

CONFIDENTIAL

University Cycle Works

Business Plan

Prepared April 2012

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Executive Summary

Who We Are

University Cycle Works is an established bicycle specialty store, offering retail sales of new bicycles, parts and accessories, clothing, and maintenance and repair service. It is located in a heavily trafficked, university-focused area.

University Cycle Works is a subchapter S corporation, and is currently owned by Han Delbar. Hubert Wheeler, current assistant manager of University Cycle Works, is purchasing University Cycle Works from Delbar, acquiring existing inventory, and assuming outstanding accounts payable and dating program debts to suppliers, location lease, customer base and information, and University Cycle Works' business name and goodwill. The business will continue to be a subchapter S corporation. Exchange of ownership will occur on July 1, of this year.

Wheeler has been the assistant manager of University Cycle Works for five years, with an additional seven years of bicycle industry retail sales and service experience. He first began investigating the ownership of a bike business two years ago, however, the local Metroburg market seemed saturated with shops. Realizing that a more practical option would be to buy an existing shop, he approached his current boss. The result of two years of negotiations will be the sale of University Cycle Works to Wheeler, taking effect July 1st. The goal will be a seamless transfer of ownership, with staff, bike lines, location, and operations unchanged.

What We Sell

Bicycles. We sell new bicycles, predominantly in the mountain bike style, retro-cruiser is a close second, and sport/touring/racing road bikes a distant third. We also sell some used bikes which we take in on trade as a service to our customers who are buying new bikes.

Accessories. We offer a wide variety of accessories. Locks, computer speedometers, fenders, cargo racks, comfortable seats, headlights, helmets, water bottles,

panniers/back packs/messenger bags, child seats and trailers, bike storage racks, and auto roof rack systems all fall in this category.

Clothing. We rotate our clothing based on the season. For example, in Autumn, we stock jackets and Gore-Tex. In Winter, we offer helmet covers and liners, insulated jerseys and pants, gloves, and shoe covers. In the Spring, we start displaying summer jerseys, and racing shorts

Parts. Parts generally refers to pieces or materials necessary to the basic functioning of the bicycle. Generally, parts are installed during service and are an additional charge beyond the service fees.

Who We Sell To

The primary market for University Cycle Works is the university student population, which normally has a turnover/growth of approximately 25% each year. The secondary market is the university faculty and staff, and the tertiary market is the greater Metroburg community.

Financial Summary

This financial plan was developed based upon previous years' data for the existing store, tracking trends in revenues and expenses. A five-month track of sales, accounts receivables and payables, and inventory from a year-end benchmark was made. The current owner, Han Delbar, has sold the business to Hubert Wheeler for \$140,000. The seller, buyer, and the accountant worked together on the plan to balance optimism with reality. An attorney was consulted on specifics of the sale contract.

Sales for the first year of new ownership are projected above \$500,000, with a gross margin of almost 65%. Profitability is expected at the mid-way point of the fiscal year, in March.

Company

Company Overview

University Cycle Works is a subchapter S corporation, and is currently owned by Han Delbar. Hubert Wheeler, current assistant manager of University Cycle Works, is purchasing University Cycle Works from Delbar, acquiring existing inventory, and assuming outstanding accounts payable and dating program debts to suppliers, location lease, customer base and information, and University Cycle Works' business name and goodwill. The business will continue to be a subchapter S corporation. Exchange of ownership will occur on July 1st.

To establish an accurate accounting of existing inventory and outstanding debts, the prior year's closing inventory and year end financial statement as reviewed by the business' CPA were used as benchmarks. The sales, orders placed, deliveries received, and accounts payable payments made have been tracked each month, and a trial balance of these will be run June 15 to establish the final purchase price for inventory on hand, and the amount of Accounts Payable assumed. The figures presented here are conservative, realistic estimates used for planning purposes.

Management Team

The current assistant manager, Hubert Wheeler, is buying University Cycle Works, and will manage the business. He has a B.S. degree in Economics and an M.A. in Comparative Literature. His passion however has always been cycling. He originally worked at his local bike shop when he was in college. After several years trying to find suitable work in his degree field, he gave up chasing the chimera of these fields and decided to work with something substantial, and returned to his youthful enjoyment of bicycles.

He attended two of the major bicycle mechanic training programs, at New England Bicycle Academy and the United Bicycle Institute. These courses covered mechanical service and maintenance, frame building and repair, wheel building, and shop

organization, sales, and management. He has 12 years of progressively responsible experience in bicycle shops with the last five at University Cycle Works.

One of the other full-time employees, Valerie Pede has expressed interest in learning more about the bike industry and she will be promoted to be the new assistant manager. Val has been with us for three years. She graduated from State University at Metroburg with tandem B.S. degrees in Exercise Physiology and Recreation Management. She loves to cycle, and has kept her contacts at the university active. Her knowledge and expertise draws many women bicyclists to our store where they know they will get the care and attention which is usually missing from traditionally male staffed shops.

The current owner, Han Delbar will be available as a resource.

Additional resources are:

- Order Out of Chaos, our full-cycle bookkeeping service.
- Continental Shelf Bank.
- Newt Ria, a partner at Weasel, Stoat, Muskrat who advised on the sale/purchase arrangements.

Products and Services

Products and Services

Retail Sales

1. **Bicycles.** We sell new bicycles, predominantly in the mountain bike style, retro-cruiser is a close second, and sport/touring/racing road bikes a distant third. We also sell some used bikes which we take in on trade as a service to our customers who are buying new bikes.
2. **Accessories.** We offer a wide variety of accessories. Locks, computer speedometers, fenders, cargo racks, comfortable seats, headlights, helmets, water bottles, panniers/back packs/messenger bags, child seats and trailers, bike storage racks, and auto roof rack systems all fall in this category. It is not possible to carry every possible accessory, so we try to carefully chose those which will be most useful or desired by our target markets. When we receive special requests for a new item, we'll often order several to test the local demand, and if adequate, will add it to our regular stock.
3. **Clothing.** Clothing appeals to all cyclists, whether it is a logo emblazoned T-shirt or a piece of waterproof rainwear. At University Cycle Works, we rotate our clothing based on the season. Just before the autumn rains we stock jackets and Gore-Tex. Come winter we offer helmet covers and liners, insulated jerseys and pants, gloves, and shoe covers. And when spring arrives and the first crocus appears through the melting snow, we start displaying summer jerseys, and racing shorts.
4. **Parts.** Parts generally refers to pieces or materials necessary to the basic functioning of the bicycle. Generally, parts are installed during service [see below] and are an additional charge beyond the service fees. Some, like cranksets, pedals, tires, derailleurs or brakes, are both integral parts and upgrade accessories. Others, such as headset, bottom brackets, spokes, chains, cables, and cable housings are strictly maintenance, though some will be sold to cyclists who prefer to work on their bikes themselves.

