

Business Plan

for

Ashley Habilitation and Resource Center

Sidra Reese
Executive Director

Confidentiality Agreement

The undersigned reader acknowledges that the information provided by Ashley Habilitation and Resource Center in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of the Chairman of the Board of Ashley Habilitation and Resource Center.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader, may cause serious harm or damage to Ashley Habilitation and Resource Center.

Upon request, this document is to be immediately returned to an active board member of Ashley Habilitation and Resource Center.

Signature

Name (typed or printed)

Date

This is a business plan. It does not imply an offering of securities.

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1.0 Executive Summary

The Problem

Why would parents feel as though their family has been dropped off a cliff? It is because their child, who is a part of the most vulnerable population in society, is transitioning to adulthood. Instead of graduation being met with excitement for the future, it is a time of intense fear. Gone is the routine and structured schedule of high school. Gone is the certainty of where their special needs child will be throughout the day. And often times, gone is a family member's salary as they make adjustments to become the primary caregiver of a special needs child.

According to a July 2005 Policy Brief from MacArthur Foundation Research, leaving high school is often associated with the greatest disruption for youth with disabling conditions because in addition to leaving high school, the time is marked with a rising expectation for work and independent living. Families and youth lack the information needed to navigate the transition successfully. Additionally, in Georgia, supply of provider services to these exceptional young adults, does not keep up with the demand for these critical services.

A survey of 1300 youth with disabilities aged 14-25 by the Pace Center, revealed that fewer than one-half received any guidance about making medical decision, nor had they been asked about their work plan. The entire family enters the next phase of life totally unprepared.

Solution

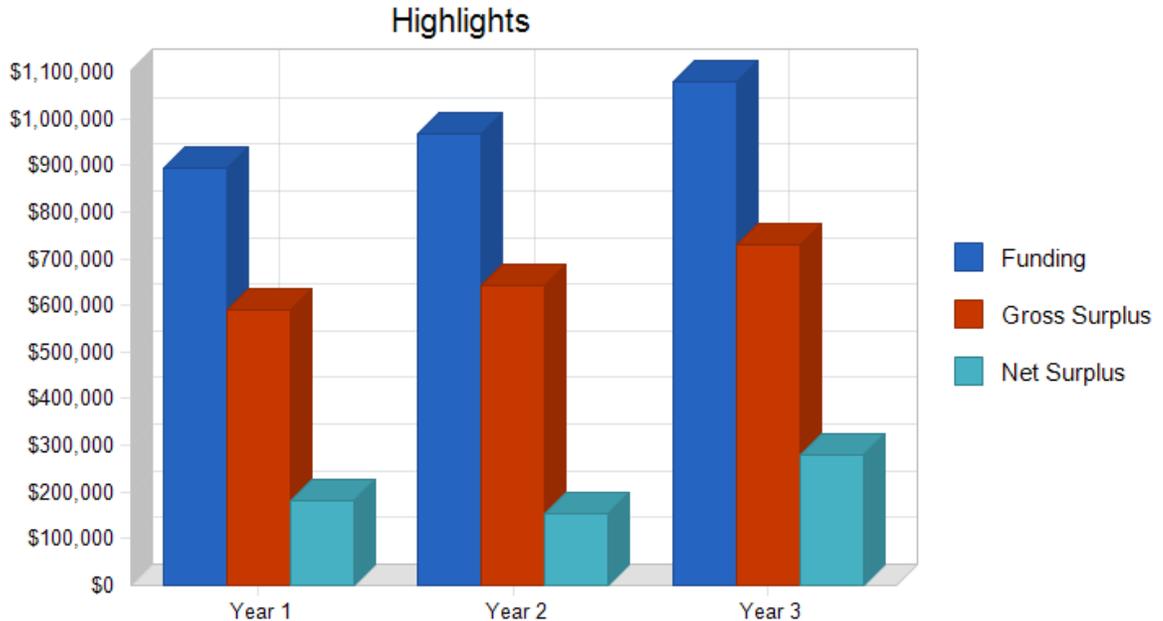
Ashley Habilitation and Resource Center (the Center) is a new nonprofit organization located near northeast Atlanta, Georgia. It is founded by Eric and Sidra Reese, Co-Pastors of Greater Empowerment Worship Center in Lilburn, Georgia.

Although Ashley Habilitation and Resource Center is a new entity, its foundation is not based on theory alone. The Center is named after the Reese's beautiful, special needs daughter, Ashley. It is being birthed after realizing that beyond high school, there are limited options for families with special needs children. Therefore, the Center will fill this extraordinary chasm with uninterrupted, continued, quality services, education and care to special needs young adults.

The Center will not only adhere to the needs of the specially defined, but it will also give parents a sense of safety. It will provide much needed resources so that families can prepare themselves to navigate through the increased challenges of adulthood.

Ashley Habilitation and Resource Center

The Center lives by this motto, "...continuing the care by showing the love".



1.1 Objectives

Goal 1: To continuously develop, strengthen, and improve services offered by the Center

- Hire 80% of staff two months before starting date.
- Arrange working capital for the initial startup phase of the organization.
- Enhance customer service by offering three in-service trainings related to client satisfaction with services, accessibility, and staff-client interactions.
- Consistently and accurately meet the need for resources and care of the special needs adult community
- Continuously assess client satisfaction from three perspectives: accessibility, environmental factors, and service-related factors.

Goal 2: To strengthen the Center's commitment to the special needs community

- Identify and develop strategic alliances with three local high schools
- Identify and foster strategic alliances and networks with four community medical group practices who specialized in special needs adults
- Coordinate healthcare, education, vocational, and social service systems

1.2 Mission

Vision

We envision a state of the art day habilitation center where young, special needs adults can continue learning beyond high school and their parents are confident that they are cared for in a safe and effective environment.

Mission

Ashley Habilitation and Resource Center exists to enhance and further the daily living and community skills of the special needs participant.

1.3 Keys to Success

Here are a few important keys to success:

- Obtaining initial working capital
- Hiring a credentialed clinical team
- Listening to all customers and attempting to meet their needs
- Obtaining a provider license through the Georgia Department of Behavioral Health & Developmental Disabilities

2.0 Organization Summary

It is the intention of the board and leadership team of Ashley Habilitation and Resource Center to create a model or prototype for quality day habilitation services that can be replicated in other regions in Georgia. All activities will be documented, studied, and learned from for future day habilitation programs in multiple locations.

2.1 Legal Entity

Ashley Habilitation and Resource Center is a nonprofit corporation with the state of Georgia and a 501(c)(3) tax-exempt organization.

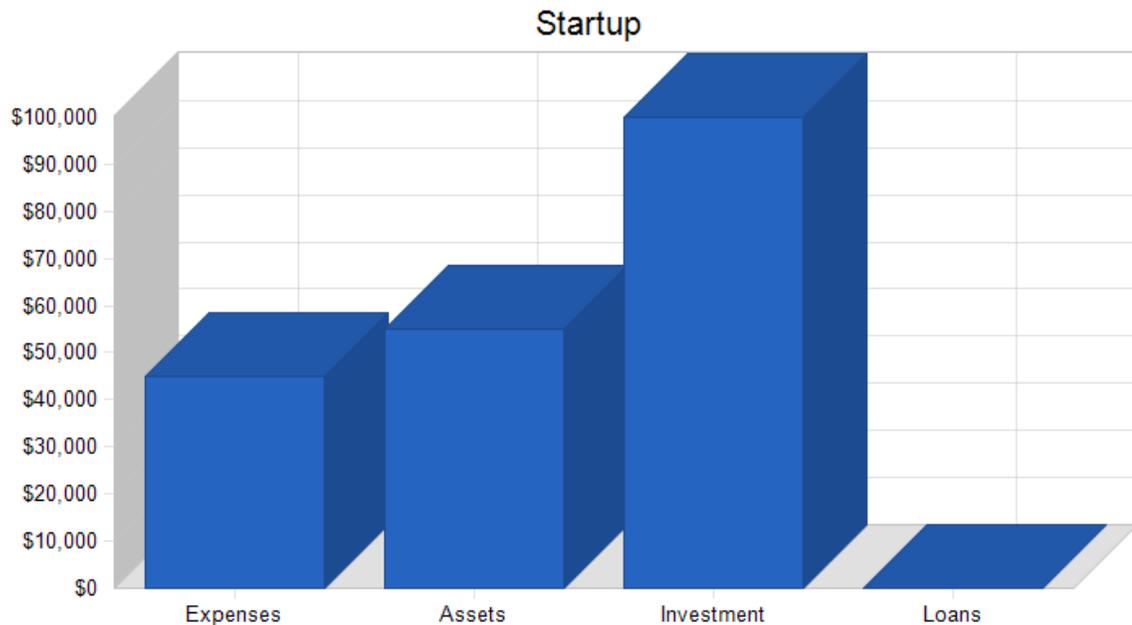
2.2 Startup Summary

Ashley Habilitation and Resource Center

Start-up costs are based on the costs involved with the build-out improvements of the planned space (a structure that needs retro-fitting), and for the marketing and operational expenses needed to get up and running. Long-term assets of \$30,000 includes \$10,000 each for leasehold improvements, furniture, and equipment.

