 years. The motel has been recently re-acquired from an impending foreclosure and upon receipt of grant funding the Company will execute improvements and upgrades to provide superior, high quality lodging for our loyal outdoor enthusiasts.

Location

[COMPANY NAME] is location located at [Address] [CITY, STATE ZIP].

The Company

The Company offers superior quality lodging in the form of 12 individual suites with compact refrigerators, microwaves and coffee makers with six full kitchen suites. [COMPANY NAME] is a Limited Liability Company owned 50%, by [NAME], an unmarried woman and 50% by [NAME], daughter of [NAME]. [COMPANY NAME] has been in business for 66 years and is of historic significance to the community.

Our Services

[COMPANY NAME] will offer superior quality lodging to a growing market of outdoorsmen and women at competitive prices. [COMPANY NAME] also has a full 6-bedroom home, convertible into a three-bedroom home that is also available for rent to larger parties.

The Market

[COMPANY NAME] is located in [CITY], [STATE], also known as the "Moose Viewing Capital of [STATE]". The Company will target Big Game Hunters and Fishermen/women as well as outdoor sports enthusiasts through social networks as well as avenues frequented by those purchasing licenses from the Department of Wildlife.

Financial Considerations

The current financial plan for [COMPANY NAME] is to obtain grant funding in the amount of \$600,000. The grant will be used to re-fashion the existing motel, execute required leasehold improvements, purchase office furniture, fixtures, equipment, and supplies, and provide funding for employee payroll and working capital.

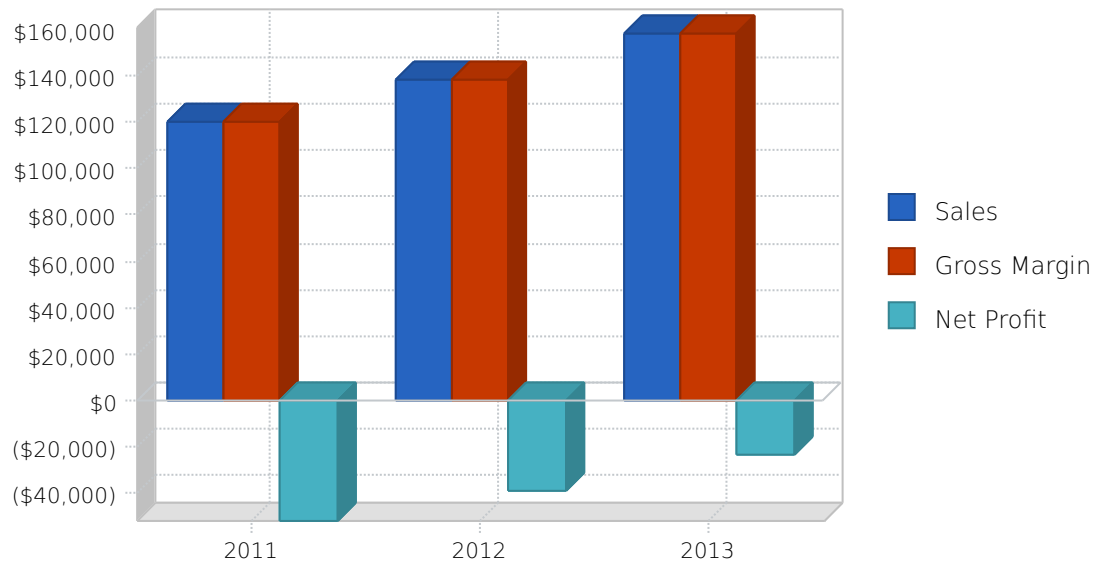
The major focus for grant funding is as follows:

1. A company fully owned and operated by women
2. To purchase energy efficient equipment
3. To hire veterans, minorities, and the unemployed

Chart: Highlights

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Highlights



1.1 Objectives

The objective of the [COMPANY NAME] is to maintain 100% occupancy and to provide travelers with a low cost superior quality establishment that provides comfortable lodging to all.

1.2 Mission

[COMPANY NAME] aspires to maintain a loyal customer base by providing outstanding lodging. The comfort and care of our guests is our primary concern. We aim to provide an environment and amenities that encourage and promote an excellent nights rest for weary travelers.

1.3 Keys to Success

- Providing superior, quality lodging that is competitively priced
- Providing high quality bedding and amenities promoting a good night's rest
- Close proximity to National Forests & lake, river and stream fishing sites
- On-site RV park & camping sites
- Full kitchens and kitchenettes
- Six bedroom vacation rental home for large groups
- Historic Designation
- Ample parking
- Free Wi-Fi

2.0 Company Summary

[COMPANY NAME] is located at [ADDRESS] [CITY, STATE ZIP] and is owned and operated by [NAME]. The business was established in 1944 and contains 12 rental suites as well as a 6-bedroom rental home, which are frequented by sports enthusiasts throughout hunting and fishing seasons.

2.1 Company Ownership

[NAME] is a 50% co-owner of [COMPANY NAME], with her daughter [NAME] and has owned and operated the business for more than 40 of its **66** years. The business was re-acquired in June of 2009 in the wake of an impending foreclosure.

2.2 Company History

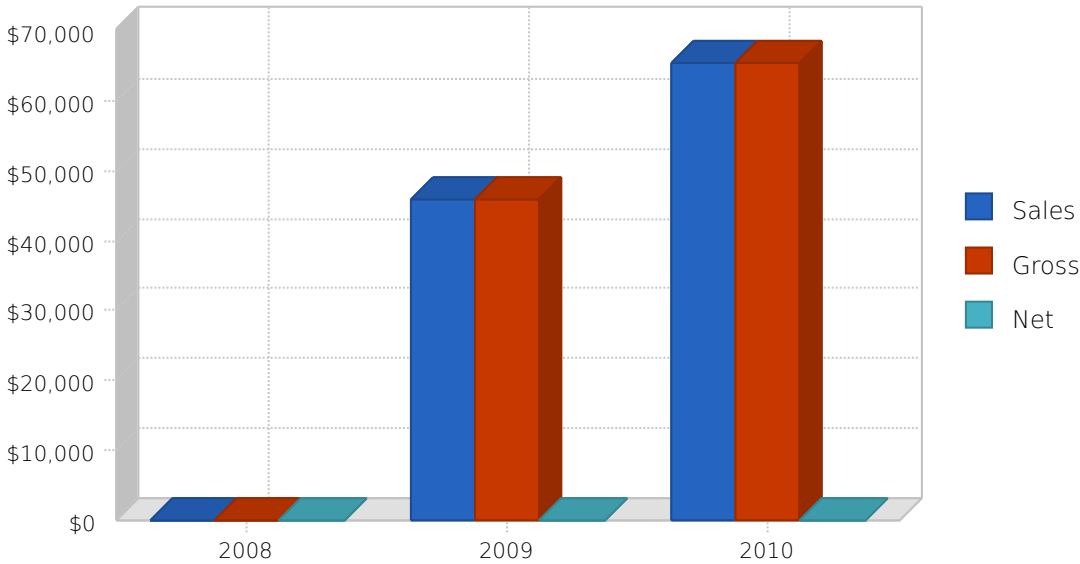
The [COMPANY NAME] was established in 1944 by [NAME], father of [NAME], current owner and operator, and 3rd cousin to [NAME] and as such has significant historical affiliation. [COMPANY NAME] has been in business for 66 years and maintains a 100% occupancy rate during Big Game hunting and fishing seasons and will remain a historical provider of superior quality lodging within the community of [CITY], [STATE].