Service

University Cycle Works is a full-service specialized bicycle shop. Our service offering includes, but is not limited to:

- Free 30-day/100-mile tune up with every new bike sold.
- Quick repairs for flat tires, broken chains, brake cables, etc.
- Scheduled tune-ups, replacement of all bearing surfaces, repacking of lubricants, and adjustments of derailleurs and brake systems.
- Installation of all accessories.
- Authorized warranty repairs on the bikes.
- Custom wheel building.
- Frameset repairs by outsourcing to Via Porco custom frame builders.

Competitors

Setting aside the discount department stores, University Cycle Works has the following direct competitors.

- One local multi-sport store at the local megamall
- One statewide chain of bicycle shops which started out as Schwinn-only shops, but has had to take on other brands and products.
- One used bike store that has made a fine business reputation for itself, dealing strictly in used bikes.
- Three local, including the oldest shop in town.
- One local multi-location chain, that has specialized in opening shops in small local malls in areas of new housing development.
- Several garage mechanics offering service only.

None of these competitors is within two miles of the university, and so, for the present, we have first access to our chosen market segments. One of the local shops has chosen

to target the burgeoning young road racer segment, another is focusing on recumbents and folding travel cycles.

The two strongest competitors are the Oldest Shop in Town which carries the cache of being the most stable, and most well known -- a Metroburg institution. The Mountain Bike Specialist targets the same athletic, young, performance and image conscious rider that we target in the university student population. These cyclists are particular about their bike and will go where the name brand they want is sold, or will try every bike and then buy the one that fits best, regardless of store loyalty.

Target Market

Market Overview

The predominant market segment for University Cycle Works is the university student population. We also cater to the university staff, local business employees, and, along with every other bicycle shop in town, the greater Metroburg population.

In part the local market is driven by the lack of parking. Bicycle transportation is more economical, as well as time and space efficient in the university neighborhood. Part of the market is price constrained and another part is hooked on the latest fad, be it frame style, number of gears, or portrayed image. As long as new students arrive each year, our market segment growth is assured.

Market Needs

Our market niche has several needs which we strive to meet:

- Quality bikes at several price points.
- Various styles and sizes of bikes, leaning heavily toward the styles most popular with the student population.
- Range of accessories most practical in the local setting, such as locks, fenders, lights, tires, seats, rainwear, etc.
- Plenty of replacement components and service parts.
- Friendly personal relationships between cyclists and shop staff.
- Prompt and convenient service from on-the-spot flat tire fix, to drop in repairs, to scheduled major maintenance, where the rider can drop their bike off, head to class or work, and be assured that their bike will be ready for the ride home.

Key Customers

The university students are our main target market.

1. They are mostly undergraduates, so there is a 25% annual turnover.
2. The lack of parking in the university area and the general ease of bike mobility throughout Metroburg motivates them to use bicycles as inexpensive transport. Athletic pursuits draw them, and the nearby areas for use of mountain and trail bikes provides a great place to ride.
3. There is a new enthusiasm for retro Cruiser bikes, and higher tech cruiser-style bikes with multiple gears, good brakes, etc. among the college age population.
4. Also, main market for racks, locks, throughout, pannier/bags, fenders, rainwear, etc.
5. They want convenience for sales and service.

University employees are another prime market segment.

1. Small growth and turnover, but on the whole, the group is pretty stable.
2. Are willing to commute by bicycle to work.
3. They want a stable, comfortable bike and a full range of accessories.
4. When their bikes need service and maintenance, local drop off/pickup convenience is important.
5. They have families who ride bicycles also, and will patronize a shop that gives personal service.

Greater Metroburg population.

This segment has a choice of going to any bike shop in the area, and will probably choose a shop located closer to their home. They are not the main target market segment of University Cycle Works, and we market to them casually, only as a collateral effect to our university-oriented efforts.

Market Trends

Trends in the bicycle industry usually last for a time. Some of them have been:

- 1960s - Big rush on 10 speeds.
- 1970s - Touring bikes became popular.
- 1980s and 1990s - Huge growth of mountain bikes

- 1990s - The rumored but exaggerated death of "road bikes" and the unfulfilled prophesy of a boom in the tandem market.
- 2000s - Popularity of retro 'cruisers.'

Market Growth

The bulk of University Cycle Works' market growth is the regular matriculation of students from the State University in Metroburg. While the overall market numbers change in small increments, usually less than 10%, the market has a turnover of 22-26% yearly. In a longer time frame the number of students and the number of university employees grows and shrinks with economic changes, and with population demographics.

For the next three years we foresee a steady growth in the overall university population as well as continued growth of Metroburg as a desirable place to live.

Strategy and Implementation

Marketing Plan

Overview

Our marketing strategy seeks to optimize our advantage of prime location. We want the university population to see us as their bike shop, even our name says so, University Cycle Works. We want them to see us as part of their daily experience, and a shop they can depend on for quick repair and maintenance service.

Positioning

We are University Cycle Works, and we are passionate about bicycles.

Pricing

Retail

Pricing of bicycles is very tight with a markup of between 30% and 40% depending upon the brand and model. Many people believe that bicycles are priced like automobiles and are open for negotiation, and make almost insulting offers. The shops have little leeway here.

Parts and accessories are generally keystone priced. Some small items cost more in handling and sales than they do to buy from suppliers. These can be double and triple keystone, because customers won't buy them if they don't have a minimum perceived value. On the plus side, these are great "throw-in" items used to close the sale of a bike. When new technology arrives in bicycles, and if the supply is limited, almost any price can be demanded. This was the case in the mid-1990s when RockShox introduced suspension forks for mountain bikes. The bike nobs would pay whatever was asked just to get those forks. Of course, in this type of situation the price, both wholesale and retail, lowers.

Other accessories, such as step-in pedals, pannier racks, helmets, or headlights are sometimes heavily marketed by the manufacturers. While this drives demand and brings people into the shop to get these items, the suggested manufacturer's retail price may limit markup.

