

## Financial Projection Model

This spreadsheet walks you through the process of developing an integrated set of financial projections.

To use this model, simply complete any information asked for found in the color yellow.

*Example:* Fill in boxes that look like this

A number found in the color green is optional information that you can complete.

*Example:* Check these assumptions

Otherwise, any information found in black type is automatically calculated for you.

Although the cells that are calculated are locked (or protected), you can turn off this protection to modify the sheets.

To do this, select "Tools" from the menu bar at the top of the screen. Then select, "Protection."

Finally, select "Unprotect Sheet" and you will be able to edit any labels or formulas.

Before you begin, we need some information about your business to best customize your financial statements.

**Please enter the name of your business in the box below:**

The first six worksheets in this workbook are steps you will need to complete. They are titled:

1. Required Start-Up Funds
2. Salaries and Wages
3. Fixed Operating Expenses
4. Projected Sales Forecast (2 sheets)
5. Cash Receipts and Disbursements

The sixth step titled, "Beginning Balance Sheet" is for *existing* businesses only.

**Begin by clicking on the tabs below**

**25 acre incubator farm  
Required Start-Up Funds**

17-Oct-11

Required Start-Up Funds	Amount	Totals	Depreciation	Notes
<b>Fixed Assets</b>				
Real Estate	\$ -			
Buildings	-		20.00 years	
Leasehold Improvements	-		7.00 years	
Equipment	20,000		7.00 years	tractor and implements
Furniture and Fixtures	-		5.00 years	
Vehicles	-		5.00 years	
Other Fixed Assets	10,000		5.00 years	cooler, washer, grading & packing line
<b>Total Fixed Assets</b>		<u>30,000</u>		
<b>Operating Capital</b>				
Pre-Opening Salaries and Wages	-			
Prepaid Insurance Premiums	-			
Beginning Inventory	-			
Legal and Accounting Fees	-			
Rent Deposits	-			
Utility Deposits	-			
Supplies	-			
Advertising and Promotions	-			
Licenses	-			
Other Initial Start-Up Costs	-			
Working Capital (Cash On Hand)	10,000			
<b>Total Operating Capital</b>		<u>10,000</u>		
<b>Total Required Funds</b>		<u><u>\$ 40,000</u></u>		

Sources of Funding	Amount	Totals	Loan Rate	Term in Months	Monthly Payments
Owner's Cash Injection	0.00%	-			
Outside Investors	0.00%	-			
<b>Additional Loans or Debt</b>					
Commercial Loan	100.00%	40,000	9.00%	84.00	\$643.56
Commercial Mortgage	0.00%	-	9.00%	240.00	\$0.00
<b>Total Sources of Funding</b>	100.00%	<u><u>\$ 40,000</u></u>			<u><u>\$643.56</u></u>

A line of credit is also required in the amount of \$ 19,262

**25 acre incubator farm  
Salaries and Wages**

17-Oct-11

Salaries and Related Expenses	#	Assumptions	Wage Base	Monthly	Year One	Year Two	Year Three
Percent Change						3.00%	3.00%
<b>Salaries and Wages</b>							
Owner's Compensation	0		\$	-	-	-	-
Salaries	0			-	-	-	-
<b>Wages</b>							
Full-Time Employees	1			3,293	39,520	40,706	41,927
Estimated Hours Per Week		40.00					
Estimated Rate Per Hour		\$ 19.00					
Part-Time Employees	0			-	-	-	-
Estimated Hours Per Week		20.00					
Estimated Rate Per Hour		\$ 9.00					
Instructor Cost		0			-	-	-
<b>Total Salaries and Wages</b>	<b>1</b>			<b>3,293</b>	<b>39,520</b>	<b>40,706</b>	<b>41,927</b>
<b>Payroll Taxes and Benefits</b>							
Social Security		6.20%	\$ 102,000	204	2,450	2,524	2,599
Medicare		1.45%		48	573	590	608
Federal Unemployment Tax (FUTA)		6.30%	\$ 7,000	37	441	441	441
State Unemployment Tax (SUTA)		3.50%	\$ 7,000	20	245	245	245
Employee Pension Programs		0.00%		-	-	-	-
Worker's Compensation		0.00%		-	-	-	-
Employee Health Insurance		0.00%		-	-	-	-
Other Employee Benefit Programs		0.00%		-	-	-	-
<b>Total Payroll Taxes and Benefits</b>				<b>309</b>	<b>3,709</b>	<b>3,800</b>	<b>3,893</b>
<b>Total Salaries and Related Expenses</b>				<b>3,602</b>	<b>43,229</b>	<b>44,506</b>	<b>45,820</b>