Table: Past Performance

Past Performance			
	2008	2009	2010
Sales	\$0	\$45,836	\$65,270
Gross Margin	\$0	\$45,836	\$65,270
Gross Margin %	0.00%	100.00%	100.00%
Operating Expenses	\$0	\$78,285	\$80,634
Balance Sheet			
	2008	2009	2010
Current Assets			
Cash	\$0	\$20,000	\$5,000
Other Current Assets	\$0	\$0	\$0
Total Current Assets	\$0	\$20,000	\$5,000
Long-term Assets			
Long-term Assets	\$0	\$250,000	\$250,000
Accumulated Depreciation	\$0	\$35,870	\$35,870
Total Long-term Assets	\$0	\$214,130	\$214,130
Total Assets	\$0	\$234,130	\$219,130
Current Liabilities			
Accounts Payable	\$0	\$0	\$0
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities (interest free)	\$0	\$0	\$0
Total Current Liabilities	\$0	\$0	\$0
Long-term Liabilities	\$0	\$25,882	\$25,882
Total Liabilities	\$0	\$25,882	\$25,882
Paid-in Capital	\$0	\$0	\$0
Retained Earnings	\$0	\$208,248	\$193,248
Earnings	\$0	\$0	\$0
Total Capital	\$0	\$208,248	\$193,248
Total Capital and Liabilities	\$0	\$234,130	\$219,130
Other Inputs			
Payment Days	0	0	0

Chart: Past Performance

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Past Performance



3.0 Services

[COMPANY NAME] offers clean, superior quality, affordable lodging for Outdoors men and women in [CITY], [STATE]. [COMPANY NAME] has been in business for 66 years and is currently owned and operated by [NAME].

[NAME] is re-fashioning the motel with updated bathrooms, kitchens, electronics, interiors and superior quality bedding in order to provide guests with a clean, cozy, comfortable and affordable environment in which to rest at the end of a long sports filled day. In addition to twelve personal suites, all with kitchenettes, and six with full kitchens, [COMPANY NAME] offers the rental of a full six bedroom home that can also be rented partially with only three bedrooms.

[COMPANY NAME] plans to include the addition of an enclosed Hot Tub facility for guests to enjoy in the future as well.

4.0 Market Analysis Summary

The population of [CITY] is approximately 890 (1990) and [CITY] is known historically as the "Moose Viewing Capital of [STATE]". It is located in the pristine mountains of [PLACE], home to abundant wildlife, fishing, hiking, snow capped mountains and sand dunes. [CITY] is the epitome of the past in ranching, logging and mining and [COMPANY NAME] will comfortably and economically house those that visit in a manner that will ensure their happy return.

The Department of Wildlife has put in place new opportunities for public hunting and has taken measures to introduce women and young adults to hunting as evidenced by a special news feature on ABC's World News Tonight. According to the Department of Wildlife, [STATE]'s fishing programs and licenses continue to increase in sales due to record-breaking fish production and stocking efforts, which keep hunters and fishermen/women coming back for more.

Additionally, [COMPANY NAME] is a favorite of motor-cyclists traveling to and from the Sturgis, South Dakota annual rally each year in August and in June of 2011 the [STATE] Bicycle Tour has reserved the entire motel for a couple of nights as part of its annual cycling event. [COMPANY NAME] anticipates an increase in specialty business in future years as a result of cultivating business relationships with regard to these events and others.

4.1 Market Segmentation

[COMPANY NAME] will target the following market segments:

1. Big Game hunters, fishermen & women, in pursuit of trophy fish, famous in the lakes, rivers and streams, and campers and snow enthusiasts that frequent the [PLACE] area in accordance with the various seasons.

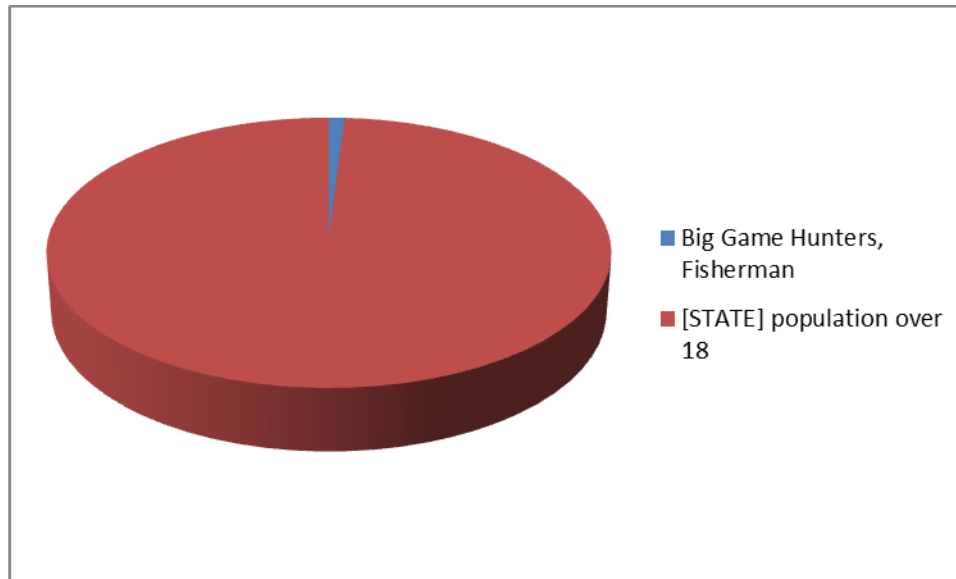
2. The population 18 years and older of [STATE]

[COMPANY NAME] will aggressively advertise on various web sites frequented by those obtaining licenses to pursue their sports. [COMPANY NAME]'s market segmentation scheme is fairly straightforward, and focuses on the target market. The information contained in the market analysis table, displays the Company's main markets.

Table: Market Analysis

Market Analysis							
		2011	2012	2013	2014	2015	
Potential Customers	Growth						CAGR
Big Game Hunters, Fishermen , Sports Enthusiasts	3%	7,749	7,981	8,220	8,467	8,721	3.00%
[STATE] population over 18	3%	3,200,466	3,296,480	3,395,374	3,497,235	3,602,152	3.00%
Total	3.00%	3,208,215	3,304,461	3,403,594	3,505,702	3,610,873	3.00%

Chart: Market Analysis (Pie)



4.2 Target Market Segment Strategy

[COMPANY NAME] will target the Big Game Hunters, Fishermen & women and sports enthusiasts as well as the population, 18 years and older, of [STATE] as these are the groups that travel to the area for extended periods of time, repeatedly, in the quest for their game and entertainment. [COMPANY NAME] will establish and maintain an extensive database of customers who will be contacted regularly via emails to allow them to make advance reservations for future visits, paying particular attention to their special requests and needs.

4.3 Service Business Analysis

[COMPANY NAME] is in the hospitality service industry in [CITY], [STATE] with a relatively low concentration of businesses in the area. Superior quality, comfortable and economically competitive lodging is sought by sports enthusiasts frequenting the area and [COMPANY NAME] will become the premium source for all their needs in lodging.