The markup on clothes, shoes, jackets, gloves can vary from keystone to triple keystone, depending upon product, manufacturer, country of origin, and customer perception of value. Pearl Izumi and Burley Design rainwear can demand premium prices as top-of-the-line garments, but many budget-conscious students can only afford a \$35 nylon windbreaker. It has been and always will be a demanding job for us to adequately stock garments at the various price points.

Service

We try to maintain a basic "Hourly shop rate" at \$45/hour. Standard repairs are then priced based upon an average time for completion. Some repairs, such as a flat tire, are limited by customer perception of difficulty. Examples:

- Flat Tire -- \$7.50
- Install Fenders -- \$10.00
- Brake Adjustment -- \$25.00
- Tune-up -- \$65.00
- Overhaul -- \$100.00

All parts used in repairs are priced at keystone, and added to the labor service charge.

With several other bicycle shops in the city, there are some price constraints based on competition. Coupons and specials can balance price ceilings by drawing in customers.

Promotion

Our marketing programs are locally focused, where we can effect our main target market.

Back to school specials, at the beginning of each term, including perhaps a free Kryptonite lock with a new bike purchase. We will try to have a special purchase of an economy value bike for each term.

Spring special. This coincides with the beginning of spring term, but we will direct some of our advertising at the wider population as people hang up their skis and tune up their bikes.

Coupons. Once every other month we will run a coupon for a service special in the university newspaper, the *Daily Hyperbole*. We also run this coupon as a banner ad in the *Daily Hyperbole Online*.

Website. Our content site will also serve as a marketing medium. We offer downloadable maps of the city bike routes, maps of rides outside the city area, give information about the store, and announce sales. We believe that cyclists will regularly access our site for the valuable information we will provide, and this will reinforce their of awareness of University Cycle Works, and we will become their bike shop of choice.

Print advertising. In addition to our coupons, we will keep a small 3 column inch ad appearing on a recurring schedule in the *Daily Hyperbole*. To boost citywide awareness of our sales specials we will also run slightly larger ads in the *Metroburg Bombast-Obfuscator* during the weekends prior to the sale.

Competitive Edge

The foremost competitive advantage of University Cycle Works is our university location. The university is over 100 years old and as it has grown, Metroburg has grown around it. Parking is almost nonexistent, with all campus parking permit or meter controlled, and local streets filled to capacity with the vehicles of residents. Bicycles are an obvious and popular transportation solution.

Our location, in the first block off campus in a commercial area featuring the university bookstore, a private bookstore, bank, cafes, coffee shops and popular watering holes is ideal. We get constant, daily visual exposure. Students and staff throng the sidewalk outside our door, and we reap the benefits. Our nearest competitor is almost a mile

away. For the student customer, on foot, in a hurry, University Cycle Works is the immediate solution to their needs.

After that first parking ticket, we are the first bike shop the new pedestrian sees. We are conveniently located when a cyclist gets a flat tire on the way to class. The first time a rider gets to class with a wet back they come in at lunch for a set of fenders and a rain jacket.

The negotiations of the past two years also brings the advantage of continued financial agreements with major suppliers. This is an advantage over a start-up bicycle shop, but, is more a leveling of the bike path when compared to other established shop in Metroburg. Traditionally a start-up store will be placed on a Cash On Delivery (COD) status by bicycle manufacturers and parts/accessories suppliers. The COD status stays in effect until the new shop demonstrates its ability to manage its orders and cash flow. This also means the new shop must have more funding to be able to write checks on a moments notice, for large amounts.

University Cycle Works will be continuing an established system of dating programs, ordering, delivery, and invoicing/accounts payable, stabilizing our funding needs and monthly cash flow.

Strategic Alliances

- Bicycle manufacturers - continuation of dating programs and financial agreements.
- Accessory suppliers - continuation of financial agreements.
- Metroburg Parks Dept. - we sponsor printed map of city bike paths to publish on our website.
- University Security Office - maintenance, supply service contract for cycle security.
- HooDaThunkIt - website design and maintenance, search engine placement.

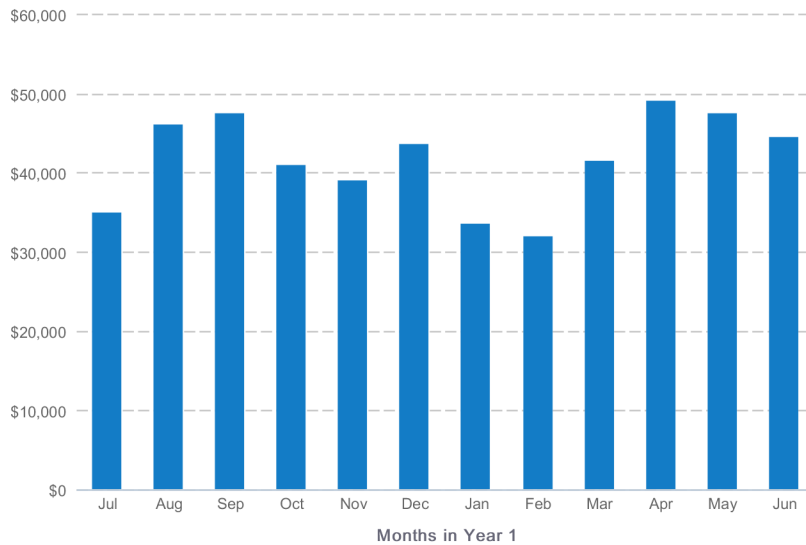
Financial Plan

Sales Forecast

Sales Forecast Table

	FY2013	FY2014	FY2015
Sales			
New Bicycles	\$116,000	\$133,400	\$153,410
Accessories and Parts	\$150,000	\$172,500	\$198,375
Clothing	\$68,000	\$78,200	\$89,930
Repair and Service	\$166,000	\$190,900	\$219,535
University Patrol Service Contract	\$1,200	\$1,380	\$1,587
Total Sales	\$501,200	\$576,380	\$662,837
Direct Cost			
New Bicycles	\$78,880	\$90,712	\$104,319
Accessories and Parts	\$75,000	\$86,250	\$99,187
Clothing	\$23,800	\$27,370	\$31,475
Repair and Service	\$0	\$0	\$0
University Patrol Service Contract	\$0	\$0	\$0
Total Direct Cost	\$177,680	\$204,332	\$234,981
Gross Margin	\$323,520	\$372,048	\$427,856
Gross Margin %	65%	65%	65%

Sales by Month



About the Sales Forecast

Sales vary season to season and with the academic school year. Surprisingly, summer is the slowest season because there are fewer students in town. Business picks up in August with the return of the students and staff, and flourishes in September.