Table: Startup

| Startup | |
|----------------------------------|-----------|
| Requirements | |
| Startup Expenses | |
| Legal | \$2,500 |
| Fundraising and Promo Materials | \$3,500 |
| Insurance | \$500 |
| Rent (Prior to Opening) | \$10,000 |
| Computers | \$4,000 |
| Emergency Kits/ Defibs | \$2,500 |
| Software | \$5,000 |
| Licenses and Permits | \$1,500 |
| Consultant | \$1,000 |
| Office Supplies | \$1,000 |
| Utility and Lease Deposits | \$2,000 |
| Initial Training | \$5,000 |
| Curriculum and Program Materials | \$5,000 |
| Utilities and Lease Deposits | \$1,500 |
| Total Startup Expenses | \$45,000 |
| Startup Assets | |
| Cash Required | \$25,000 |
| Other Current Assets | \$0 |
| Long-term Assets | \$30,000 |
| Total Assets | \$55,000 |
| Total Requirements | \$100,000 |



3.0 Services

Ashley Habilitation and Resource Center will provide day habilitation for all special needs young adults. The Center will offer a wide variety of services to individuals with moderate to severe development disabilities. The Center seeks to further the cognitive and mobility needs for those that are totally dependent. For participants who are more independent, daily activities will include gardening, self-care, nutrition, household skills, communication, sensory motor challenges, behavioral and social development. Community outings are a critical component of the Center. The tentative operation hours are 7am to 4pm, Monday through Friday.

As the Center grows, a state of the art facility will be built to accommodate a full spectrum of needs, including onsite doctors, social workers, physical therapists, occupational therapists, pools, jacuzzis, park and play area, gardens and therapeutic ponds.

The Center will provide the integral resources for families whose special needs child is in the process of transitioning to adulthood. The clinical team will develop an individualized transition plan or individual service plan that prepares the youth for adult life after school ends. The plan will include, but is not limited to the following:

- Recovery & Rehabilitation
- Self-Help & Empowerment

- Physical Health & Wellness
- Educational & Employment Financial
- Legal Housing
- Spirituality

The Center will also help in the implementation of the individual service plan.

4.0 Market Analysis Summary

Ashley Habilitation and Resource Center focuses on individuals with moderate to severe developmental disabilities. Developmental disabilities encompass a broad range of conditions that result from cognitive and/or physical impairments. These disabilities include intellectual disabilities, autism spectrum disorders, down syndrome, language and learning disorders, cerebral palsy, vision impairment, and hearing loss.

While the effects and severity of these conditions can vary widely, people with developmental disabilities have problems with major life activities such as language, mobility, learning, self-help, and independent living.

4.1 Market Segmentation

Ashley Habilitation and Resource Center helps participants develop social, leisure, work-related, and daily living skills based on what their disability will allow:

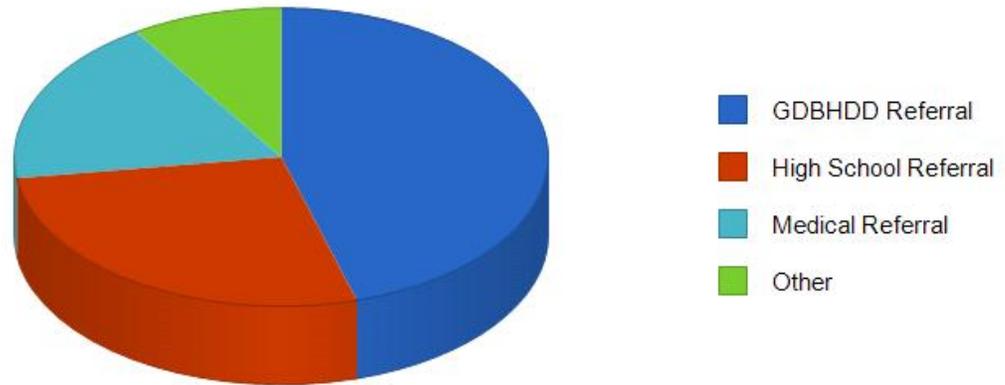
The target market is segmented based on how the participant comes to the Center:

- Georgia Department of Behavioral Health and Developmental Disabilities Referral
- High School Referral
- Medical Referral
- Other

Table: Market Analysis

| Market Analysis | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | |
|----------------------|--------|--------|--------|--------|--------|--------|-------|
| Potential Customers | Growth | | | | | | CAGR |
| GDBHDD Referral | 5% | 500 | 525 | 551 | 579 | 608 | 5.01% |
| High School Referral | 10% | 300 | 330 | 363 | 399 | 439 | 9.99% |
| Medical Referral | 5% | 200 | 210 | 221 | 232 | 244 | 5.10% |
| Other | 5% | 100 | 105 | 110 | 116 | 122 | 5.10% |
| Total | 6.46% | 1,100 | 1,170 | 1,245 | 1,326 | 1,413 | 6.46% |

Market Analysis (Pie)



4.2 Target Market Segment Strategy

Ashley Habilitation and Resource Center focuses on individuals with moderate to severe developmental disabilities. Developmental disabilities encompass a wide range of conditions that result from cognitive and/or physical impairments. These disabilities include, but are not limited to, intellectual disabilities, autism spectrum disorders, down syndrome, language and learning disorders, cerebral palsy, vision impairment, and hearing loss.

While the effects and severity of these conditions can vary widely, people with developmental disabilities have problems with major life activities such as language, mobility, learning, self-help, and independent living. Whether moderate or severe,

the Center will match services to needs.

4.3 Service Providers Analysis

The licensing agency for the Center is The Department of Behavioral Health and Developmental Disabilities (DBHDD). In Georgia, this agency is divided into regions of responsibility. Based on a May 2012 announcement, the Division of Developmental Disabilities maintains planning lists and a transition list for individuals eligible for developmental disabilities services. These lists are sorted by the needs of the individual, service area, and service type. The Division of Developmental Disabilities utilizes the demographics of these lists to recruit for potential provider types based on the need in the specific regions and counties.

While this list is a source of referrals for individuals with developmental disabilities, there is no guarantee of referral. Individuals with developmental disabilities always have choice in the selection of providers.

The recruitment cycle for potential providers occurs two times per year beginning July 1 and January 1. The Department of Behavioral Health and Developmental Disabilities/ Division of Developmental Disabilities will begin the next recruitment cycle for new providers beginning July 1, 2012.

Although there are multiple service providers who offer varying services, more providers are needed. There is a huge demand for day habilitation services. Hence, the Center will write a Letter of Intent and present the required documentation to DBHDD to become a service provider in Region 3 by January 2013.

5.0 Web Plan Summary

The website will be used as a resource of information to clients, referral organizations, and donors. The site will be a straightforward source of details about the program, information about the facilities, and biographical information about the staff.

The website will be an integral part of the overall marketing strategy of the Ashley Habilitation and Resource Center. It will effectively tell the story of the Center and the recipients of its services.

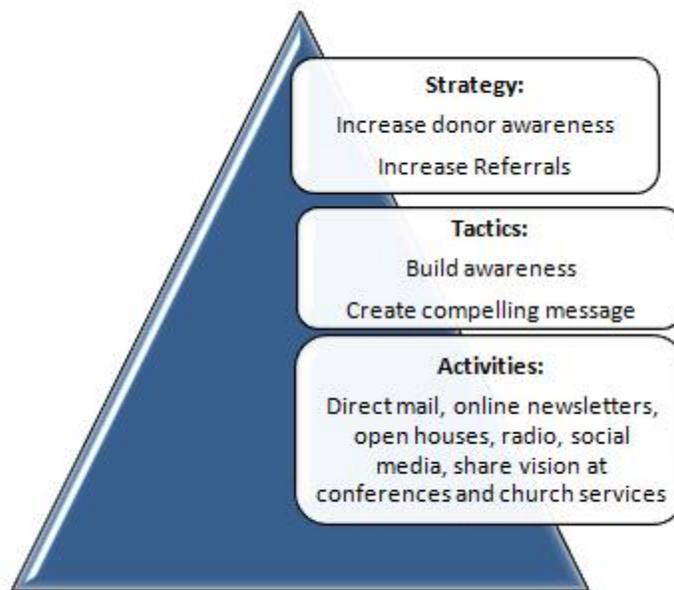
The website will be marketed to all referral agencies as well as to clients and prospective corporate and individual donors. Donations will be taken directly from the site via Paypal. For increased traffic to the new site, a link will be added on Greater Empowerment

Worship Center's site and other sites where the founders have established ministry and business relationships.