4.3.1 Competition and Buying Patterns

Guests visiting the [CITY], [STATE] area are in search of a premium quality, warm, cozy, comfortable establishment in which to call home while in pursuit of their hunting and fishing game. Determining factors include:

- Superior quality bedding and amenities to promote an excellent nights rest
- Cleanliness and the availability of compact small appliances
- The availability of ESPN and quality televisions as well as free Wi-Fi
- The feeling of home away from home
- Familiarity with a knowledgeable caring staff

5.0 Strategy and Implementation Summary

The primary sales and marketing strategy for [COMPANY NAME] consists of the following:

1. To provide an unparalleled lodging experience to customers
2. To establish a loyal following based on a high level of customer satisfaction
3. To provide the highest quality lodging at a competitive price
4. To establish and maintain an extensive customer database for marketing purposes

[COMPANY NAME] has clearly defined the target market and has differentiated itself by offering a solid solution to fulfilling its customers' needs. Reasonable sales targets have been established with an implementation plan designed to ensure the goals set forth are achieved.

5.1 SWOT Analysis

The SWOT analysis, aids in displaying the internal strengths and weaknesses that [COMPANY NAME] must address. It allows us to examine the opportunities presented to [COMPANY NAME] as well as potential threats. The Company's **strength** will help it to succeed. These strengths are:

- 66 years of hospitality experience
- Improved high quality accommodations and amenities
- Outstanding customer Service building upon a loyal customer base with the establishment of a detailed customer database
- Geographically close proximity to some of [STATE]'s elite hunting and fishing locations

Strengths are valuable, but it is also important to realize the **weaknesses** [COMPANY NAME] must address. These weaknesses include the lack of funding to expand and grow the business. The Companies strengths will help it capitalize on emerging **opportunities**. These opportunities include, but are not limited to:

- The ability to increase its market share by offering high quality, bedding, accoutrements and environments while maintaining competitive pricing
- The ability to offer an updated, high quality 6 bedroom rental home in addition to the 12 individual suites
- A stable repetitive customer base that will increase as word of mouth advertising expands
- The availability of 6 Full kitchen suites
- An actively growing Hunting, Fishing and outdoor market per the Department of Wildlife
- 66 years of experience in the hospitality industry
- Historical significance
- Cultivated business relationships as the result of an extensive presence and experience within the community

The major **threat** the Company faces is the economy.

5.1.1 Strengths

[COMPANY NAME]'s strengths are:

- Customer Service - Our goal is to exceed our customer's expectations with quality, value and professional service

- Superior quality bedding and amenities - We will exceed our customer's expectations in quality bedding to promote a comfortable and peaceful nights rest
- Establishment and maintenance of a detailed customer database to promote repeat business and word of mouth advertising
- A Geographic advantage to Unit 6, 171, 161 & 17, which are popular Big Game hunting areas as well as some of [STATE]'s best trout fishing in the following lakes, rivers and streams:

Big Creek Lake
Cowdrey Lakes
Delaney Buttes
Lake John
Seymour Reservation

- Competitive value & rental pricing
- The availability of a 6 Bedroom rental home
- Key business relationships within the community that only come from 66 years of experience in the lodging industry

5.1.2 Weaknesses

[COMPANY NAME]'s weaknesses come from the lack of funding to expand and grow the business in an economically challenged financial environment that we are all experiencing.

Grant funds will be used to launch our re-fashioned motel including the execution of quality leasehold improvements to elevate surroundings, the purchase of office furniture, fixtures and equipment to enhance productivity and the establishment and maintenance of an extensive customer database, the purchase of quality bedding and accoutrements to enhance customer satisfaction.

5.1.3 Opportunities

[COMPANY NAME]'s Opportunities are:

- The ability to increase its market share by offering high quality, bedding, accoutrements and environments while maintaining competitive pricing
- The ability to offer an updated, high quality 6 bedroom rental home in addition to the 12 individual suites
- A stable repetitive customer base that will increase as word of mouth advertising expands
- The availability of 6 full kitchen suites
- An actively growing Hunting, Fishing and outdoor market per the Department of Wildlife
- 66 years of experience in the hospitality industry
- Historical significance
- Cultivated business relationships as the result of an extensive presence and experience within the community

5.1.4 Threats

The current economically challenged financial environment presents a threat to the travel and hospitality industry at large. However, the ability of [COMPANY NAME] to maintain 100% occupancy during Big Game hunting and fishing seasons is a display of enormous promise.

5.2 Competitive Edge

[COMPANY NAME] will utilize the following strengths to provide it with a leading edge in [CITY], [STATE]'s hospitality industry:

- Personal attention provided to each guest and a genuine concern for their enhanced experience
- The type of experience only obtainable from 66 years of hospitality service
- A consistent and loyal following earned by a knowledgeable staff
- A historical community significance
- The affordability and combined luxury of a unexpected motel experience

5.3 Marketing Strategy

[COMPANY NAME]'s marketing strategy is to continue to expand its customer base by providing an exceptional unexpected motel experience expanded by word of mouth advertising and a substantial presence in web sites frequented by wildlife enthusiasts as well as social web sites in order to increase the company's market share.

5.4 Sales Strategy

[COMPANY NAME]'s sales strategy is simply to provide the finest quality motel lodging imaginable.

5.4.1 Sales Forecast

With the increase in quality amenities and service and newly established, extensive customer database [COMPANY NAME] anticipates an increase of 15% in sales annually over the next two years and beyond. [COMPANY NAME] is currently maintaining 100% occupancy during Big Game hunting and fishing seasons and we expect our revenue to grow accordingly with the increase in quality care and service.

Table: Sales Forecast

<i>Sales Forecast</i>			
	2011	2012	2013
Sales			
Lodging Sales	\$120,000	\$138,000	\$158,700
	\$0	\$0	\$0
Total Sales	\$120,000	\$138,000	\$158,700
Direct Cost of Sales			
	2011	2012	2013
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$0	\$0	\$0