**25 acre incubator farm  
Fixed Operating Expenses**

17-Oct-11

Fixed Operating Expenses	<u>Monthly</u>	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>	Notes
Percent Change			3.00%	3.00%	
<b>Expenses</b>					
Advertising	\$ -	-	-	-	
Car and Truck Expenses	-	-	-	-	
Commissions and Fees	-	-	-	-	
Contract Labor	-	-	-	-	
Credit Card and Bank Charges	-	-	-	-	
Customer Discounts and Refunds	-	-	-	-	
Dues and Subscriptions	-	-	-	-	
Fuel (Off-road)	-	-	-	-	
Insurance (Liability and Property)	-	-	-	-	
Internet	-	-	-	-	
Legal and Professional Fees	-	-	-	-	
Office Expenses	-	-	-	-	
Postage and Delivery	-	-	-	-	
Rent (on business property)	-	-	-	-	
Rent of Vehicles and Equipment	-	-	-	-	
Repairs and Maintenance	-	-	-	-	
Supplies	-	-	-	-	
Telephone and Communications	-	-	-	-	
Travel	-	-	-	-	
Utilities	-	-	-	-	
<b>Total Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Other Expenses</b>					
Depreciation	405	4,857	4,857	4,857	
Interest					
Commercial Loan	285	3,426	3,023	2,582	
Commercial Mortgage	-	-	-	-	
Line of Credit	100	1,194	-	-	
<b>Total Other Expenses</b>	<b>790</b>	<b>9,477</b>	<b>7,880</b>	<b>7,439</b>	
<b>Total Fixed Operating Expenses</b>	<b>790</b>	<b>9,477</b>	<b>7,880</b>	<b>7,439</b>	



17-Oct-11

Totals

100.00%

6

7

8

100.00%

19

21

23



17-Oct-11

**Totals**

100.00%

2

2

2

100.00%

900

990

1,089



**25 acre incubator farm  
Cash Receipts and Disbursements**

17-Oct-11

**Accounts Receivable Collections**

**Percent of Collections**

0 to 30 days	100.00%
31 to 60 days	0.00%
More than 60 days	0.00%
<b>Total Collections Percentage</b>	<b><u>100.00%</u></b>

**Accounts Payable Disbursements**

**Number of Days to Pay Suppliers**

0 to 30 days	100.00%
31 to 60 days	0.00%
More than 60 days	0.00%
<b>Total Disbursements Percentage</b>	<b><u>100.00%</u></b>

**Line of Credit Assumptions**

Desired Minimum Cash Balance	\$	-
Line of Credit Interest Rate		9.00%

**Income Tax Assumptions**

Effective Income Tax Rate	0.00%
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**Amortization of Start-Up Expenses**

Amortization Period in Years	3.00
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-  
-  
-

**25 acre incubator farm**  
**Balance Sheet (For Existing Businesses Only)**

	<u>12/31/2006</u>	%
<b>Assets</b>		
<b>Current Assets</b>		
Cash	-	
Accounts Receivable	-	
Inventory	-	
Prepaid Expenses	-	
Other Current	-	
<b>Total Current Assets</b>	<u>-</u>	
<b>Fixed Assets</b>		
Real Estate	-	
Buildings	-	
Leasehold Improvements	-	
Equipment	-	
Furniture and Fixtures	-	
Vehicles	-	
Other Fixed Assets	-	
<b>Total Fixed Assets</b>	<u>-</u>	
<b>Less: Accumulated Depreciation</b>	-	
<b>Total Assets</b>	<u><u>-</u></u>	
<b>Liabilities and Owner's Equity</b>		
<b>Liabilities</b>		
Accounts Payable	-	
Notes Payable	-	
Mortgage Payable	-	
Line of Credit Balance	-	
<b>Total Liabilities</b>	<u>-</u>	
<b>Owner's Equity</b>		
Common Stock	-	
Retained Earnings	-	
Dividends Dispersed	-	
<b>Total Owner's Equity</b>	<u>-</u>	
<b>Total Liabilities and Owner's Equity</b>	<u><u>-</u></u>	