A facebook page will also be created for interactivity and community discussions.

6.0 Strategy and Implementation Summary

The leadership team has already established a singular focus of young adults who are moderately to severely developmentally delayed. In some respects, these young people can be the toughest to serve. The founders know that they are called by God, then equipped to accomplish this daunting, but good work. Niche services are matched to the needs of the participants and families who become a part of Ashley House Habilitation and Resource Center. Personal stories and testimonies will be gathered and expressed through a variety of means. Below is the strategy pyramid:



6.1 SWOT Analysis

The SWOT analysis examines the internal strengths and weaknesses of Ashley Habilitation and Resource Center, as well as the external opportunities and potential threats to the Center.

6.1.1 Strengths

Internal strengths are:

- Clear vision of market need
- Good relationship with licensing agency
- Ability to leverage existing relationships
- Unique mix of services
- Able to respond quickly due to lack of internal bureaucracy

6.1.2 Weaknesses

Internal weaknesses are:

- Cash flow unreliable during startup phase
- Must build market presence
- Must build solid infrastructure
- Need to locate facility
- Must hire qualified staff
- Need to build a committed board

6.1.3 Opportunities

External strengths are:

- Recruitment from licensing agency
- Strong market need
- Real estate at its lowest prices
- Potential pool of human capital due to recession
- Strategic alliances offering sources for referrals

6.1.4 Threats

External weaknesses are:

- Unstable economy
- Target audience unable to pay for services

- Complex licensing process
- Government bureaucracy, e.g. Medicare, Medicaid

6.2 Competitive Edge

The Center completes rather than competes. Because the market need is so big, relationships will even be established with other Day Habilitation Centers to ensure that special needs young adults and their families get the well- rounded support they need.



6.3 Marketing Strategy

Ashley Habilitation and Resource Center's marketing strategy will be two pronged. One goal is to raise awareness about the services to its target customers. The second goal is to increase awareness of the Center within the community for fundraising efforts.

A main thrust of the effort of increasing visibility within the community of users will be through the development of relationships with other social service providers who provide complementary services. Vocational services, where organizations find work for special needs clients, is an example of a complementary service. We must also develop strategic alliances with healthcare providers, local high schools and the Center's licensing agency, The Department of Behavioral Health and Developmental Disabilities (DBHDD).

These are the "front line workers" who are in the best position to make referrals

to individuals and families who are truly in need of the services. By developing relationships with these organizations, a constant flow of clients will be established.

These relationships will be developed through multiple means including frequent open houses to allow their staff to experience the loving environment and the day to day operations of the Center, as well as maintaining relationships with the leaders of these organizations.

The Center will also campaign to develop visibility within the community for both client recruitment as well as corporate fundraising. Activities such as participation on radio shows, sponsorship of one day events/seminars, and other public events are designed to brand the Center as the leader of effective day services to special needs young adults. Fundraising efforts are more effective when people know about and believe in the purpose, as well as see the transformational outcomes from the work.

6.4 Fundraising Strategy

Fundraising and revenues will be generated through a combination of grants, donations, and the Medicaid waivers called, New Options Waivers (NOW) and Comprehensive Support Waivers. Depending on their financial status, some families will be expected to pay for a percentage of the tuition costs.

6.4.1 Funding Forecast

Funding sources primarily come from Medicaid waivers.

Revenue assumptions are based on the following:

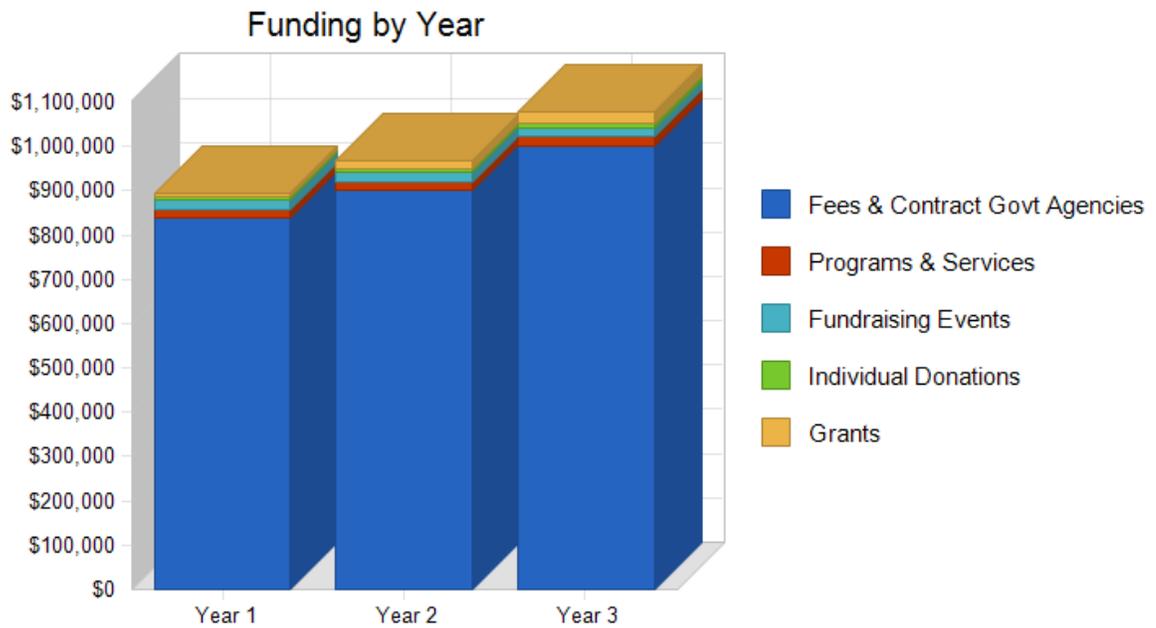
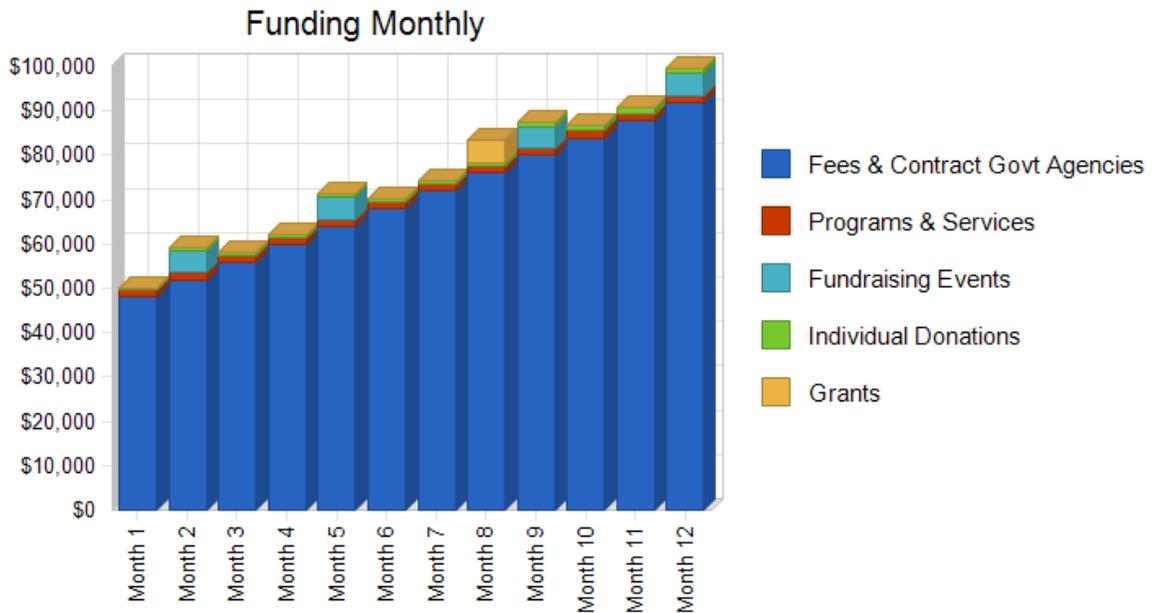
- The Center must go through the extensive process to become a Medicaid provider.
- At the beginning of year 1, the Center will serve approximately 15 families and grow to approximately 26 families at the end of year 1.
- The number of funding units for fees and government agencies represent the number of times waivers are projected to be issued per participant per month.
- Three families per month (36 unites) are projected to pay full program service fees.