Accessories and rainwear sales increase in the autumn and early winter. Repairs and maintenance are steady. Holiday sales are brisk, though generally leaning again to accessories, parts, rainwear, gloves, helmets, headlights, etc. Winter sales are moderate, and then pick up in springtime as people put away their skies and look forward to local outdoor activities, longer daylight hours, and drier weather.

We have three large sales promotions each year.

1. **Back to school in August/September.** This is our biggest sale of the year. New bicycles, locks, helmets, racks, fenders, backpacks. We always search for a special purchase of good quality, but value priced bikes for this sale such as year end models, slow sellers, new line looks to break into the market. These bikes will almost always sell out to students seeking great values.

2. **Year-end holidays.** This also overlaps the beginning of Winter term. The retail market demands some participation in this annual buying frenzy, yet, this sale produces lower revenue than our other two events. We sell fewer bikes, and more accessories and clothing.
3. **Spring.** This coincides with both the return of nice weather, and beginning of Spring term. We feature new bicycles, and repair/maintenance/tune-up specials. It is important to us to have a good selection on hand at this time. When people decide they want that new bike, they want it now. If we don't have the bike then, and make the sale immediately, many riders will decide that they really can get another season out of their old bike, and will spend their discretionary income on some other purchase.

Additionally, we have some special buys available for June graduation.

We get some small monthly revenue from these sources:

- Sale of used bicycles taken in on trade.
- Repair classes taught at the University Outdoor Center, once a term.
- Monthly service contract for repairs and parts with the University Security Office.

Personnel Plan

Personnel Table

	FY2013	FY2014	FY2015
Hubert Wheeler	\$34,800	\$36,540	\$60,000
Valerie Pede	\$27,000	\$28,350	\$30,000
Dee Ray	\$23,400	\$24,570	\$25,799
Jean-Baptiste Kape	\$19,800	\$20,790	\$21,830
Part-time Employees	\$18,900	\$25,200	\$25,200
Total	\$123,900	\$135,450	\$162,829

About the Personnel Plan

The staff will consist of Hubert Wheeler, the new owner, Valerie Pede, and two other full-time employees Dee Ray, and Jean-Baptiste Kape.

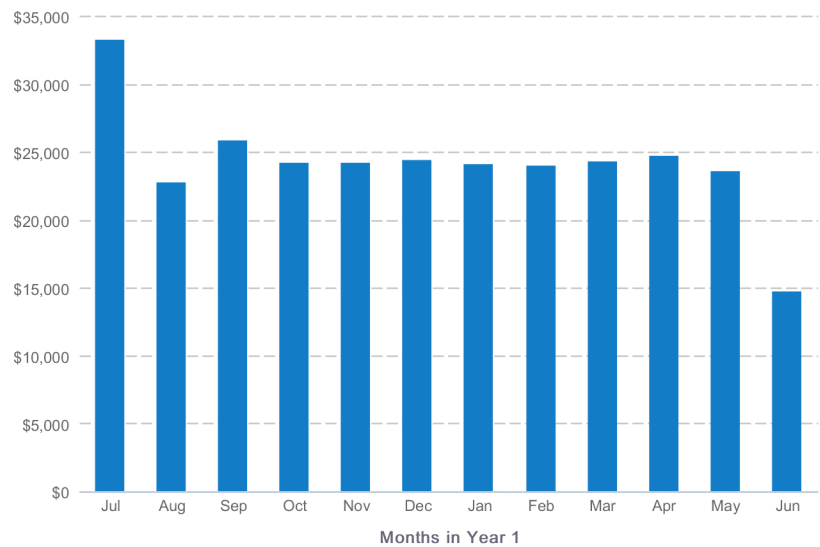
To meet the need for additional help during the year, University Cycle Works hires two to four part-time employees from the university population. We look for people who are enthusiastic about cycling, and who have a mechanical aptitude. Some of these folks have worked for us throughout their entire college sojourn. Their hours vary depending on the store's needs and their class schedules.

Budget

Budget Table

	FY2013	FY2014	FY2015
Expenses			
Salary	\$123,900	\$135,450	\$162,829
Employee Related Expenses	\$30,993	\$33,864	\$40,708
Marketing & Promotion	\$24,866	\$27,420	\$30,521
Rent	\$88,000	\$88,000	\$88,000
Utilities	\$3,600	\$3,600	\$3,600
Leased Equipment	\$1,800	\$1,800	\$1,800
Insurance	\$4,200	\$4,500	\$4,725
Starting Expenses	\$13,300	\$0	\$0
Total Expenses	\$290,659	\$294,634	\$332,183
Major Purchases			
Long-term asset	\$1,200	\$0	\$0
Total Major Purchases	\$1,200	\$0	\$0

Expenses by Month



About the Budget

Our salary totals, employee benefits and monthly expense projections are included in the Budget. A rent deposit was made to the landlord as a security during the transfer of the business to the new owner, in order to keep the current lease agreement. If, at the end of the first year, the business is still solvent, the deposit will be applied to the twelfth month's rent.

Startup Costs

Our estimated starting expenses total \$13,300. They include, legal and accounting costs to transfer ownership of the business, stationery, etc., promotional materials, insurance, and the down payment toward the purchase of the business.

Cash Flow Assumptions

Cash Flow Assumptions

Cash Inflow

% of Sales on Credit	0%
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Cash Outflow

% of Purchases on Credit	100%
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Avg Payment Delay (Days)	45
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Inventory

Months to Keep on Hand	1
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Minimum Inventory Purchase	\$1,000
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About the Cash Flow Assumptions

We have accounts payable set at 45 days. We also keep approximately one month's worth of inventory on hand, with a minimum purchase of \$1,000, on average. We had a starting inventory balance for this plan at \$17,000 from the previous owner, which carried forward with the business transfer.

We do not sell on credit.

Loans and Investments

Loans and Investments Table

	FY2013	FY2014	FY2015
Family investment (interest free)			
Financing at 0% interest	\$10,000	\$0	\$0
Current Borrowing			
Financing at 10% interest	\$2,000	\$0	\$0
Business purchase price			
Loan at 7% interest for 72 mos.	\$130,000	\$0	\$0
Total Amount Received	\$142,000	\$0	\$0

Sources of Funds

The current owner, Han Delbar, has sold the business to Hubert Wheeler for \$140,000. The value of the existing company, its reputation, assumption of the business name, existing client base, etc. is recognized as part of the purchase. It appears as a start-up expense in the following table as Down Payment. The balance appears as a long-term liability.