**25 acre incubator farm  
Balance Sheet (For Existing Businesses Only)**

12/31/2006 %  
Statement Balances



**25 acre incubator farm  
Projected Income Statement - Year One**

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
Telephone and Communications	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Travel	50	50	50	125	125	150	150	150	150	150	50	50	1,250
Utilities	100	100	100	100	100	200	200	200	200	200	100	100	1,700
<b>Total Fixed Business Expenses</b>	<b>3,545</b>	<b>5,545</b>	<b>1,320</b>	<b>1,145</b>	<b>1,295</b>	<b>20,870</b>	<b>17,895</b>	<b>17,895</b>	<b>17,870</b>	<b>22,870</b>	<b>820</b>	<b>820</b>	<b>111,890</b>
<b>Other Expenses</b>													
Amortized Start-up Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	405	405	405	405	405	405	405	405	405	405	405	405	4,857
Interest													
Commercial Loan	300	297	295	292	290	287	284	282	279	276	273	271	3,426
Commercial Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-
Line of Credit	-	-	19	61	102	144	144	144	144	144	144	144	1,194
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Expenses</b>	<b>705</b>	<b>702</b>	<b>719</b>	<b>758</b>	<b>796</b>	<b>836</b>	<b>833</b>	<b>831</b>	<b>828</b>	<b>825</b>	<b>823</b>	<b>820</b>	<b>9,477</b>
<b>Net Income</b>	<b>(7,852)</b>	<b>(4,850)</b>	<b>(5,641)</b>	<b>(5,506)</b>	<b>(5,694)</b>	<b>6,442</b>	<b>9,419</b>	<b>9,422</b>	<b>9,450</b>	<b>9,452</b>	<b>(5,245)</b>	<b>(5,242)</b>	<b>4,155</b>



**25 acre incubator farm  
Balance Sheet - Year One**

	<u>Base Period</u>	<u>End of Year One</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	10,000	33,977
Accounts Receivable	-	-
Inventory	-	-
Prepaid Expenses	-	-
Other Current	-	-
<b>Total Current Assets</b>	<u>10,000</u>	<u>33,977</u>
<b>Fixed Assets</b>		
Real Estate	-	-
Buildings	-	-
Leasehold Improvements	-	-
Equipment	20,000	20,000
Furniture and Fixtures	-	-
Vehicles	-	-
Other Fixed Assets	10,000	10,000
<b>Total Fixed Assets</b>	<u>30,000</u>	<u>30,000</u>
<b>Less: Accumulated Depreciation</b>	-	4,857
<b>Total Assets</b>	<u><u>40,000</u></u>	<u><u>59,120</u></u>
<b>Liabilities and Owner's Equity</b>		
<b>Liabilities</b>		
Accounts Payable	-	-
Notes Payable	40,000	35,703
Mortgage Payable	-	-
Line of Credit Balance	-	19,262
<b>Total Liabilities</b>	<u>40,000</u>	<u>54,965</u>
<b>Owner's Equity</b>		
Common Stock	-	-
Retained Earnings	-	4,155
Dividends Dispersed	-	-
<b>Total Owner's Equity</b>	<u>-</u>	<u>4,155</u>
<b>Total Liabilities and Owner's Equity</b>	<u><u>40,000</u></u>	<u><u>59,120</u></u>