Ashley Habilitation and Resource Center

Table: Funding Forecast

| Funding Forecast | | | |
|--|------------------|------------------|--------------------|
| | Year 1 | Year 2 | Year 3 |
| Units | | | |
| Fees & Contract Govt Agencies | 210 | 225 | 250 |
| Programs & Services | 36 | 40 | 45 |
| Fundraising Events | 4 | 4 | 4 |
| Individual Donations | 201 | 215 | 225 |
| Grants | 1 | 3 | 5 |
| Total Units | 452 | 487 | 529 |
| Unit Prices | | | |
| | Year 1 | Year 2 | Year 3 |
| Fees & Contract Govt Agencies | \$4,000.00 | \$4,000.00 | \$4,000.00 |
| Programs & Services | \$500.00 | \$500.00 | \$500.00 |
| Fundraising Events | \$5,000.00 | \$5,000.00 | \$5,000.00 |
| Individual Donations | \$50.00 | \$50.00 | \$50.00 |
| Grants | \$5,000.00 | \$5,000.00 | \$5,000.00 |
| Funding | | | |
| Fees & Contract Govt Agencies | \$840,000 | \$900,000 | \$1,000,000 |
| Programs & Services | \$18,000 | \$20,000 | \$22,500 |
| Fundraising Events | \$20,000 | \$20,000 | \$20,000 |
| Individual Donations | \$10,050 | \$10,750 | \$11,250 |
| Grants | \$5,000 | \$15,000 | \$25,000 |
| Total Funding | \$893,050 | \$965,750 | \$1,078,750 |
| Direct Unit Costs | | | |
| | Year 1 | Year 2 | Year 3 |
| Fees & Contract Govt Agencies | \$600.00 | \$600.00 | \$600.00 |
| Programs & Services | \$75.00 | \$75.00 | \$75.00 |
| Fundraising Events | \$750.00 | \$750.00 | \$750.00 |
| Individual Donations | \$7.50 | \$7.50 | \$7.50 |
| Grants | \$750.00 | \$750.00 | \$750.00 |
| Direct Cost of Funding | | | |
| Fees & Contract Govt Agencies | \$126,000 | \$135,000 | \$150,000 |
| Programs & Services | \$2,700 | \$3,000 | \$3,375 |
| Fundraising Events | \$3,000 | \$3,000 | \$3,000 |
| Individual Donations | \$1,508 | \$1,613 | \$1,688 |
| Grants | \$750 | \$2,250 | \$3,750 |
| Subtotal Direct Cost of Funding | \$133,958 | \$144,863 | \$161,813 |

Ashley Habilitation and Resource Center



7.0 Management Summary

The initial management team consists of the Board of Directors working closely with the Executive Director, Sidra Reese.

7.1 Personnel Plan

The initial staff will consist of:

Administrative Staff

- Office/Business Manager
- Placement Specialist

Funding and Marketing

- Grant Writer (part time)
- Director of Development (beginning year 2)

Health Services

- Registered Nurse (part-time)
- Dietician (part-time)

Direct Care

- Direct Care Lead (1 personnel)
- Direct Care Attendants (4 personnel)

Ashley Habilitation and Resource Center staff members will be well trained and dedicated to helping those served. All new hires will undergo thorough background checks, which include FBI and GBI fingerprint record investigations. Driving records will also be obtained, and all employees will receive defensive driving training. All employees will be CPR and First Aid certified and ongoing training will be provided to ensure that staff members are always improving their skills.

Table: Personnel

| Personnel Plan | Year 1 | Year 2 | Year 3 |
|---|-----------|-----------|-----------|
| Direct Care Personnel | | | |
| Direct Care Lead | \$45,000 | \$47,250 | \$50,000 |
| Direct Care Attendants | \$120,000 | \$126,000 | \$132,300 |
| Subtotal | \$165,000 | \$173,250 | \$182,300 |
| Funding and Marketing Personnel | | | |
| Director of Development | \$0 | \$40,000 | \$40,000 |
| Grant Writer | \$24,000 | \$25,200 | \$26,460 |
| Subtotal | \$24,000 | \$65,200 | \$66,460 |
| General and Administrative Personnel | | | |
| Executive Director | \$54,996 | \$57,750 | \$60,650 |
| Office/Business Manager | \$45,000 | \$47,250 | \$50,000 |
| Placement Specialist | \$39,996 | \$42,000 | \$44,100 |
| Subtotal | \$139,992 | \$147,000 | \$154,750 |
| Health Services Personnel | | | |
| Registered Nurse | \$30,000 | \$31,500 | \$33,075 |
| Dietician | \$20,004 | \$21,000 | \$22,050 |
| Subtotal | \$50,004 | \$52,500 | \$55,125 |
| Total People | 11 | 12 | 12 |
| Total Payroll | \$378,996 | \$437,950 | \$458,635 |

8.0 Financial Plan

Ashley Habilitation and Resource Center will finance growth through cash flow. No borrowing will be necessary. These are conservative estimates of revenue and expenses. The Center is committed to consistent growth of cash balances through prudent management of expenses. One of the primary focuses is building adequate cash reserves for future expansion to other regions.

8.1 Startup Funding

Ashley Habilitation and Resource Center

The following table shows startup costs and how they will be funded.

Table: Startup Funding

| | |
|---|------------|
| <hr/> | |
| Startup Funding | |
| Startup Expenses to Fund | \$45,000 |
| Startup Assets to Fund | \$55,000 |
| <hr/> | |
| Total Funding Required | \$100,000 |
| | |
| Assets | |
| <hr/> | |
| Non-cash Assets from Startup | \$30,000 |
| Cash Requirements from Startup | \$25,000 |
| Additional Cash Raised | \$0 |
| Cash Balance on Starting Date | \$25,000 |
| <hr/> | |
| Total Assets | \$55,000 |
| | |
| Liabilities and Capital | |
| <hr/> | |
| Liabilities | |
| Current Borrowing | \$0 |
| Long-term Liabilities | \$0 |
| Accounts Payable (Outstanding Bills) | \$0 |
| Other Current Liabilities (interest-free) | \$0 |
| <hr/> | |
| Total Liabilities | \$0 |
| | |
| Capital | |
| | |
| Planned Investment | |
| Owner | \$0 |
| Private Donations, Govt Funding | \$100,000 |
| Additional Investment Requirement | \$0 |
| <hr/> | |
| Total Planned Investment | \$100,000 |
| | |
| Loss at Startup (Startup Expenses) | (\$45,000) |
| <hr/> | |
| Total Capital | \$55,000 |
| | |
| Total Capital and Liabilities | \$55,000 |
| <hr/> | |
| Total Funding | \$100,000 |
| <hr/> | |

8.2 Important Assumptions

Revenue assumptions are based on the following:

- The Center must go through the extensive process to become a Medicaid provider.
- At the beginning of year 1, the center will serve approximately 15 families and grow to approximately 26 families at the end of year 1.
- It may be difficult to obtain private funding through grants the first year, but it will be easier once we have a proven track record. Therefore, grants are projected in years 2 and 3.

Personnel assumptions are based on the following annual costs:

- Executive Director, 55k
- Office Manager, 45k
- Placement Specialist, 40k
- Grant Writer
- Director of Development (Beginning in Year 2)
- Registered Nurse, 30k (part-time)
- Dietician, 20k (part-time)
- Direct Care Attendants, (1 Lead @ 35k, 4 Staff @ 30k each)

Salaries will increase at a rate of 5% annually.

Health Service Expenses include healthy nutritional costs and the costs for medical needs.

Two retro-fitted vans will be purchased for cash - one in year one and the other in year two.

A building will be purchased for cash in year three.