Chart: Sales Monthly

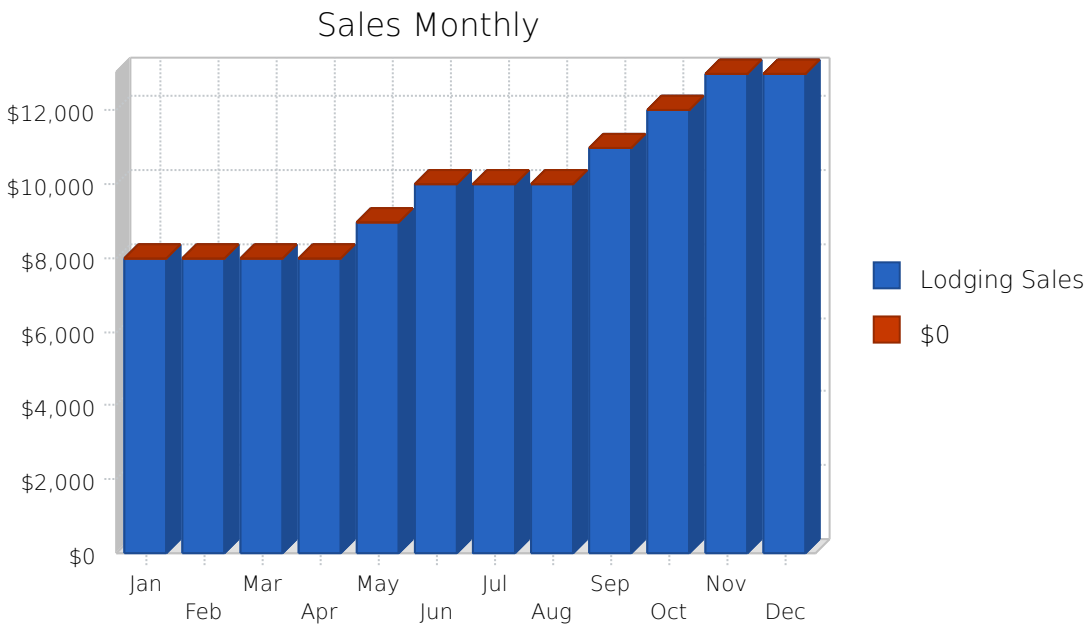
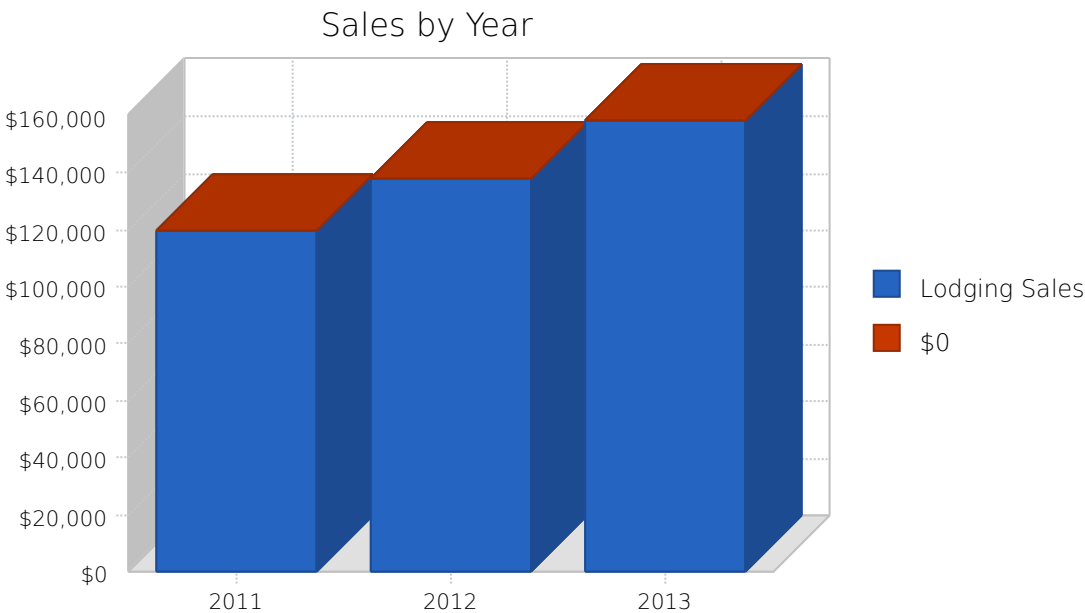


Chart: Sales by Year

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5.5 Milestones

In order to achieve the growth and marketing goals that have been outlined in this business plan, [COMPANY NAME] has the following deadlines to meet and ideas to implement.

1. Obtain Grant funding to expand, grow and improve the business.
2. Execute the required leasehold improvements
3. Purchase the necessary supplies required to enhance customer experience
4. Provide working capital to support operations until the company maintains a positive cash flow

Table: Milestones

Milestones					
Milestone	Start Date	End Date	Budget	Manager	Department
Purchase Furniture & Fixtures	1/1/2011	2/31/2011	\$98,600	[NAME]	Owner
Execute Leasehold Improvements	1/1/2011	1/31/2011	\$284,900	[NAME]	Owner
Purchase Equipment	1/1/2011	2/31/2011	\$71,800	[NAME]	Owner
Purchase Supplies	1/1/2011	2/31/2011	\$78,770	[NAME]	Owner
Working Capital	1/1/2011	12/31/2011	\$15,930	[NAME]	Owner
Totals			\$550,000		

6.0 Management Summary

[COMPANY NAME] has the following organizational structure:

[NAME] - Owner - Annual Salary \$36,000 - Salary position. Job Description - Monitor and supervise the daily operations, housekeeping and independent contractor staff, financial management and overall productivity of [COMPANY NAME]. Ensure a high level of customer satisfaction, monitor and track all company assets and reorder supplies as needed.

Housekeeping Staff- Annual Salary \$39,312 - 2 Hourly positions at \$19,656 each. Job Description □ Manage the daily operations of cleaning and maintaining suites in superior condition, reassess supplies and refill as required, perform daily laundry and monthly cleaning functions as required.

6.1 Personnel Plan

[COMPANY NAME] will operate with the following 3 employees:

- **[NAME] Owner/Principal**
- **Housekeeping 1**
- **Housekeeping 2**

[NAME] will function as the Motel's principal and supervise all housekeeping personnel in accordance with the standards dictated in order to maintain the level of quality desired at [COMPANY NAME]. All salaries reflect an annual 3% increase to allow for inflation.

Table: Personnel

<i>Personnel Plan</i>			
	2011	2012	2013
[NAME]	\$36,000	\$37,080	\$38,192
Housekeeping 1	\$19,656	\$20,246	\$20,853
Housekeeping 2	\$19,656	\$20,246	\$20,853
Total People	3	3	3
Total Payroll	\$75,312	\$77,571	\$79,899

7.0 Financial Plan

The current financial plan for [COMPANY NAME] is to obtain grant funding in the amount of \$600,000. The grant will be used to execute leasehold improvements, purchase office furniture and equipment, purchase new furniture and fixtures in order to update the suites and interiors to allow the business to remain competitive and to provide operating funds until the company maintains profitability.

The following sections of this plan will serve to describe the Company's financial plan in more detail:

- General Assumptions
- Break-even Analysis
- Profit and Loss
- Cash Flow
- Balance Sheet
- Ratios

7.1 Important Assumptions

The tables below presents the assumptions used in the financial calculations of this grant plan. [COMPANY NAME] is a Limited Liability Company and is taxed accordingly at an estimated 25% tax rate. Depreciation expense is based on the scheduled additions in the Milestones Table. Insurance, utilities and all other expenses assume a 3% increase due to inflation & other cost variables. The company holds a long term business loan with a balance of \$23,632.31 at 3.35% interest for a remaining 3.75 years with payments of \$559.57/month

7.2 Break-even Analysis

For the Company's break-even analysis for 2011, the monthly revenue break-even is projected to be \$14,271. Sales are projected to increase 15% for 2012 and 2013 due to the internal expansion of the Company along with the advertising campaigns