**25 acre incubator farm  
Balance Sheet - Year One**

**Base Period**  

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Statement Balances

**End of Year One**  

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Statement Balances



**25 acre incubator farm  
Year End Summary**

	<u>Year One</u>	%	<u>Year Two</u>	%	<u>Year Three</u>	%
<b>Income</b>						
Labor Produce	62,500		68,750		75,625	
Owner Produce	112,500		123,750		136,125	
Farm/Facilities/Equip Rental	10,000		11,000		12,100	
Trainer Revenue	19,800		21,780		23,958	
<b>Total Income</b>	<u>204,800</u>	100.00%	<u>225,280</u>	100.00%	<u>247,808</u>	100.00%
<b>Cost of Sales</b>						
Seed/Plants, Fert, Chem	4,063		4,469		4,916	
Seed/Plants, Fert, Chem	12,188		13,406		14,747	
0	-		-		-	
0	-		-		-	
<b>Total Cost of Sales</b>	<u>16,250</u>	7.93%	<u>17,875</u>	7.93%	<u>19,663</u>	7.93%
<b>Gross Margin</b>	<u>188,550</u>	92.07%	<u>207,405</u>	92.07%	<u>228,146</u>	92.07%
<b>Total Salary and Wages</b>	63,028	30.78%	44,506	19.76%	45,820	18.49%
<b>Fixed Business Expenses</b>						
Advertising	-		-		-	
Car and Truck Expenses	2,000		-		-	
Contract Labor	32,000		-		-	
Trainee Labor Payments	49,000		-		-	
Credit Card and Bank Charges	-		-		-	
Customer Discounts and Refunds	-		-		-	
Dues and Subscriptions	240		-		-	
Fuel (Off-road)	750		-		-	
Insurance (Liability and Property)	6,000		-		-	
Internet	900		-		-	
Legal and Professional Fees	250		-		-	
Office Expenses	1,200		-		-	
Postage and Delivery	1,200		-		-	
Rent (on business property)	10,000		-		-	
Rent of Vehicles and Equipment	-		-		-	
Repairs and Maintenance	1,200		-		-	
Supplies	3,000		-		-	
Telephone and Communications	1,200		-		-	
Travel	1,250		-		-	
Utilities	1,700		-		-	
<b>Total Fixed Business Expenses</b>	<u>111,890</u>	54.63%	<u>-</u>	0.00%	<u>-</u>	0.00%
<b>Total Other Expenses</b>	<u>9,477</u>	4.63%	<u>9,613</u>	4.27%	<u>9,172</u>	3.70%

**25 acre incubator farm  
Year End Summary**

	<u>Year One</u>	%	<u>Year Two</u>	%	<u>Year Three</u>	%
<b>Net Income</b>	<u>4,155</u>	2.03%	<u>153,286</u>	68.04%	<u>173,153</u>	69.87%

**25 acre incubator farm  
Projected Income Statement - Year Two**

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
<b>Income</b>													
Labor Produce	-	-	-	-	-	13,750	13,750	13,750	13,750	13,750	-	-	68,750
Owner Produce	-	-	-	-	-	24,750	24,750	24,750	24,750	24,750	-	-	123,750
Farm/Facilities/Equip Rental	-	5,500	-	-	-	-	-	-	-	5,500	-	-	11,000
Trainer Revenue	2,420	2,420	2,420	-	-	-	2,420	2,420	2,420	2,420	2,420	2,420	21,780
<b>Total Income</b>	<b>2,420</b>	<b>7,920</b>	<b>2,420</b>	<b>-</b>	<b>-</b>	<b>38,500</b>	<b>40,920</b>	<b>40,920</b>	<b>40,920</b>	<b>46,420</b>	<b>2,420</b>	<b>2,420</b>	<b>225,280</b>
<b>Cost of Sales</b>													
Labor Produce	-	-	-	-	-	894	894	894	894	894	-	-	4,469
Owner Produce	-	-	-	-	-	2,681	2,681	2,681	2,681	2,681	-	-	13,406
Farm/Facilities/Equip Rental	-	-	-	-	-	-	-	-	-	-	-	-	-
Trainer Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cost of Sales</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,575</b>	<b>3,575</b>	<b>3,575</b>	<b>3,575</b>	<b>3,575</b>	<b>-</b>	<b>-</b>	<b>17,875</b>
<b>Gross Margin</b>	<b>2,420</b>	<b>7,920</b>	<b>2,420</b>	<b>-</b>	<b>-</b>	<b>34,925</b>	<b>37,345</b>	<b>37,345</b>	<b>37,345</b>	<b>42,845</b>	<b>2,420</b>	<b>2,420</b>	<b>207,405</b>
<b>Total Salary and Wages</b>	<b>3,709</b>	<b>3,709</b>	<b>3,709</b>	<b>3,709</b>	<b>3,709</b>	<b>3,709</b>	<b>3,709</b>	<b>3,709</b>	<b>3,709</b>	<b>3,709</b>	<b>3,709</b>	<b>3,709</b>	<b>44,506</b>
<b>Fixed Business Expenses</b>													
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
Car and Truck Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Commissions and Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit Card and Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Discounts and Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel (Off-road)	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance (Liability and Property)	-	-	-	-	-	-	-	-	-	-	-	-	-
Internet	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal and Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage and Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent (on business property)	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent of Vehicles and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone and Communications	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Fixed Business Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Other Expenses</b>	<b>817</b>	<b>814</b>	<b>811</b>	<b>808</b>	<b>806</b>	<b>803</b>	<b>800</b>	<b>797</b>	<b>794</b>	<b>791</b>	<b>788</b>	<b>785</b>	<b>9,613</b>