8.4 Projected Surplus or Deficit

Ashley Habilitation and Resource Center

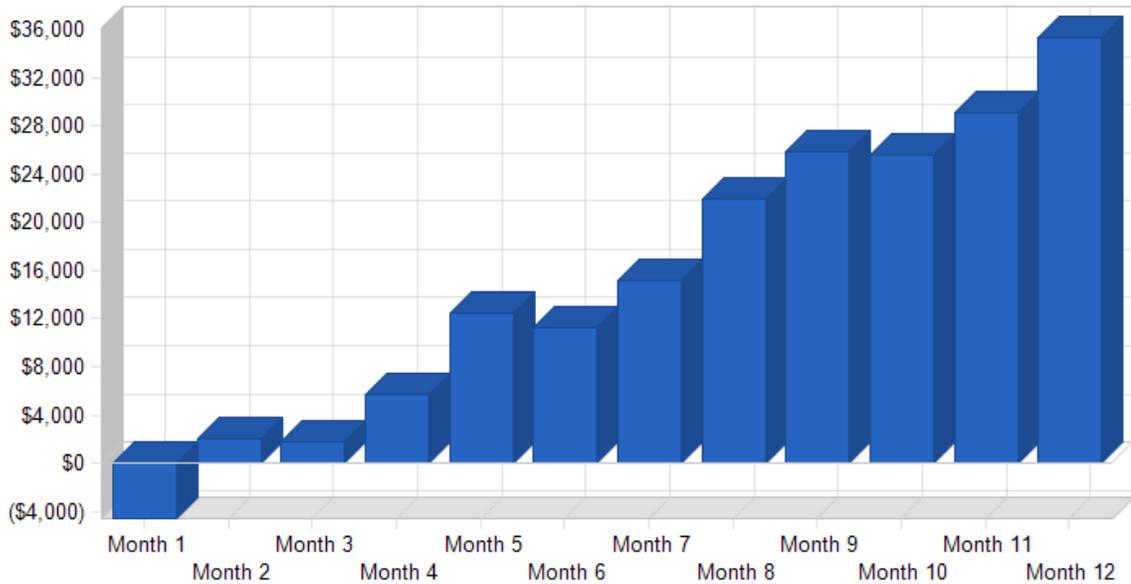
Table: Surplus and Deficit

| Surplus and Deficit | | | |
|---|-----------|-----------|-------------|
| | Year 1 | Year 2 | Year 3 |
| Funding | \$893,050 | \$965,750 | \$1,078,750 |
| Direct Cost | \$133,958 | \$144,863 | \$161,813 |
| Direct Care Payroll | \$165,000 | \$173,250 | \$182,300 |
| Other Costs of Funding | \$4,000 | \$5,000 | \$5,000 |
| Total Direct Cost | \$302,958 | \$323,113 | \$349,113 |
| Gross Surplus | \$590,093 | \$642,638 | \$729,638 |
| Gross Surplus % | 66.08% | 66.54% | 67.64% |
| Operating Expenses | | | |
| Funding and Marketing Expenses | | | |
| Funding and Marketing Payroll | \$24,000 | \$65,200 | \$66,460 |
| Advertising/Promotion | \$1,593 | \$2,000 | \$2,500 |
| Other Funding and Marketing Expenses | \$0 | \$0 | \$0 |
| Total Funding and Marketing Expenses | \$25,593 | \$67,200 | \$68,960 |
| Funding and Marketing % | 2.87% | 6.96% | 6.39% |
| General and Administrative Expenses | | | |
| General and Administrative Payroll | \$139,992 | \$147,000 | \$154,750 |
| Transportation | \$6,000 | \$7,000 | \$9,000 |
| Depreciation | \$11,831 | \$25,996 | \$25,996 |
| Rent | \$60,000 | \$60,000 | |
| Utilities | \$9,000 | \$10,000 | \$12,000 |
| Insurance | \$2,000 | \$2,000 | \$2,000 |
| Payroll Taxes | \$56,849 | \$65,693 | \$68,795 |
| Maintenance and Repairs | \$1,200 | \$1,500 | \$2,000 |
| Legal | \$2,400 | \$2,500 | \$3,000 |
| Office Supplies | \$1,200 | \$1,500 | \$2,000 |
| Total General and Administrative Expenses | \$290,473 | \$323,189 | \$279,541 |
| General and Administrative % | 32.53% | 33.47% | 25.91% |
| Health Services Expenses: | | | |
| Health Services Payroll | \$50,004 | \$52,500 | \$55,125 |

Ashley Habilitation and Resource Center

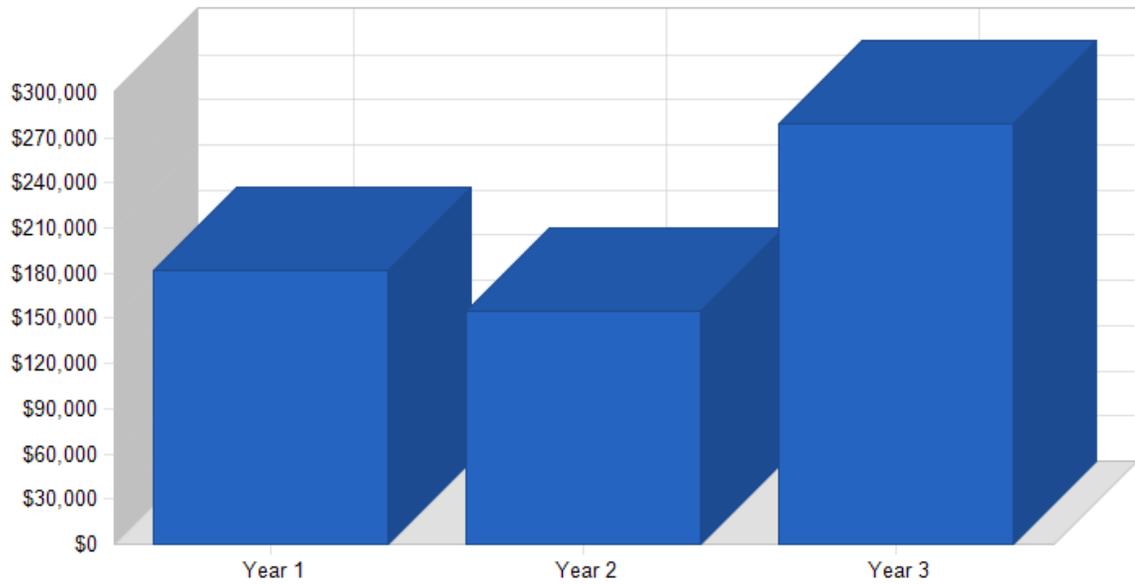
| | | | |
|---------------------------------------|------------------|------------------|------------------|
| Consultants / Trainers | \$12,000 | \$12,000 | \$12,000 |
| Health Services Expenses | \$30,000 | \$33,000 | \$35,000 |
| Total Health Services Expenses | \$92,004 | \$97,500 | \$102,125 |
| Health Services % | 10.30% | 10.10% | 9.47% |
| | | | |
| Total Operating Expenses | \$408,070 | \$487,889 | \$450,626 |
| | | | |
| Surplus Before Interest and Taxes | \$182,023 | \$154,749 | \$279,011 |
| EBITDA | \$193,854 | \$180,745 | \$305,007 |
| Interest Expense | \$0 | \$0 | \$0 |
| Taxes Incurred | \$0 | \$0 | \$0 |
| | | | |
| Net Surplus | \$182,023 | \$154,749 | \$279,011 |
| Net Surplus/Funding | 20.38% | 16.02% | 25.86% |