Wheeler is investing some of his own money, partially a home equity loan, in the company. An additional amount is being invested, as short-term interest free loans, by family members. This plan calls for these loans to be repaid in the first year.

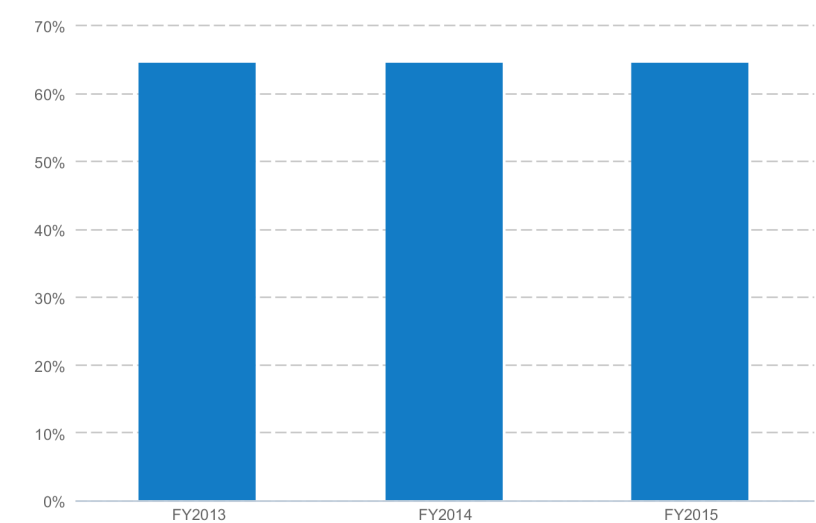
Use of Funds

Projected Profit and Loss Statement

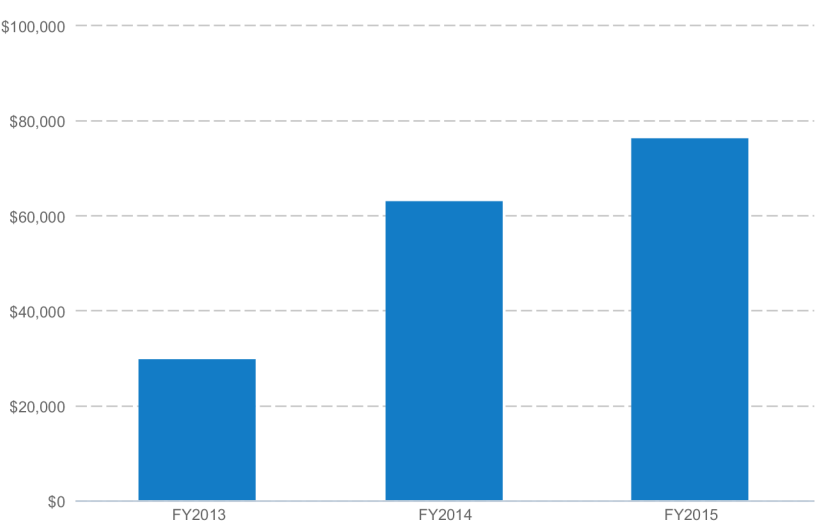
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Direct Cost	\$177,680	\$204,332	\$234,981
Gross Margin	\$323,520	\$372,048	\$427,856
Gross Margin %	65%	65%	65%
Expenses			
Salary	\$123,900	\$135,450	\$162,829
Employee Related Expenses	\$30,993	\$33,864	\$40,708
Marketing & Promotion	\$24,866	\$27,420	\$30,521
Rent	\$88,000	\$88,000	\$88,000
Utilities	\$3,600	\$3,600	\$3,600
Leased Equipment	\$1,800	\$1,800	\$1,800
Insurance	\$4,200	\$4,500	\$4,725
Starting Expenses	\$13,300	\$0	\$0
Total Expenses	\$290,659	\$294,634	\$332,183
Operating Income	\$32,861	\$77,414	\$95,673
Interest Incurred	\$7,966	\$7,354	\$5,942
Depreciation and Amortization	\$12,320	\$12,540	\$12,540
Income Taxes	\$3,144	\$14,380	\$19,298
Net Profit	\$9,431	\$43,140	\$57,893
Net Profit/Sales	2%	7%	9%

Gross Margin by Year



Net Profit (or Loss) by Year



About the Projected Profit and Loss Statement

In negotiating the smooth transition in ownership, the landlord agreed to continue the current lease unchanged. As surety, one month's rent was required as a deposit at the time of sale. This is shown in the starting expenses. Further, the landlord agreed that if, after 11 months operation the new company was solvent and current in lease payments, that the deposit could be applied to the twelfth month's rent.

The mid-summer months of July and August are slow months when a large part of the university population is gone on summer break. The mid-winter months are traditionally loss months. The weather is the most inclement and discretionary income is at its lowest after the holiday binges. However, we try to keep our entire staff on board to work on our own inventory, store refurbishing, and staff training.

Projected Balance Sheet

Projected Balance Sheet

As of Period's End	Starting Balances	FY2013	FY2014	FY2015
Cash	\$0	\$142,440	\$183,550	\$233,747
Accounts Receivable	\$0	\$0	\$0	\$0
Inventory	\$17,000	\$17,026	\$19,580	\$19,583
Total Current Assets	\$17,000	\$159,466	\$203,130	\$253,330
Long-Term Assets	\$61,500	\$62,700	\$62,700	\$62,700
Accumulated Depreciation	\$0	(\$12,320)	(\$24,860)	(\$37,400)
Total Long-Term Assets	\$61,500	\$50,380	\$37,840	\$25,300
Total Assets	\$78,500	\$209,846	\$240,970	\$278,630
Accounts Payable	\$27,800	\$36,025	\$43,467	\$43,884
Sales Taxes Payable	\$0	\$0	\$0	\$0
Short-Term Debt	\$0	\$200	\$0	\$0
Total Current Liabilities	\$27,800	\$36,225	\$43,467	\$43,884
Long-Term Debt	\$0	\$113,490	\$94,232	\$73,582
Total Liabilities	\$27,800	\$149,715	\$137,699	\$117,466
Paid-In Capital	\$25,000	\$25,000	\$25,000	\$25,000
Retained Earnings	\$0	\$0	\$9,431	\$52,571
Earnings	\$0	\$9,431	\$43,140	\$57,893
Total Owner's Equity	\$25,000	\$34,431	\$77,571	\$135,464
Total Liabilities & Equity	\$52,800	\$184,146	\$215,270	\$252,930