**25 acre incubator farm  
Projected Income Statement - Year Two**

	<b>Month 1</b>	<b>Month 2</b>	<b>Month 3</b>	<b>Month 4</b>	<b>Month 5</b>	<b>Month 6</b>	<b>Month 7</b>	<b>Month 8</b>	<b>Month 9</b>	<b>Month 10</b>	<b>Month 11</b>	<b>Month 12</b>	<b>Totals</b>
<b>Net Income</b>	(2,106)	3,397	(2,100)	(4,517)	(4,514)	30,414	32,836	32,839	32,842	38,345	(2,077)	(2,074)	153,286



**25 acre incubator farm  
Balance Sheet - Year Two**

	<u>End of Year One</u>	<u>End of Year Two</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	33,977	187,421
Accounts Receivable	-	-
Inventory	-	-
Prepaid Expenses	-	-
Other Current	-	-
<b>Total Current Assets</b>	<u>33,977</u>	<u>187,421</u>
<b>Fixed Assets</b>		
Real Estate	-	-
Buildings	-	-
Leasehold Improvements	-	-
Equipment	20,000	20,000
Furniture and Fixtures	-	-
Vehicles	-	-
Other Fixed Assets	10,000	10,000
<b>Total Fixed Assets</b>	<u>30,000</u>	<u>30,000</u>
<b>Less: Accumulated Depreciation</b>	4,857	9,714
<b>Total Assets</b>	<u><u>59,120</u></u>	<u><u>207,706</u></u>
<b>Liabilities and Owner's Equity</b>		
<b>Liabilities</b>		
Accounts Payable	-	-
Notes Payable	35,703	31,003
Mortgage Payable	-	-
Line of Credit Balance	19,262	19,262
<b>Total Liabilities</b>	<u>54,965</u>	<u>50,265</u>
<b>Owner's Equity</b>		
Common Stock	-	-
Retained Earnings	4,155	157,441
Dividends Dispersed	-	-
<b>Total Owner's Equity</b>	<u>4,155</u>	<u>157,441</u>
<b>Total Liabilities and Owner's Equity</b>	<u><u>59,120</u></u>	<u><u>207,706</u></u>