Surplus Monthly

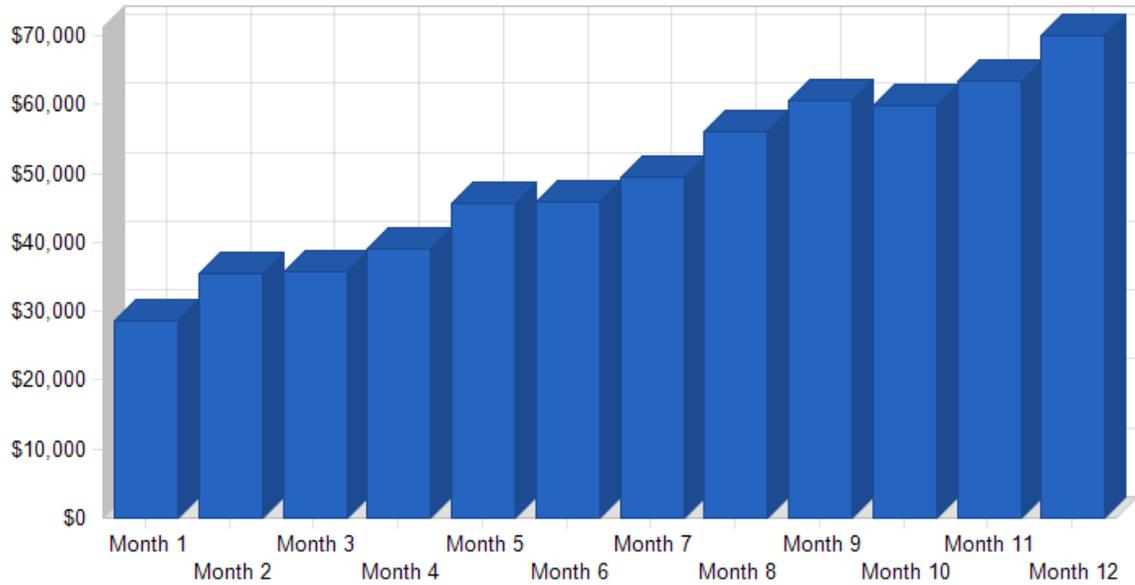


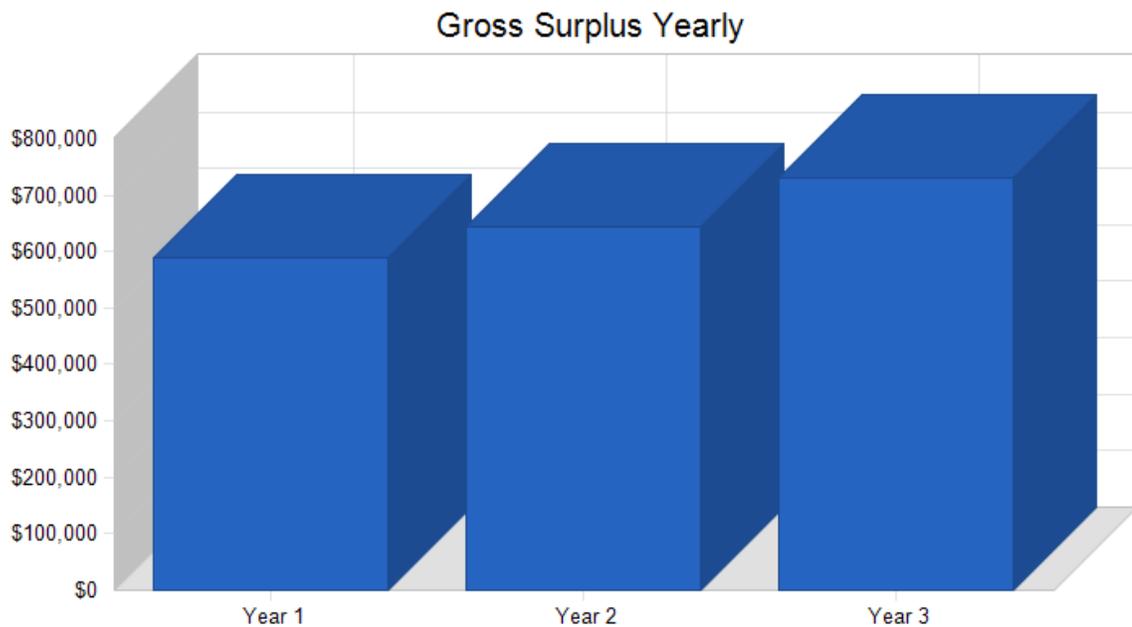
Ashley Habilitation and Resource Center

Surplus Yearly



Gross Surplus Monthly





8.5 Projected Cash Flow

Cash flow projections are critical to The Center's success. The monthly cash flow is shown in the illustration, with one bar representing the Cash Flow per month, and the other the monthly Cash Balance. The annual cash flow figures are included here and the more important detailed monthly numbers are included in the appendix.

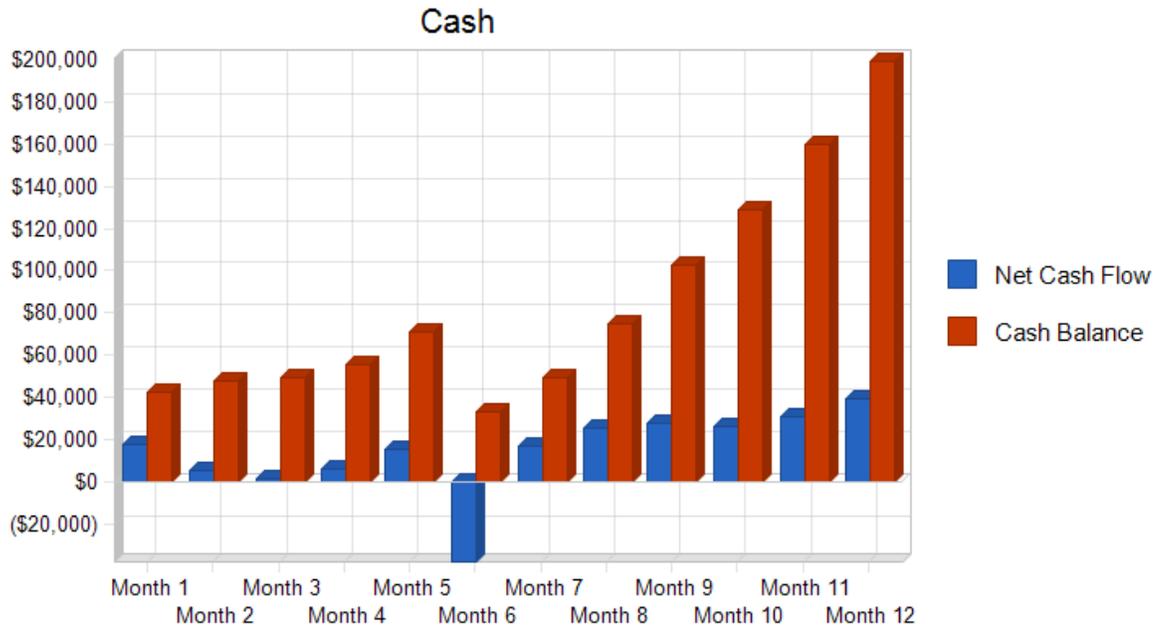
Notice the levels of Cash Balance grows to allow development of future projects.

Notice that the Net Cash Flow, is of course, typically low of non-profit organizations in the first few months of year one.

Ashley Habilitation and Resource Center

Table: Cash Flow

| Pro Forma Cash Flow | | | |
|---|------------------|------------------|--------------------|
| | Year 1 | Year 2 | Year 3 |
| Cash Received | | | |
| Cash from Operations | | | |
| Cash Funding | \$893,050 | \$965,750 | \$1,078,750 |
| Subtotal Cash from Operations | \$893,050 | \$965,750 | \$1,078,750 |
| 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 | \$0 | \$0 | \$0 |
| Subtotal Cash Received | \$893,050 | \$965,750 | \$1,078,750 |
| Expenditures | | | |
| Expenditures from Operations | | | |
| Cash Spending | \$378,996 | \$437,950 | \$458,635 |
| Bill Payments | \$289,722 | \$349,007 | \$317,734 |
| Subtotal Spent on Operations | \$668,719 | \$786,957 | \$776,369 |
| 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 | \$0 | \$0 | \$0 |
| Purchase Other Current Assets | \$0 | \$0 | \$0 |
| Purchase Long-term Assets | \$50,000 | \$50,000 | \$300,000 |
| Dividends | \$0 | \$0 | \$0 |
| Subtotal Cash Spent | \$718,719 | \$836,957 | \$1,076,369 |
| Net Cash Flow | \$174,331 | \$128,793 | \$2,381 |
| Cash Balance | \$199,331 | \$328,124 | \$330,505 |



8.6 Projected Balance Sheet

The following balance sheet shows our projected financial position during the next three years. The monthly estimates are included in the appendix.

Ashley Habilitation and Resource Center

Table: Balance Sheet

| Pro Forma Balance Sheet | | | |
|--------------------------------------|------------------|------------------|------------------|
| | Year 1 | Year 2 | Year 3 |
| Assets | | | |
| Current Assets | | | |
| Cash | \$199,331 | \$328,124 | \$330,505 |
| Other Current Assets | \$0 | \$0 | \$0 |
| Total Current Assets | \$199,331 | \$328,124 | \$330,505 |
| Long-term Assets | | | |
| Long-term Assets | \$80,000 | \$130,000 | \$430,000 |
| Accumulated Depreciation | \$11,831 | \$37,827 | \$63,823 |
| Total Long-term Assets | \$68,169 | \$92,173 | \$366,177 |
| Total Assets | \$267,500 | \$420,297 | \$696,682 |
| Liabilities and Capital | | | |
| Current Liabilities | | | |
| Accounts Payable | \$30,478 | \$28,525 | \$25,899 |
| Current Borrowing | \$0 | \$0 | \$0 |
| Other Current Liabilities | \$0 | \$0 | \$0 |
| Subtotal Current Liabilities | \$30,478 | \$28,525 | \$25,899 |
| Long-term Liabilities | \$0 | \$0 | \$0 |
| Total Liabilities | \$30,478 | \$28,525 | \$25,899 |
| Paid-in Capital | \$100,000 | \$100,000 | \$100,000 |
| Accumulated Surplus/Deficit | (\$45,000) | \$137,023 | \$291,772 |
| Surplus/Deficit | \$182,023 | \$154,749 | \$279,011 |
| Total Capital | \$237,023 | \$391,772 | \$670,783 |
| Total Liabilities and Capital | \$267,500 | \$420,297 | \$696,682 |
| Net Worth | \$237,023 | \$391,772 | \$670,783 |