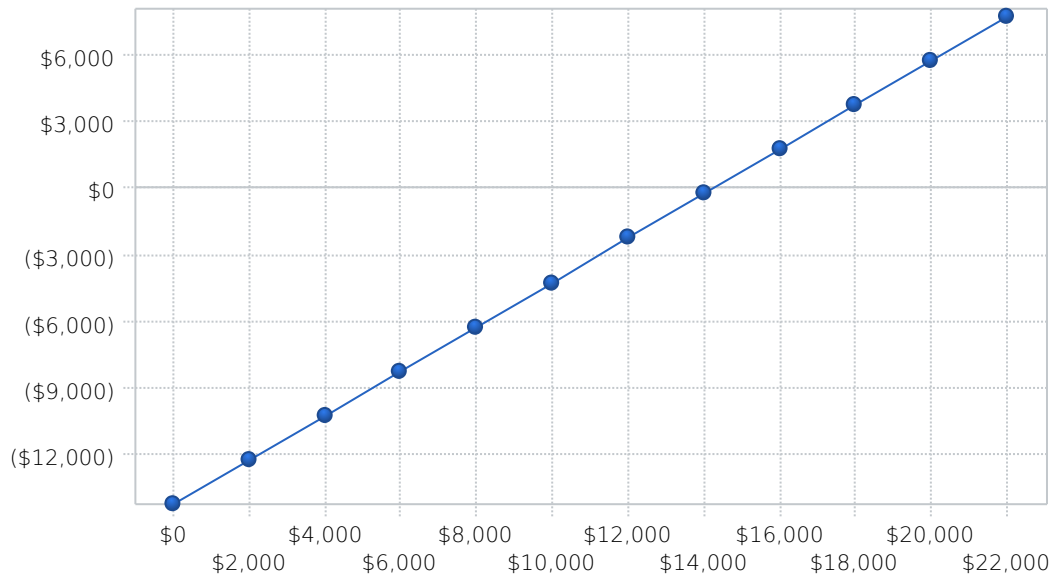
Table: Break-even Analysis

Break-even Analysis	
Monthly Revenue Break-even	\$14,271
Assumptions:	
Average Percent Variable Cost	0%
Estimated Monthly Fixed Cost	\$14,271

Chart: Break-even Analysis

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Break-even Analysis



7.3 Projected Profit and Loss

The sales for 2011, 2012 and 2013 are \$120,000, \$138,000 and \$158,700, respectively. Gross Profit will be 100% in 2011, 2012 and 2013. The Company will show a Net **Loss** for 2011, 2012 and 2013 of (\$52,015), (\$38,954) and (\$23,268) respectively due to the internal expansion of the Company to launch the marketing, sales and operation efforts needed to take advantage of the market and growth in the future years.

The Company will show a **negative** EBITDA of (\$26,537) in 2011, (\$12,933) in 2012 and a positive EBITDA of \$3,239 in 2013. The Operating expenses as a percentage of sales for this period were 142.71%, 127.82% and 114.48%, respectively. The percentages of the net profit to sales for this period were (43.35)%, (28.23)% and (14.66)%, respectively. The Operating Expenses and Net Profit to Sales for the 2011, 2012 and 2013 period are affected by the internal expansion of the Company. Gross Profit will remain in the 100% range in 2014/2015 and future years. The Company estimates a positive Net Profit in 2015.

Net Profit and Net Profit to Sales Percentage will continue to rise in future years as the internal expansion and investments in Marketing and Advertising bear fruit.

Table: Profit and Loss

Pro Forma Profit and Loss			
	2011	2012	2013
Sales	\$120,000	\$138,000	\$158,700
Direct Cost of Sales	\$0	\$0	\$0
Other Costs of Sales	\$0	\$0	\$0
Total Cost of Sales	\$0	\$0	\$0
Gross Margin	\$120,000	\$138,000	\$158,700
Gross Margin %	100.00%	100.00%	100.00%
Expenses			
Payroll	\$75,312	\$77,571	\$79,899
Marketing/Promotion	\$2,400	\$2,472	\$2,546
Depreciation	\$24,720	\$25,462	\$26,225
Legal & Professional	\$3,000	\$3,090	\$3,183
Office	\$600	\$618	\$637
Supplies	\$3,600	\$3,708	\$3,819
Taxes & Licenses	\$2,400	\$2,472	\$2,546
Auto	\$1,800	\$1,854	\$1,910
Bank Fees	\$2,400	\$2,472	\$2,546
Repairs & Maintenance	\$18,000	\$18,540	\$19,096
Utilities	\$17,028	\$17,539	\$18,065
Insurance	\$4,200	\$4,326	\$4,456
Payroll Taxes	\$11,297	\$11,636	\$11,985
Satellite	\$4,500	\$4,635	\$4,774
Total Operating Expenses	\$171,257	\$176,395	\$181,686
Profit Before Interest and Taxes	(\$51,257)	(\$38,395)	(\$22,986)
EBITDA	(\$26,537)	(\$12,933)	\$3,239
Interest Expense	\$758	\$560	\$282
Taxes Incurred	\$0	\$0	\$0
Net Profit	(\$52,015)	(\$38,954)	(\$23,268)
Net Profit/Sales	-43.35%	-28.23%	-14.66%