**25 acre incubator farm  
Balance Sheet - Year Two**

**End of Year One**  

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Statement Balances

**End of Year Two**  

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Statement Balances

**25 acre incubator farm  
Projected Income Statement - Year Three**

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
<b>Income</b>													
Labor Produce	-	-	-	-	-	15,125	15,125	15,125	15,125	15,125	-	-	75,625
Owner Produce	-	-	-	-	-	27,225	27,225	27,225	27,225	27,225	-	-	136,125
Farm/Facilities/Equip Rental	-	6,050	-	-	-	-	-	-	-	6,050	-	-	12,100
Trainer Revenue	2,662	2,662	2,662	-	-	-	2,662	2,662	2,662	2,662	2,662	2,662	23,958
<b>Total Income</b>	<b>2,662</b>	<b>8,712</b>	<b>2,662</b>	<b>-</b>	<b>-</b>	<b>42,350</b>	<b>45,012</b>	<b>45,012</b>	<b>45,012</b>	<b>51,062</b>	<b>2,662</b>	<b>2,662</b>	<b>247,808</b>
<b>Cost of Sales</b>													
Labor Produce	-	-	-	-	-	983	983	983	983	983	-	-	4,916
Owner Produce	-	-	-	-	-	2,949	2,949	2,949	2,949	2,949	-	-	14,747
Farm/Facilities/Equip Rental	-	-	-	-	-	-	-	-	-	-	-	-	-
Trainer Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cost of Sales</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,933</b>	<b>3,933</b>	<b>3,933</b>	<b>3,933</b>	<b>3,933</b>	<b>-</b>	<b>-</b>	<b>19,663</b>
<b>Gross Margin</b>	<b>2,662</b>	<b>8,712</b>	<b>2,662</b>	<b>-</b>	<b>-</b>	<b>38,418</b>	<b>41,080</b>	<b>41,080</b>	<b>41,080</b>	<b>47,130</b>	<b>2,662</b>	<b>2,662</b>	<b>228,146</b>
<b>Total Salary and Wages</b>	<b>3,818</b>	<b>3,818</b>	<b>3,818</b>	<b>3,818</b>	<b>3,818</b>	<b>3,818</b>	<b>3,818</b>	<b>3,818</b>	<b>3,818</b>	<b>3,818</b>	<b>3,818</b>	<b>3,818</b>	<b>45,820</b>
<b>Fixed Business Expenses</b>													
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
Car and Truck Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Commissions and Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit Card and Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Discounts and Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel (Off-road)	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance (Liability and Property)	-	-	-	-	-	-	-	-	-	-	-	-	-
Internet	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal and Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage and Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent (on business property)	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent of Vehicles and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone and Communications	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Fixed Business Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Other Expenses</b>	<b>782</b>	<b>779</b>	<b>776</b>	<b>772</b>	<b>769</b>	<b>766</b>	<b>763</b>	<b>760</b>	<b>756</b>	<b>753</b>	<b>750</b>	<b>747</b>	<b>9,172</b>



**25 acre incubator farm**  
**Projected Income Statement - Year Three**

	<b>Month 1</b>	<b>Month 2</b>	<b>Month 3</b>	<b>Month 4</b>	<b>Month 5</b>	<b>Month 6</b>	<b>Month 7</b>	<b>Month 8</b>	<b>Month 9</b>	<b>Month 10</b>	<b>Month 11</b>	<b>Month 12</b>	<b>Totals</b>
<b>Net Income</b>	(1,938)	4,115	(1,932)	(4,591)	(4,588)	33,833	36,498	36,501	36,505	42,558	(1,906)	(1,903)	173,153



**25 acre incubator farm  
Balance Sheet - Year Three**

	<u>End of Year Two</u>	<u>End of Year Three</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	187,421	360,289
Accounts Receivable	-	-
Inventory	-	-
Prepaid Expenses	-	-
Other Current	-	-
<b>Total Current Assets</b>	<u>187,421</u>	<u>360,289</u>
<b>Fixed Assets</b>		
Real Estate	-	-
Buildings	-	-
Leasehold Improvements	-	-
Equipment	20,000	20,000
Furniture and Fixtures	-	-
Vehicles	-	-
Other Fixed Assets	10,000	10,000
<b>Total Fixed Assets</b>	<u>30,000</u>	<u>30,000</u>
<b>Less: Accumulated Depreciation</b>	9,714	14,571
<b>Total Assets</b>	<u><u>207,706</u></u>	<u><u>375,718</u></u>
<b>Liabilities and Owner's Equity</b>		
<b>Liabilities</b>		
Accounts Payable	-	-
Notes Payable	31,003	25,861
Mortgage Payable	-	-
Line of Credit Balance	19,262	19,262
<b>Total Liabilities</b>	<u>50,265</u>	<u>45,124</u>
<b>Owner's Equity</b>		
Common Stock	-	-
Retained Earnings	157,441	330,594
Dividends Dispersed	-	-
<b>Total Owner's Equity</b>	<u>157,441</u>	<u>330,594</u>
<b>Total Liabilities and Owner's Equity</b>	<u><u>207,706</u></u>	<u><u>375,718</u></u>