Appendix

Table: Funding Forecast

| Funding Forecast | | | | | | | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| Units | | | | | | | | | | | | |
| Fees & Contract Govt Agencies | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| Programs & Services | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Fundraising Events | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| Individual Donations | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 18 | 20 | 22 | 24 | 26 |
| Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| Total Units | 25 | 28 | 29 | 31 | 34 | 35 | 37 | 41 | 44 | 46 | 49 | 53 |
| Unit Prices | | | | | | | | | | | | |
| | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| Fees & Contract Govt Agencies | \$4,000.00 | \$4,000.00 | \$4,000.00 | \$4,000.00 | \$4,000.00 | \$4,000.00 | \$4,000.00 | \$4,000.00 | \$4,000.00 | \$4,000.00 | \$4,000.00 | \$4,000.00 |
| Programs & Services | \$500.00 | \$500.00 | \$500.00 | \$500.00 | \$500.00 | \$500.00 | \$500.00 | \$500.00 | \$500.00 | \$500.00 | \$500.00 | \$500.00 |
| Fundraising Events | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 |
| Individual Donations | \$50.00 | \$50.00 | \$50.00 | \$50.00 | \$50.00 | \$50.00 | \$50.00 | \$50.00 | \$50.00 | \$50.00 | \$50.00 | \$50.00 |
| Grants | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 | \$5,000.00 |
| Funding | | | | | | | | | | | | |
| Fees & Contract Govt Agencies | \$48,000 | \$52,000 | \$56,000 | \$60,000 | \$64,000 | \$68,000 | \$72,000 | \$76,000 | \$80,000 | \$84,000 | \$88,000 | \$92,000 |
| Programs & Services | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 |
| Fundraising Events | \$0 | \$5,000 | \$0 | \$0 | \$5,000 | \$0 | \$0 | \$0 | \$5,000 | \$0 | \$0 | \$5,000 |
| Individual Donations | \$500 | \$550 | \$600 | \$650 | \$700 | \$750 | \$800 | \$900 | \$1,000 | \$1,100 | \$1,200 | \$1,300 |
| Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,000 | \$0 | \$0 | \$0 | \$0 |
| Total Funding | \$50,000 | \$59,050 | \$58,100 | \$62,150 | \$71,200 | \$70,250 | \$74,300 | \$83,400 | \$87,500 | \$86,600 | \$90,700 | \$99,800 |
| Direct Unit Costs | | | | | | | | | | | | |
| | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| Fees & Contract Govt Agencies | 15.00% | \$600.00 | \$600.00 | \$600.00 | \$600.00 | \$600.00 | \$600.00 | \$600.00 | \$600.00 | \$600.00 | \$600.00 | \$600.00 |
| Programs & Services | 15.00% | \$75.00 | \$75.00 | \$75.00 | \$75.00 | \$75.00 | \$75.00 | \$75.00 | \$75.00 | \$75.00 | \$75.00 | \$75.00 |
| Fundraising Events | 15.00% | \$750.00 | \$750.00 | \$750.00 | \$750.00 | \$750.00 | \$750.00 | \$750.00 | \$750.00 | \$750.00 | \$750.00 | \$750.00 |
| Individual Donations | 15.00% | \$7.50 | \$7.50 | \$7.50 | \$7.50 | \$7.50 | \$7.50 | \$7.50 | \$7.50 | \$7.50 | \$7.50 | \$7.50 |
| Grants | 15.00% | \$750.00 | \$750.00 | \$750.00 | \$750.00 | \$750.00 | \$750.00 | \$750.00 | \$750.00 | \$750.00 | \$750.00 | \$750.00 |
| Direct Cost of Funding | | | | | | | | | | | | |
| Fees & Contract Govt Agencies | \$7,200 | \$7,800 | \$8,400 | \$9,000 | \$9,600 | \$10,200 | \$10,800 | \$11,400 | \$12,000 | \$12,600 | \$13,200 | \$13,800 |
| Programs & Services | \$225 | \$225 | \$225 | \$225 | \$225 | \$225 | \$225 | \$225 | \$225 | \$225 | \$225 | \$225 |
| Fundraising Events | \$0 | \$750 | \$0 | \$0 | \$750 | \$0 | \$0 | \$0 | \$750 | \$0 | \$0 | \$750 |
| Individual Donations | \$75 | \$83 | \$90 | \$98 | \$105 | \$113 | \$120 | \$135 | \$150 | \$165 | \$180 | \$195 |
| Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$750 | \$0 | \$0 | \$0 | \$0 |
| Subtotal Direct Cost of Funding | \$7,500 | \$8,858 | \$8,715 | \$9,323 | \$10,680 | \$10,538 | \$11,145 | \$12,510 | \$13,125 | \$12,990 | \$13,605 | \$14,970 |

Appendix

Table: Personnel

| Personnel Plan | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Direct Care Personnel | | | | | | | | | | | | |
| Direct Care Lead | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 |
| Direct Care Attendants | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Subtotal | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 |
| Funding and Marketing Personnel | | | | | | | | | | | | |
| Director of Development | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Grant Writer | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Subtotal | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| General and Administrative Personnel | | | | | | | | | | | | |
| Executive Director | \$4,583 | \$4,583 | \$4,583 | \$4,583 | \$4,583 | \$4,583 | \$4,583 | \$4,583 | \$4,583 | \$4,583 | \$4,583 | \$4,583 |
| Office/Business Manager | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 |
| Placement Specialist | \$3,333 | \$3,333 | \$3,333 | \$3,333 | \$3,333 | \$3,333 | \$3,333 | \$3,333 | \$3,333 | \$3,333 | \$3,333 | \$3,333 |
| Subtotal | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 |
| Health Services Personnel | | | | | | | | | | | | |
| Registered Nurse | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 |
| Dietician | \$1,667 | \$1,667 | \$1,667 | \$1,667 | \$1,667 | \$1,667 | \$1,667 | \$1,667 | \$1,667 | \$1,667 | \$1,667 | \$1,667 |
| Subtotal | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 |
| Total People | 11 |
| Total Payroll | \$31,583 |

Appendix

Table: Surplus and Deficit

| Surplus and Deficit | | | | | | | | | | | | |
|---|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| Funding | \$50,000 | \$59,050 | \$58,100 | \$62,150 | \$71,200 | \$70,250 | \$74,300 | \$83,400 | \$87,500 | \$86,600 | \$90,700 | \$99,800 |
| Direct Cost | \$7,500 | \$8,858 | \$8,715 | \$9,323 | \$10,680 | \$10,538 | \$11,145 | \$12,510 | \$13,125 | \$12,990 | \$13,605 | \$14,970 |
| Direct Care Payroll | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 | \$13,750 |
| Other Costs of Funding | \$0 | \$1,000 | \$0 | \$0 | \$1,000 | \$0 | \$0 | \$1,000 | \$0 | \$0 | \$0 | \$1,000 |
| Total Direct Cost | \$21,250 | \$23,608 | \$22,465 | \$23,073 | \$25,430 | \$24,288 | \$24,895 | \$27,260 | \$26,875 | \$26,740 | \$27,355 | \$29,720 |
| Gross Surplus | \$28,750 | \$35,443 | \$35,635 | \$39,078 | \$45,770 | \$45,963 | \$49,405 | \$56,140 | \$60,625 | \$59,860 | \$63,345 | \$70,080 |
| Gross Surplus % | 57.50% | 60.02% | 61.33% | 62.88% | 64.28% | 65.43% | 66.49% | 67.31% | 69.29% | 69.12% | 69.84% | 70.22% |
| Operating Expenses | | | | | | | | | | | | |
| Funding and Marketing Expenses | | | | | | | | | | | | |
| Funding and Marketing Payroll | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Advertising/Promotion | \$100 | \$105 | \$110 | \$116 | \$122 | \$128 | \$134 | \$141 | \$148 | \$155 | \$163 | \$171 |
| Other Funding and Marketing Expenses | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Funding and Marketing Expenses | \$2,100 | \$2,105 | \$2,110 | \$2,116 | \$2,122 | \$2,128 | \$2,134 | \$2,141 | \$2,148 | \$2,155 | \$2,163 | \$2,171 |
| Funding and Marketing % | 4.20% | 3.56% | 3.63% | 3.40% | 2.98% | 3.03% | 2.87% | 2.57% | 2.45% | 2.49% | 2.38% | 2.18% |
| General and Administrative Expenses | | | | | | | | | | | | |
| General and Administrative Payroll | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 | \$11,666 |
| Transportation | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 |
| Depreciation | \$500 | \$500 | \$500 | \$500 | \$500 | \$1,333 | \$1,333 | \$1,333 | \$1,333 | \$1,333 | \$1,333 | \$1,333 |
| Rent | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| Utilities | \$750 | \$750 | \$750 | \$750 | \$750 | \$750 | \$750 | \$750 | \$750 | \$750 | \$750 | \$750 |
| Insurance | 15% \$0 | \$0 | \$500 | \$0 | \$0 | \$500 | \$0 | \$0 | \$500 | \$0 | \$0 | \$500 |
| Payroll Taxes | 15% \$4,737 | \$4,737 | \$4,737 | \$4,737 | \$4,737 | \$4,737 | \$4,737 | \$4,737 | \$4,737 | \$4,737 | \$4,737 | \$4,737 |
| Maintenance and Repairs | 15% \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 |
| Legal | 15% \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 | \$200 |
| Office Supplies | 15% \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 |
| Total General and Administrative Expenses | \$23,554 | \$23,553 | \$24,053 | \$23,553 | \$23,553 | \$24,886 | \$24,386 | \$24,386 | \$24,886 | \$24,386 | \$24,386 | \$24,886 |
| General and Administrative % | 47.11% | 39.89% | 41.40% | 37.90% | 33.08% | 35.43% | 32.82% | 29.24% | 28.44% | 28.16% | 26.89% | 24.94% |