Chart: Profit Monthly

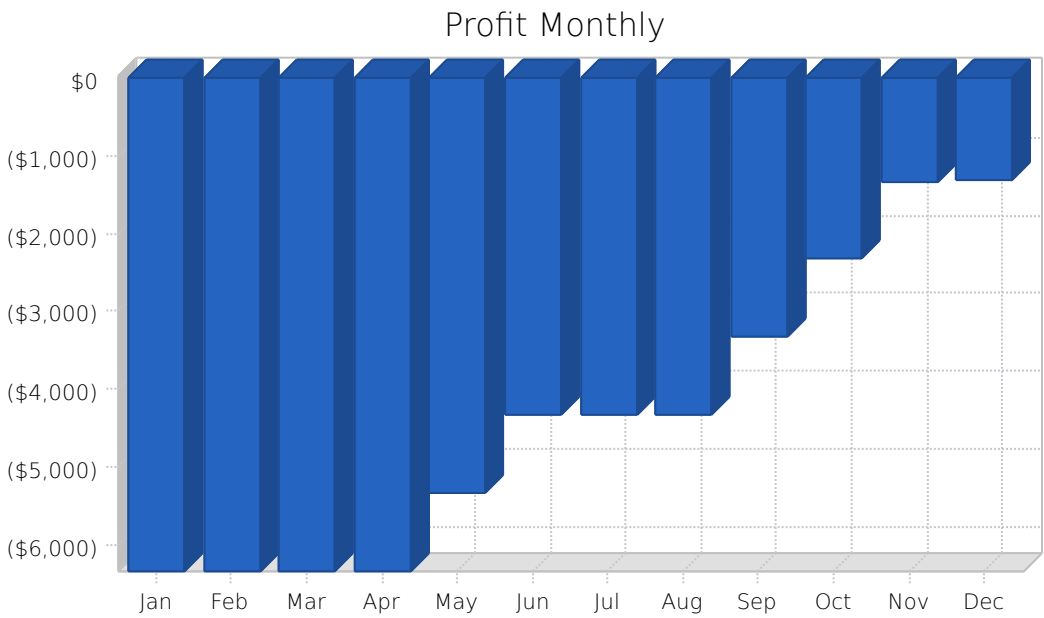


Chart: Profit Yearly

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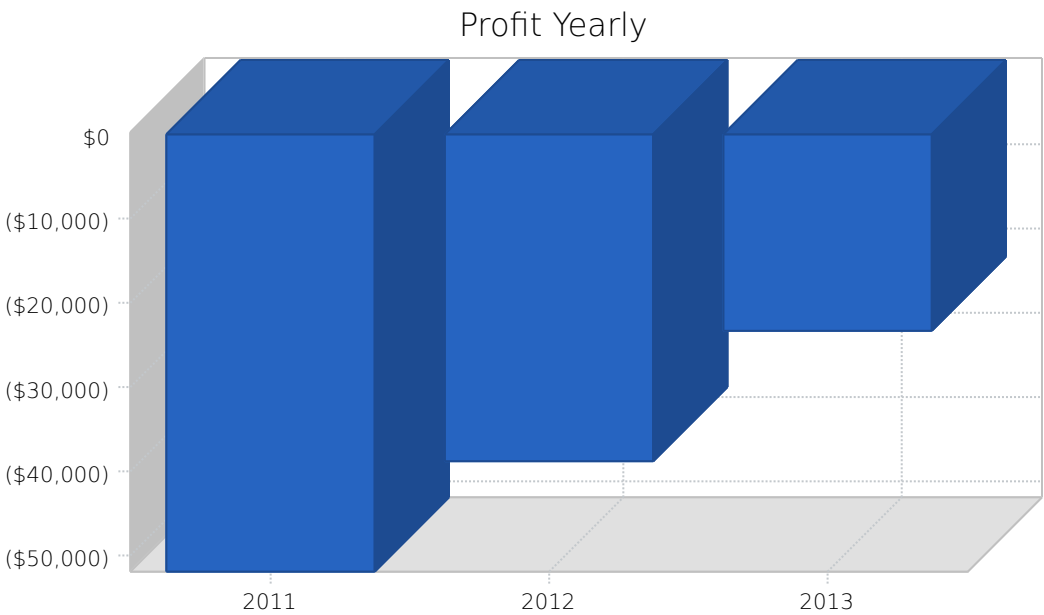


Chart: Gross Margin Monthly

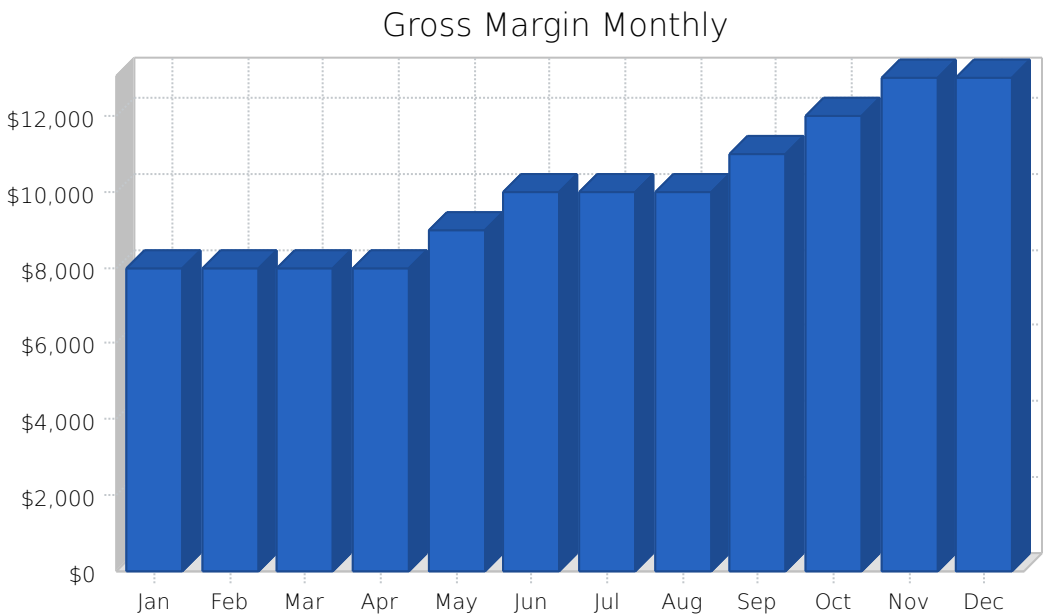
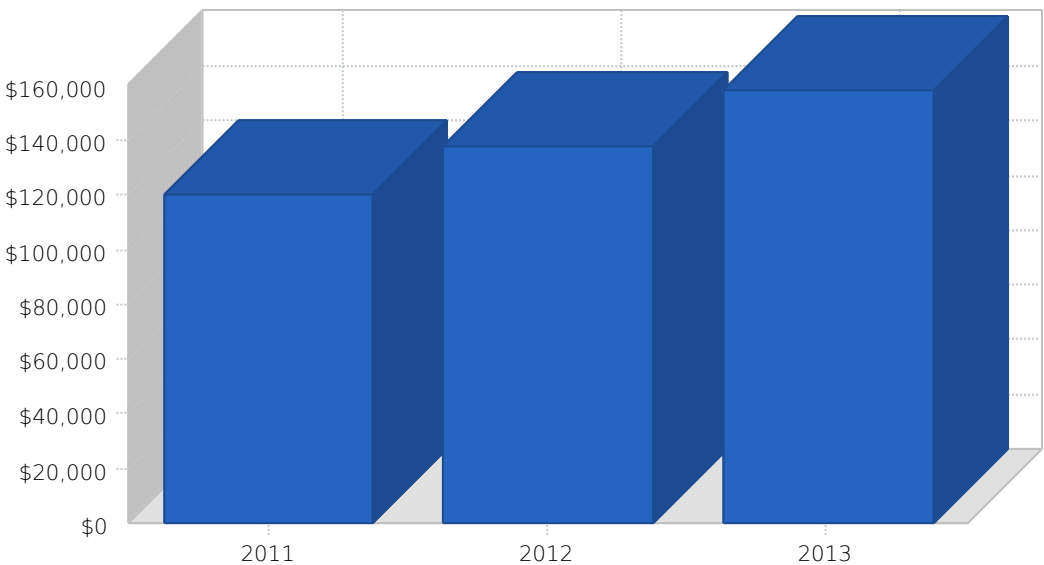


Chart: Gross Margin Yearly

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Gross Margin Yearly



7.4 Projected Cash Flow

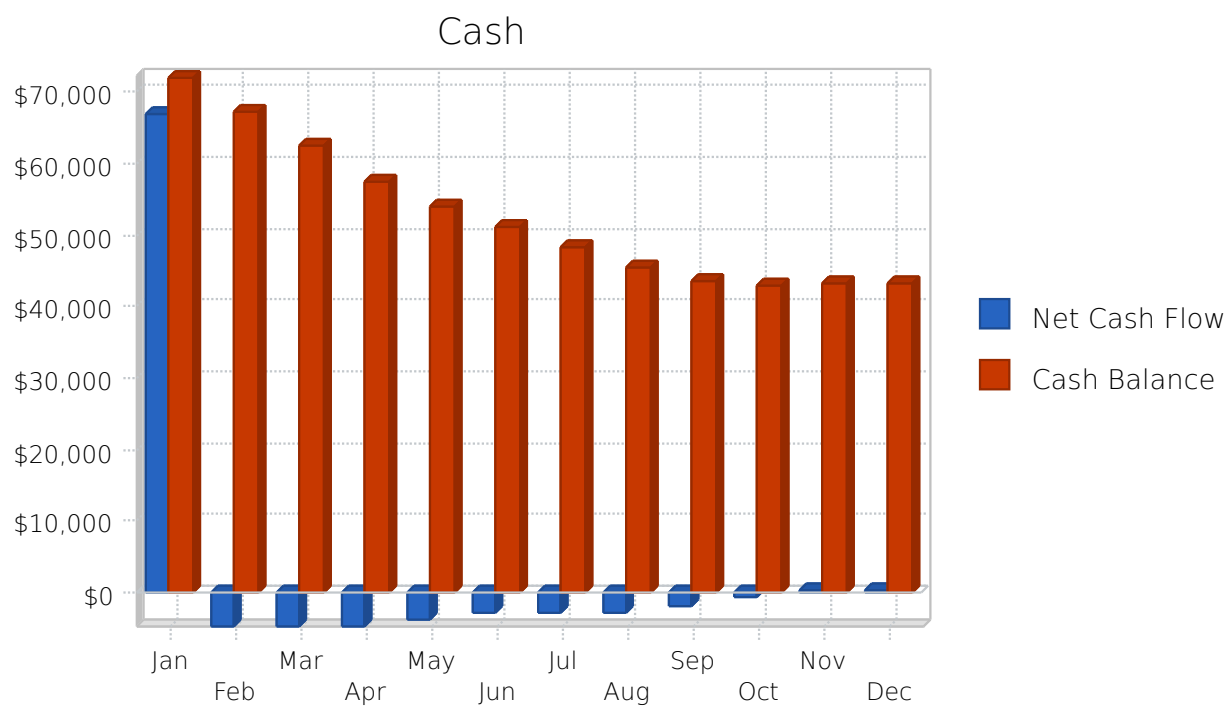
[COMPANY NAME] has applied for a grant of \$600,000. The Company has forecast that it will receive \$600,000 in the month of January 2011.