About the Projected Balance Sheet

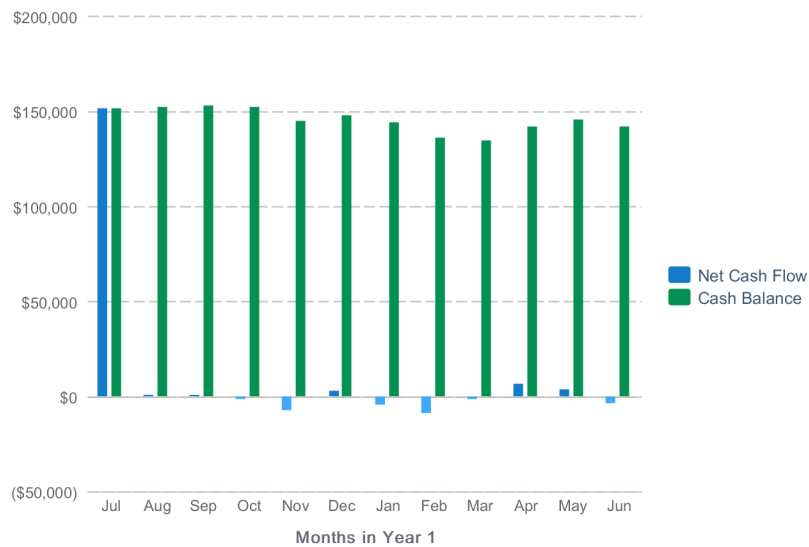
Our goal is to repay the loans from our family within the first year, and we project paying Han Delbar his entire purchase price within five years. Other balance sheet information is shown in the table.

Projected Cash Flow Statement

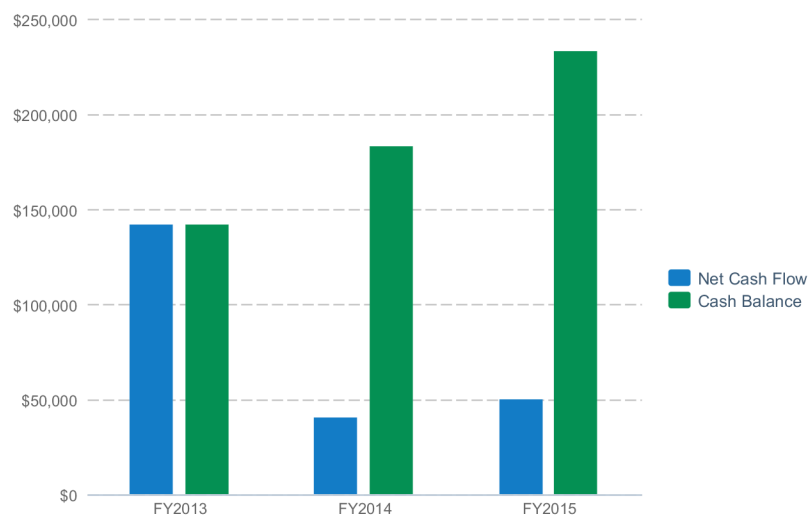
Projected Cash Flow Statement

	FY2013	FY2014	FY2015
Operations			
Net Profit	\$9,431	\$43,140	\$57,893
Depreciation and Amortization	\$12,320	\$12,540	\$12,540
Decrease in Accounts Receivable	\$0	\$0	\$0
Decrease in Inventory	(\$26)	(\$2,554)	(\$3)
Increase in Accounts Payable	\$8,225	\$7,442	\$417
Increase in Sales Taxes Payable	\$0	\$0	\$0
Net Cash Flow from Operations	\$29,950	\$60,568	\$70,847
Investing & Financing			
Assets Purchased	(\$1,200)	\$0	\$0
Investments Received	\$0	\$0	\$0
Increase in Short-Term Debt	\$200	(\$200)	\$0
Increase in Long-Term Debt	\$113,490	(\$19,258)	(\$20,650)
Net Cash Flow from Investing & Financing	\$112,490	(\$19,458)	(\$20,650)
Cash at Beginning of Period	\$0	\$142,440	\$183,550
Net Increase in Cash	\$142,440	\$41,110	\$50,197
Cash at End of Period	\$142,440	\$183,550	\$233,747

Projected Cash Flow by Month



Projected Cash Flow by Year



About the Projected Cash Flow Statement

The cash flow reflects the seasonality of bicycle sales and the varying payment programs. At times, the business is inventory heavy, stocking up for the beginning of school rush, or specific sales. At other times, there is negative cash flow as long-term accounts payable, net 90, net 60 payments coincide with regular net 30 invoices.

Starting Balances

Sales

Sales Last Month	\$0
Sales 2 Months Ago	\$0
Sales 3 Months Ago	\$0
Sales 4 Months Ago	\$0
Sales 5 Months Ago	\$0
Sales 6 Months Ago	\$0

Expenses

Expenses Last Month	\$0
Expenses 2 Months Ago	\$0
Expenses 3 Months Ago	\$0
Expenses 4 Months Ago	\$0
Expenses 5 Months Ago	\$0
Expenses 6 Months Ago	\$0

Assets

Cash	\$0
Accounts Receivable	\$0
Inventory	\$17,000
Long-Term Assets	\$61,500
Accumulated Depreciation	\$0

Liabilities

Accounts Payable	\$27,800
Sales Taxes Payable	\$0

Capital

Paid-In Capital	\$25,000
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Retained Earnings	\$0
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Appendix

Monthly Financial Details

Sales Forecast Table (With Monthly Detail)