Appendix

| | | | | | | | | | | | | |
|-----------------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Health Services Expenses: | | | | | | | | | | | | |
| Health Services Payroll | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 | \$4,167 |
| Consultants/ Trainers | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Health Services Expenses | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 |
| Total Health Services Expenses | \$7,667 | \$7,667 | \$7,667 | \$7,667 | \$7,667 | \$7,667 | \$7,667 | \$7,667 | \$7,667 | \$7,667 | \$7,667 | \$7,667 |
| Health Services % | 15.33% | 12.98% | 13.20% | 12.34% | 10.77% | 10.91% | 10.32% | 9.19% | 8.76% | 8.85% | 8.45% | 7.68% |
| Total Operating Expenses | \$33,321 | \$33,325 | \$33,830 | \$33,336 | \$33,342 | \$34,681 | \$34,187 | \$34,194 | \$34,701 | \$34,208 | \$34,216 | \$34,724 |
| Surplus Before Interest and Taxes | (\$4,571) | \$2,117 | \$1,805 | \$5,741 | \$12,428 | \$11,281 | \$15,218 | \$21,946 | \$25,924 | \$25,652 | \$29,129 | \$35,356 |
| EBITDA | (\$4,071) | \$2,617 | \$2,305 | \$6,241 | \$12,928 | \$12,614 | \$16,551 | \$23,279 | \$27,257 | \$26,985 | \$30,462 | \$36,689 |
| Interest Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Taxes Incurred | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Surplus | (\$4,571) | \$2,117 | \$1,805 | \$5,741 | \$12,428 | \$11,281 | \$15,218 | \$21,946 | \$25,924 | \$25,652 | \$29,129 | \$35,356 |
| Net Surplus/Funding | -9.14% | 3.59% | 3.11% | 9.24% | 17.45% | 16.06% | 20.48% | 26.31% | 29.63% | 29.62% | 32.12% | 35.43% |

Appendix

Table: Cash Flow

| 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 | | | | | | | | | | | | |
| Cash from Operations | | | | | | | | | | | | |
| Cash Funding | \$50,000 | \$59,050 | \$58,100 | \$62,150 | \$71,200 | \$70,250 | \$74,300 | \$83,400 | \$87,500 | \$86,600 | \$90,700 | \$99,800 |
| Subtotal Cash from Operations | \$50,000 | \$59,050 | \$58,100 | \$62,150 | \$71,200 | \$70,250 | \$74,300 | \$83,400 | \$87,500 | \$86,600 | \$90,700 | \$99,800 |
| Additional Cash Received | | | | | | | | | | | | |
| Sales Tax, VAT, HST/GST Received | 0.00% | \$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 |
| New Other Liabilities (interest-free) | | \$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 |
| Sales of Other Current Assets | | \$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 |
| New Investment Received | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal Cash Received | \$50,000 | \$59,050 | \$58,100 | \$62,150 | \$71,200 | \$70,250 | \$74,300 | \$83,400 | \$87,500 | \$86,600 | \$90,700 | \$99,800 |
| Expenditures | | | | | | | | | | | | |
| Expenditures from Operations | | | | | | | | | | | | |
| Cash Spending | \$31,583 | \$31,583 | \$31,583 | \$31,583 | \$31,583 | \$31,583 | \$31,583 | \$31,583 | \$31,583 | \$31,583 | \$31,583 | \$31,583 |
| Bill Payments | \$750 | \$22,566 | \$24,829 | \$24,216 | \$24,405 | \$26,668 | \$26,057 | \$26,246 | \$28,543 | \$28,640 | \$28,053 | \$28,751 |
| Subtotal Spent on Operations | \$32,333 | \$54,149 | \$56,412 | \$55,799 | \$55,988 | \$58,251 | \$57,640 | \$57,829 | \$60,126 | \$60,223 | \$59,636 | \$60,334 |
| 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Purchase Other Current Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Purchase Long-term Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Dividends | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal Cash Spent | \$32,333 | \$54,149 | \$56,412 | \$55,799 | \$55,988 | \$108,251 | \$57,640 | \$57,829 | \$60,126 | \$60,223 | \$59,636 | \$60,334 |

Appendix

| | | | | | | | | | | | | |
|---------------|----------|----------|----------|----------|----------|------------|----------|----------|-----------|-----------|-----------|-----------|
| Net Cash Flow | \$17,667 | \$4,901 | \$1,688 | \$6,351 | \$15,212 | (\$38,001) | \$16,660 | \$25,571 | \$27,374 | \$26,377 | \$31,064 | \$39,466 |
| Cash Balance | \$42,667 | \$47,568 | \$49,256 | \$55,607 | \$70,819 | \$32,818 | \$49,478 | \$75,050 | \$102,424 | \$128,802 | \$159,865 | \$199,331 |

Appendix

Table: Balance Sheet

| Pro Forma Balance Sheet | | | | | | | | | | | | | |
|--------------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Starting Balances | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| Assets | | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | | |
| Cash | \$25,000 | \$42,667 | \$47,568 | \$49,256 | \$55,607 | \$70,819 | \$32,818 | \$49,478 | \$75,050 | \$102,424 | \$128,802 | \$159,865 | \$199,331 |
| Other Current Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Current Assets | \$25,000 | \$42,667 | \$47,568 | \$49,256 | \$55,607 | \$70,819 | \$32,818 | \$49,478 | \$75,050 | \$102,424 | \$128,802 | \$159,865 | \$199,331 |
| Long-term Assets | | | | | | | | | | | | | |
| Long-term Assets | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$80,000 | \$80,000 | \$80,000 | \$80,000 | \$80,000 | \$80,000 | \$80,000 |
| Accumulated Depreciation | \$0 | \$500 | \$1,000 | \$1,500 | \$2,000 | \$2,500 | \$3,833 | \$5,166 | \$6,499 | \$7,832 | \$9,165 | \$10,498 | \$11,831 |
| Total Long-term Assets | \$30,000 | \$29,500 | \$29,000 | \$28,500 | \$28,000 | \$27,500 | \$76,167 | \$74,834 | \$73,501 | \$72,168 | \$70,835 | \$69,502 | \$68,169 |
| Total Assets | \$55,000 | \$72,167 | \$76,568 | \$77,756 | \$83,607 | \$98,319 | \$108,985 | \$124,312 | \$148,551 | \$174,592 | \$199,637 | \$229,367 | \$267,500 |
| Liabilities and Capital | | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | | |
| Accounts Payable | \$0 | \$21,738 | \$24,022 | \$23,405 | \$23,515 | \$25,800 | \$25,185 | \$25,294 | \$27,587 | \$27,705 | \$27,098 | \$27,700 | \$30,478 |
| 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 | \$21,738 | \$24,022 | \$23,405 | \$23,515 | \$25,800 | \$25,185 | \$25,294 | \$27,587 | \$27,705 | \$27,098 | \$27,700 | \$30,478 |
| Long-term Liabilities | | | | | | | | | | | | | |
| Long-term Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Liabilities | \$0 | \$21,738 | \$24,022 | \$23,405 | \$23,515 | \$25,800 | \$25,185 | \$25,294 | \$27,587 | \$27,705 | \$27,098 | \$27,700 | \$30,478 |
| Capital | | | | | | | | | | | | | |
| Paid-in Capital | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| Accumulated Surplus/Deficit | (\$45,000) | (\$45,000) | (\$45,000) | (\$45,000) | (\$45,000) | (\$45,000) | (\$45,000) | (\$45,000) | (\$45,000) | (\$45,000) | (\$45,000) | (\$45,000) | (\$45,000) |
| Surplus/Deficit | \$0 | (\$4,571) | (\$2,454) | (\$649) | \$5,092 | \$17,519 | \$28,800 | \$44,018 | \$65,964 | \$91,887 | \$117,539 | \$146,667 | \$182,023 |
| Total Capital | \$55,000 | \$50,429 | \$52,546 | \$54,351 | \$60,092 | \$72,519 | \$83,800 | \$99,018 | \$120,964 | \$146,887 | \$172,539 | \$201,667 | \$237,023 |
| Total Liabilities and Capital | \$55,000 | \$72,167 | \$76,568 | \$77,756 | \$83,607 | \$98,319 | \$108,985 | \$124,312 | \$148,551 | \$174,592 | \$199,637 | \$229,367 | \$267,500 |
| Net Worth | \$55,000 | \$50,429 | \$52,546 | \$54,351 | \$60,092 | \$72,519 | \$83,800 | \$99,018 | \$120,964 | \$146,887 | \$172,539 | \$201,667 | \$237,023 |