**25 acre incubator farm  
Balance Sheet - Year Three**

**End of Year Two**  
Statement Balances

**End of Year Three**  
Statement Balances

**25 acre incubator farm  
Financial Ratios**

<b>Ratio</b>	<b>Year One</b>	<b>Year Two</b>	<b>Year Three</b>
<b>Liquidity</b>			
Current Ratio	0.62	3.73	7.98
Quick Ratio	0.62	3.73	7.98
<b>Safety</b>			
Debt to Equity Ratio	13.23	0.32	0.14
Debt to Coverage Ratio	0.16	3.15	3.94
<b>Profitability</b>			
Sales Growth	-	0.10	0.10
COGS to Sales	0.08	0.08	0.08
Gross Profit Margin	0.92	0.92	0.92
SG&A to Sales	0.85	0.20	0.18
Net Profit Margin	0.02	0.68	0.70
Return on Equity	1.00	0.97	0.52
Return on Assets	0.07	0.74	0.46
Owner's Compensation to Sales	-	-	-
<b>Efficiency</b>			
Days in Receivables	-	-	-
Accounts Receivable Turnover	-	-	-
Days in Inventory	-	-	-
Inventory Turnover	-	-	-
Sales to Total Assets	3.46	1.08	0.66

**25 acre incubator farm  
Breakeven Analysis**

<b>Breakeven Analysis</b>	<b>Dollars</b>	<b>Percent</b>
Annual Sales Revenue	\$ 204,800	100.00%
Cost of Sales	16,250	7.93%
<b>Gross Margin</b>	<u>188,550</u>	<u>92.07%</u>
Salaries and Wages	43,229	
Fixed Operating Expenses	9,477	
<b>Total Fixed Business Expenses</b>	<u>52,706</u>	
<b>Breakeven Sales Calculation</b>	<u>52,706</u>	
	92.07%	
<b>Breakeven Sales in Dollars</b>	<u>\$ 57,248</u>	



**Totals**

3,426  
4,297

3,023  
4,700

2,582  
5,141

-  
-

-  
-

-  
-



## 25 acre incubator farm Financial Diagnostics

This sheet performs a few tests on your numbers to see if they seem within certain reasonable ranges.  
Remember, no computer can tell whether your projections are truly well-constructed, only a human can do that.  
But these tests can at least look for values that are critically out of range.

Financial Diagnostics	Value	Findings
<b>General Financing Assumptions</b>		
Owner's Cash Injection into the Business	0.00%	Owner's injection might be too low in relation to the amount of money needed
Cash Request as percent of Total Required Funds	25.00%	Cash request exceeds 20% which might be high
<b>Loan Assumptions</b>		
Commercial Loan Interest rate	9.00%	Interest rate seems reasonable
Commercial Loan Term in Months	84	Loan term seems within range for this type of loan
Commercial Mortgage Interest rate	9.00%	Interest rate seems reasonable
Commercial Mortgage Term in Months	240.00	Loan term seems within range for this type of loan
Loan Payments as a Percent of Projected Sales	0.31%	Calculated loan payments as a percent of sales seem reasonable
<b>Income Statement</b>		
Gross Margin as a Percent of Sales	92.07%	Gross margin percentage seems reasonable
Owner's Compensation Lower Limit Check	\$ -	An owner's compensation amount has not been established
Owner's Compensation Upper Limit Check	0.00%	Owner's compensation seems reasonable
Advertising Expense Levels as a Percent of Sales	0.00%	Advertising as a percent of sales may be too low
Profitability Levels	\$ 4,155	The business is showing a profit
Profitability as a Percent of Sales	2.03%	The projection does not seem highly unreasonable
<b>Cash Flow Statement</b>		
Desired Operating cash Flow Levels	\$ 19,262	The financial projection does not provide the desired level of cash flow
Line of Credit Drawdowns	\$ 19,262	The business will need at least this level of a line of credit
Accounts Receivable Ratio to Sales	0.00%	Accounts receivable amount as a percent of sales seems reasonable
<b>Balance Sheet</b>		
Does the Base Period Balance Sheet Balance?	-	The balance sheet does balance
Does the Final Balance Sheet Balance	-	The balance sheet does balance
Debt to Equity Ratio	1322.80%	Most banks would consider there to be too much debt for the overall amount of equity or ownership
<b>Breakeven Analysis</b>		
Breakeven Levels	\$ 147,552	The sales projection exceeds the projected break-even sales level