FY2013	Jul '12	Aug '12	Sep '12	Oct '12	Nov '12	Dec '12	Jan '13	Feb '13	Mar '13	Apr '13	May '13	Jun '13
Sales												
New Bicycles	\$9,500	\$14,000	\$14,000	\$9,500	\$6,500	\$10,000	\$7,500	\$6,500	\$8,000	\$9,500	\$11,000	\$10,000
Accessories and Parts	\$11,000	\$17,500	\$16,000	\$11,000	\$10,000	\$15,000	\$9,500	\$8,000	\$13,000	\$15,000	\$11,000	\$13,000
Clothing	\$3,500	\$3,500	\$4,500	\$6,500	\$10,500	\$7,500	\$4,500	\$3,500	\$4,500	\$6,500	\$7,500	\$5,500
Repair and Service	\$11,000	\$11,000	\$13,000	\$14,000	\$12,000	\$11,000	\$12,000	\$14,000	\$16,000	\$18,000	\$18,000	\$16,000
University Patrol Service Contract	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Total Sales	\$35,100	\$46,100	\$47,600	\$41,100	\$39,100	\$43,600	\$33,600	\$32,100	\$41,600	\$49,100	\$47,600	\$44,600
Direct Cost												
New Bicycles	\$6,460	\$9,520	\$9,520	\$6,460	\$4,420	\$6,800	\$5,100	\$4,420	\$5,440	\$6,460	\$7,480	\$6,800
Accessories and Parts	\$5,500	\$8,750	\$8,000	\$5,500	\$5,000	\$7,500	\$4,750	\$4,000	\$6,500	\$7,500	\$5,500	\$6,500
Clothing	\$1,225	\$1,225	\$1,575	\$2,275	\$3,675	\$2,625	\$1,575	\$1,225	\$1,575	\$2,275	\$2,625	\$1,925
Repair and Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
University Patrol Service Contract	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Cost	\$13,185	\$19,495	\$19,095	\$14,235	\$13,095	\$16,925	\$11,425	\$9,645	\$13,515	\$16,235	\$15,605	\$15,225

University Cycle Works

Gross Margin	\$21,915	\$26,605	\$28,505	\$26,865	\$26,005	\$26,675	\$22,175	\$22,455	\$28,085	\$32,865	\$31,995	\$29,375
Gross Margin %	62%	58%	60%	65%	67%	61%	66%	70%	68%	67%	67%	66%

	FY2013	FY2014	FY2015
Sales			
New Bicycles	\$116,000	\$133,400	\$153,410
Accessories and Parts	\$150,000	\$172,500	\$198,375
Clothing	\$68,000	\$78,200	\$89,930
Repair and Service	\$166,000	\$190,900	\$219,535
University Patrol Service Contract	\$1,200	\$1,380	\$1,587
Total Sales	\$501,200	\$576,380	\$662,837
Direct Cost			
New Bicycles	\$78,880	\$90,712	\$104,319
Accessories and Parts	\$75,000	\$86,250	\$99,187
Clothing	\$23,800	\$27,370	\$31,475
Repair and Service	\$0	\$0	\$0
University Patrol Service Contract	\$0	\$0	\$0
Total Direct Cost	\$177,680	\$204,332	\$234,981
Gross Margin	\$323,520	\$372,048	\$427,856
Gross Margin %	65%	65%	65%

Personnel Table (With Monthly Detail)

FY2013	Jul '12	Aug '12	Sep '12	Oct '12	Nov '12	Dec '12	Jan '13	Feb '13	Mar '13	Apr '13	May '13	Jun '13
Hubert Wheeler	\$1,800	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Valerie Pede	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250
Dee Ray	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950
Jean-Baptiste Kape	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650
Part-time Employees	\$0	\$700	\$1,400	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$1,400	\$700
Total	\$7,650	\$9,550	\$10,250	\$10,950	\$10,950	\$10,950	\$10,950	\$10,950	\$10,950	\$10,950	\$10,250	\$9,550

	FY2013	FY2014	FY2015
Hubert Wheeler	\$34,800	\$36,540	\$60,000
Valerie Pede	\$27,000	\$28,350	\$30,000
Dee Ray	\$23,400	\$24,570	\$25,799
Jean-Baptiste Kape	\$19,800	\$20,790	\$21,830
Part-time Employees	\$18,900	\$25,200	\$25,200
Total	\$123,900	\$135,450	\$162,829

Budget Table (With Monthly Detail)

FY2013	Jul '12	Aug '12	Sep '12	Oct '12	Nov '12	Dec '12	Jan '13	Feb '13	Mar '13	Apr '13	May '13	Jun '13
Expenses												
Salary	\$7,650	\$9,550	\$10,250	\$10,950	\$10,950	\$10,950	\$10,950	\$10,950	\$10,950	\$10,950	\$10,250	\$9,550
Employee Related Expenses	\$1,914	\$2,389	\$2,564	\$2,739	\$2,739	\$2,739	\$2,739	\$2,739	\$2,739	\$2,739	\$2,564	\$2,389
Marketing & Promotion	\$1,618	\$2,073	\$4,268	\$1,798	\$1,738	\$1,998	\$1,698	\$1,528	\$1,813	\$2,313	\$1,993	\$2,028
Rent	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$0
Utilities	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Leased Equipment	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Insurance	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350
Starting Expenses	\$13,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$33,282	\$22,812	\$25,882	\$24,287	\$24,227	\$24,487	\$24,187	\$24,017	\$24,302	\$24,802	\$23,607	\$14,767
Major Purchases												
Long-term asset	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200
Total Major Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200

	FY2013	FY2014	FY2015
Expenses			
Salary	\$123,900	\$135,450	\$162,829
Employee Related Expenses	\$30,993	\$33,864	\$40,708
Marketing & Promotion	\$24,866	\$27,420	\$30,521
Rent	\$88,000	\$88,000	\$88,000
Utilities	\$3,600	\$3,600	\$3,600
Leased Equipment	\$1,800	\$1,800	\$1,800
Insurance	\$4,200	\$4,500	\$4,725
Starting Expenses	\$13,300	\$0	\$0
Total Expenses	\$290,659	\$294,634	\$332,183
Major Purchases			
Long-term asset	\$1,200	\$0	\$0
Total Major Purchases	\$1,200	\$0	\$0

Loans and Investments Table (With Monthly Detail)

FY2013	Jul '12	Aug '12	Sep '12	Oct '12	Nov '12	Dec '12	Jan '13	Feb '13	Mar '13	Apr '13	May '13	Jun '13
Family investment (interest free) Financing at 0% interest	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Current Borrowing Financing at 10% interest	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Business purchase price Loan at 7% interest for 72 mos.	\$130,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Amount Received	\$142,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	FY2013	FY2014	FY2015
Family investment (interest free) Financing at 0% interest	\$10,000	\$0	\$0
Current Borrowing Financing at 10% interest	\$2,000	\$0	\$0
Business purchase price Loan at 7% interest for 72 mos.	\$130,000	\$0	\$0
Total Amount Received	\$142,000	\$0	\$0