The following table displays the Company's cash flow, and the chart illustrates monthly cash flow in the first year. Monthly cash flow projections are also included in the appendix.

Table: Cash Flow

Pro Forma Cash Flow			
	2011	2012	2013
Cash Received			
Cash from Operations			
Cash Sales	\$120,000	\$138,000	\$158,700
Subtotal Cash from Operations	\$120,000	\$138,000	\$158,700
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$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	\$0	\$0	\$0
New Investment Received	\$600,000	\$0	\$0
Subtotal Cash Received	\$720,000	\$138,000	\$158,700
Expenditures	2011	2012	2013
Expenditures from Operations			
Cash Spending	\$75,312	\$77,571	\$79,899
Bill Payments	\$66,192	\$73,637	\$75,686
Subtotal Spent on Operations	\$141,504	\$151,208	\$155,585
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$6,048	\$6,254	\$10,341
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$534,070	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$681,621	\$157,462	\$165,925
Net Cash Flow	\$38,379	(\$19,462)	(\$7,225)
Cash Balance	\$43,379	\$23,916	\$16,691

Chart: Cash



7.5 Projected Balance Sheet

[COMPANY NAME]'s net worth is \$741,234, \$702,280 and \$679,011 for 2011, 2012 and 2013, respectively. The Company's Total Assets at the end of 2011, 2012 and 2013 will be \$766,859, \$721,935 and \$688,484, respectively.

Table: Balance Sheet

Pro Forma Balance Sheet			
	2011	2012	2013
Assets			
Current Assets			
Cash	\$43,379	\$23,916	\$16,691
Other Current Assets	\$0	\$0	\$0
Total Current Assets	\$43,379	\$23,916	\$16,691
Long-term Assets			
Long-term Assets	\$784,070	\$784,070	\$784,070
Accumulated Depreciation	\$60,590	\$86,052	\$112,277
Total Long-term Assets	\$723,480	\$698,018	\$671,793
Total Assets	\$766,859	\$721,935	\$688,484
Liabilities and Capital	2011	2012	2013
Current Liabilities			
Accounts Payable	\$5,791	\$6,076	\$6,234
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$5,791	\$6,076	\$6,234
Long-term Liabilities	\$19,834	\$13,580	\$3,239
Total Liabilities	\$25,625	\$19,655	\$9,473
Paid-in Capital	\$600,000	\$600,000	\$600,000
Retained Earnings	\$193,248	\$141,234	\$102,280
Earnings	(\$52,015)	(\$38,954)	(\$23,268)
Total Capital	\$741,234	\$702,280	\$679,011
Total Liabilities and Capital	\$766,859	\$721,935	\$688,484
Net Worth	\$741,234	\$702,280	\$679,011

7.6 Business Ratios

The table below presents the projected business ratios from the Motel Hospitality Industry as a reference with sales below \$500,000

Table: Ratios

Ratio Analysis				
	2011	2012	2013	Industry Profile
Sales Growth	83.85%	15.00%	15.00%	1.49%
Percent of Total Assets				
Other Current Assets	0.00%	0.00%	0.00%	34.62%
Total Current Assets	5.66%	3.31%	2.42%	41.42%
Long-term Assets	94.34%	96.69%	97.58%	58.58%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	0.76%	0.84%	0.91%	20.40%
Long-term Liabilities	2.59%	1.88%	0.47%	72.80%
Total Liabilities	3.34%	2.72%	1.38%	93.20%
Net Worth	96.66%	97.28%	98.62%	6.80%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	100.00%	100.00%	100.00%	83.64%
Selling, General & Administrative Expenses	143.35%	128.23%	114.66%	19.90%
Advertising Expenses	2.00%	1.79%	1.60%	1.47%
Profit Before Interest and Taxes	-42.71%	-27.82%	-14.48%	6.61%
Main Ratios				
Current	7.49	3.94	2.68	1.32
Quick	7.49	3.94	2.68	1.24
Total Debt to Total Assets	3.34%	2.72%	1.38%	93.20%
Pre-tax Return on Net Worth	-7.02%	-5.55%	-3.43%	156.04%
Pre-tax Return on Assets	-6.78%	-5.40%	-3.38%	10.62%
Additional Ratios	2011	2012	2013	
Net Profit Margin	-43.35%	-28.23%	-14.66%	n.a
Return on Equity	-7.02%	-5.55%	-3.43%	n.a
Activity Ratios				
Accounts Payable Turnover	12.43	12.17	12.17	n.a
Payment Days	27	29	30	n.a
Total Asset Turnover	0.16	0.19	0.23	n.a
Debt Ratios				
Debt to Net Worth	0.03	0.03	0.01	n.a
Current Liab. to Liab.	0.23	0.31	0.66	n.a
Liquidity Ratios				
Net Working Capital	\$37,588	\$17,841	\$10,457	n.a
Interest Coverage	-67.63	-68.60	-81.60	n.a
Additional Ratios				
Assets to Sales	6.39	5.23	4.34	n.a
Current Debt/Total Assets	1%	1%	1%	n.a
Acid Test	7.49	3.94	2.68	n.a
Sales/Net Worth	0.16	0.20	0.23	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Appendix

Table: Sales Forecast

Sales Forecast													
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales													
Lodging Sales		\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$10,000	\$10,000	\$10,000	\$11,000	\$12,000	\$13,000	\$13,000
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sales		\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$10,000	\$10,000	\$10,000	\$11,000	\$12,000	\$13,000	\$13,000
Direct Cost of Sales		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Direct Cost of Sales		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Appendix

Table: Personnel

Personnel Plan												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
[NAME]	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Housekeeping 1	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638
Housekeeping 2	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638
Total People	3	3	3	3	3	3	3	3	3	3	3	3
Total Payroll	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276

Appendix

Table: Profit and Loss

Pro Forma Profit and Loss													
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales		\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$10,000	\$10,000	\$10,000	\$11,000	\$12,000	\$13,000	\$13,000
Direct Cost of Sales		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Costs of Sales		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Margin		\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$10,000	\$10,000	\$10,000	\$11,000	\$12,000	\$13,000	\$13,000
Gross Margin %		100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Expenses													
Payroll		\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276
Marketing/ Promotion		\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Depreciation		\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060
Legal & Professional		\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Office		\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Supplies		\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Taxes & Licenses		\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Auto		\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Bank Fees		\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Repairs & Maintenance		\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Utilities		\$1,419	\$1,419	\$1,419	\$1,419	\$1,419	\$1,419	\$1,419	\$1,419	\$1,419	\$1,419	\$1,419	\$1,419
Insurance		\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350
Payroll Taxes	15%	\$941	\$941	\$941	\$941	\$941	\$941	\$941	\$941	\$941	\$941	\$941	\$941
Satellite		\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375
Total Operating Expenses		\$14,271	\$14,271	\$14,271	\$14,271	\$14,271	\$14,271	\$14,271	\$14,271	\$14,271	\$14,271	\$14,271	\$14,271
Profit Before Interest and Taxes		(\$6,271)	(\$6,271)	(\$6,271)	(\$6,271)	(\$5,271)	(\$4,271)	(\$4,271)	(\$4,271)	(\$3,271)	(\$2,271)	(\$1,271)	(\$1,271)
EBITDA		(\$4,211)	(\$4,211)	(\$4,211)	(\$4,211)	(\$3,211)	(\$2,211)	(\$2,211)	(\$2,211)	(\$1,211)	(\$211)	\$789	\$789
Interest Expense		\$71	\$69	\$68	\$67	\$65	\$64	\$62	\$61	\$60	\$58	\$57	\$55

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Taxes Incurred		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit		(\$6,342)	(\$6,341)	(\$6,339)	(\$6,338)	(\$5,337)	(\$4,335)	(\$4,334)	(\$4,332)	(\$3,331)	(\$2,330)	(\$1,328)	(\$1,327)
Net Profit/Sales		79.28%	79.26%	79.24%	79.23%	59.30%	43.35%	43.34%	43.32%	30.28%	19.41%	10.22%	10.21%

Appendix

Table: Cash Flow

Pro Forma Cash Flow													
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Received													
Cash from Operations													
Cash Sales		\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$10,000	\$10,000	\$10,000	\$11,000	\$12,000	\$13,000	\$13,000
Subtotal Cash from Operations		\$8,000	\$8,000	\$8,000	\$8,000	\$9,000	\$10,000	\$10,000	\$10,000	\$11,000	\$12,000	\$13,000	\$13,000
Additional Cash Received													
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received		\$600,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received		\$608,000	\$8,000	\$8,000	\$8,000	\$9,000	\$10,000	\$10,000	\$10,000	\$11,000	\$12,000	\$13,000	\$13,000
Expenditures		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Expenditures from Operations													
Cash Spending		\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276	\$6,276
Bill Payments		\$200	\$6,006	\$6,005	\$6,003	\$6,002	\$6,001	\$5,999	\$5,998	\$5,996	\$5,995	\$5,994	\$5,992
Subtotal Spent on Operations		\$6,476	\$12,282	\$12,281	\$12,279	\$12,278	\$12,277	\$12,275	\$12,274	\$12,272	\$12,271	\$12,270	\$12,268
Additional Cash Spent													
Sales Tax, VAT, HST/GST Paid Out		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment		\$496	\$498	\$499	\$500	\$502	\$503	\$505	\$506	\$508	\$509	\$510	\$512
Purchase Other Current Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets		\$534,070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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Dividends		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent		\$541,043	\$12,780	\$12,780	\$12,779	\$12,780	\$12,780	\$12,780	\$12,780	\$12,780	\$12,780	\$12,780	\$12,780
Net Cash Flow		\$66,957	(\$4,780)	(\$4,780)	(\$4,779)	(\$3,780)	(\$2,780)	(\$2,780)	(\$2,780)	(\$1,780)	(\$780)	\$220	\$220
Cash Balance		\$71,957	\$67,177	\$62,398	\$57,618	\$53,838	\$51,058	\$48,279	\$45,499	\$43,719	\$42,939	\$43,159	\$43,379

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Pro Forma Balance Sheet													
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Assets	Starting Balances												
Current Assets													
Cash	\$5,000	\$71,957	\$67,177	\$62,398	\$57,618	\$53,838	\$51,058	\$48,279	\$45,499	\$43,719	\$42,939	\$43,159	\$43,379
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$5,000	\$71,957	\$67,177	\$62,398	\$57,618	\$53,838	\$51,058	\$48,279	\$45,499	\$43,719	\$42,939	\$43,159	\$43,379
Long-term Assets													
Long-term Assets	\$250,000	\$784,070	\$784,070	\$784,070	\$784,070	\$784,070	\$784,070	\$784,070	\$784,070	\$784,070	\$784,070	\$784,070	\$784,070
Accumulated Depreciation	\$35,870	\$37,930	\$39,990	\$42,050	\$44,110	\$46,170	\$48,230	\$50,290	\$52,350	\$54,410	\$56,470	\$58,530	\$60,590
Total Long-term Assets	\$214,130	\$746,140	\$744,080	\$742,020	\$739,960	\$737,900	\$735,840	\$733,780	\$731,720	\$729,660	\$727,600	\$725,540	\$723,480
Total Assets	\$219,130	\$818,097	\$811,257	\$804,418	\$797,578	\$791,738	\$786,898	\$782,059	\$777,219	\$773,379	\$770,539	\$768,699	\$766,859
Liabilities and Capital		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Current Liabilities													
Accounts Payable	\$0	\$5,806	\$5,805	\$5,803	\$5,802	\$5,801	\$5,799	\$5,798	\$5,797	\$5,795	\$5,794	\$5,792	\$5,791
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$5,806	\$5,805	\$5,803	\$5,802	\$5,801	\$5,799	\$5,798	\$5,797	\$5,795	\$5,794	\$5,792	\$5,791
Long-term Liabilities	\$25,882	\$25,385	\$24,888	\$24,388	\$23,888	\$23,386	\$22,883	\$22,379	\$21,873	\$21,365	\$20,856	\$20,346	\$19,834
Total Liabilities	\$25,882	\$31,191	\$30,692	\$30,192	\$29,690	\$29,187	\$28,683	\$28,177	\$27,669	\$27,160	\$26,650	\$26,138	\$25,625
Paid-in Capital	\$0	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Retained Earnings	\$193,248	\$193,248	\$193,248	\$193,248	\$193,248	\$193,248	\$193,248	\$193,248	\$193,248	\$193,248	\$193,248	\$193,248	\$193,248
Earnings	\$0	(\$6,342)	(\$12,683)	(\$19,023)	(\$25,361)	(\$30,697)	(\$35,033)	(\$39,367)	(\$43,699)	(\$47,030)	(\$49,360)	(\$50,688)	(\$52,015)
Total Capital	\$193,248	\$786,906	\$780,565	\$774,226	\$767,888	\$762,551	\$758,216	\$753,882	\$749,549	\$746,218	\$743,889	\$742,560	\$741,234
Total Liabilities and Capital	\$219,130	\$818,097	\$811,257	\$804,418	\$797,578	\$791,738	\$786,898	\$782,059	\$777,219	\$773,379	\$770,539	\$768,699	\$766,859

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Net Worth	\$193,248	\$786,906	\$780,565	\$774,226	\$767,888	\$762,551	\$758,216	\$753,882	\$749,549	\$746,218	\$743,889	\$742,560	\$741,234
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