Projected Profit and Loss Statement (With Monthly Detail)

FY2013	Jul '12	Aug '12	Sep '12	Oct '12	Nov '12	Dec '12	Jan '13	Feb '13	Mar '13	Apr '13	May '13	Jun '13
Income	\$35,100	\$46,100	\$47,600	\$41,100	\$39,100	\$43,600	\$33,600	\$32,100	\$41,600	\$49,100	\$47,600	\$44,600
Direct Cost	\$13,185	\$19,495	\$19,095	\$14,235	\$13,095	\$16,925	\$11,425	\$9,645	\$13,515	\$16,235	\$15,605	\$15,225
Gross Margin	\$21,915	\$26,605	\$28,505	\$26,865	\$26,005	\$26,675	\$22,175	\$22,455	\$28,085	\$32,865	\$31,995	\$29,375
Gross Margin %	62%	58%	60%	65%	67%	61%	66%	70%	68%	67%	67%	66%
Expenses												
Salary	\$7,650	\$9,550	\$10,250	\$10,950	\$10,950	\$10,950	\$10,950	\$10,950	\$10,950	\$10,950	\$10,250	\$9,550
Employee Related Expenses	\$1,914	\$2,389	\$2,564	\$2,739	\$2,739	\$2,739	\$2,739	\$2,739	\$2,739	\$2,739	\$2,564	\$2,389
Marketing & Promotion	\$1,618	\$2,073	\$4,268	\$1,798	\$1,738	\$1,998	\$1,698	\$1,528	\$1,813	\$2,313	\$1,993	\$2,028
Rent	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$0
Utilities	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Leased Equipment	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Insurance	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350
Starting Expenses	\$13,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$33,282	\$22,812	\$25,882	\$24,287	\$24,227	\$24,487	\$24,187	\$24,017	\$24,302	\$24,802	\$23,607	\$14,767
Operating Income	(\$11,367)	\$3,793	\$2,623	\$2,578	\$1,778	\$2,188	(\$2,012)	(\$1,562)	\$3,783	\$8,063	\$8,388	\$14,608
Interest Incurred	\$0	\$773	\$764	\$754	\$745	\$734	\$724	\$715	\$705	\$694	\$684	\$674
Depreciation and Amortization	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$1,045
Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,144

University Cycle Works

Net Profit	(\$12,392)	\$1,995	\$834	\$799	\$8	\$429	(\$3,761)	(\$3,302)	\$2,053	\$6,344	\$6,679	\$9,745
Net Profit/Sales	(35%)	4%	2%	2%	0%	1%	(11%)	(10%)	5%	13%	14%	22%

	FY2013	FY2014	FY2015
Income	\$501,200	\$576,380	\$662,837
Direct Cost	\$177,680	\$204,332	\$234,981
Gross Margin	\$323,520	\$372,048	\$427,856
Gross Margin %	65%	65%	65%
Expenses			
Salary	\$123,900	\$135,450	\$162,829
Employee Related Expenses	\$30,993	\$33,864	\$40,708
Marketing & Promotion	\$24,866	\$27,420	\$30,521
Rent	\$88,000	\$88,000	\$88,000
Utilities	\$3,600	\$3,600	\$3,600
Leased Equipment	\$1,800	\$1,800	\$1,800
Insurance	\$4,200	\$4,500	\$4,725
Starting Expenses	\$13,300	\$0	\$0
Total Expenses	\$290,659	\$294,634	\$332,183
Operating Income	\$32,861	\$77,414	\$95,673
Interest Incurred	\$7,966	\$7,354	\$5,942
Depreciation and Amortization	\$12,320	\$12,540	\$12,540
Income Taxes	\$3,144	\$14,380	\$19,298
Net Profit	\$9,431	\$43,140	\$57,893
Net Profit/Sales	2%	7%	9%

Projected Balance Sheet (With Monthly Detail)

As of Period's End	Starting Balances	Jul '12	Aug '12	Sep '12	Oct '12	Nov '12	Dec '12	Jan '13	Feb '13	Mar '13	Apr '13	May '13	Jun '13
Cash	\$0	\$151,706	\$152,532	\$153,407	\$152,374	\$145,149	\$148,191	\$144,414	\$136,288	\$135,178	\$142,143	\$145,971	\$142,440
Accounts Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Inventory	\$17,000	\$19,495	\$19,095	\$14,235	\$13,095	\$16,925	\$11,425	\$9,645	\$13,515	\$16,235	\$15,605	\$15,225	\$17,026
Total Current Assets	\$17,000	\$171,201	\$171,627	\$167,642	\$165,469	\$162,074	\$159,616	\$154,059	\$149,803	\$151,413	\$157,748	\$161,196	\$159,466
Long-Term Assets	\$61,500	\$61,500	\$61,500	\$61,500	\$61,500	\$61,500	\$61,500	\$61,500	\$61,500	\$61,500	\$61,500	\$61,500	\$62,700
Accumulated Depreciation	\$0	(\$1,025)	(\$2,050)	(\$3,075)	(\$4,100)	(\$5,125)	(\$6,150)	(\$7,175)	(\$8,200)	(\$9,225)	(\$10,250)	(\$11,275)	(\$12,320)
Total Long- Term Assets	\$61,500	\$60,475	\$59,450	\$58,425	\$57,400	\$56,375	\$55,350	\$54,325	\$53,300	\$52,275	\$51,250	\$50,225	\$50,380
Total Assets	\$78,500	\$231,676	\$231,077	\$226,067	\$222,869	\$218,449	\$214,966	\$208,384	\$203,103	\$203,688	\$208,998	\$211,421	\$209,846
Accounts Payable	\$27,800	\$51,518	\$50,532	\$46,304	\$44,932	\$43,637	\$43,867	\$43,697	\$43,377	\$43,577	\$44,220	\$44,150	\$36,025
Sales Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Short-Term Debt	\$0	\$11,850	\$11,700	\$11,550	\$10,400	\$8,750	\$6,100	\$4,950	\$4,800	\$4,650	\$4,500	\$1,850	\$200
Total Current Liabilities	\$27,800	\$63,368	\$62,232	\$57,854	\$55,332	\$52,387	\$49,967	\$48,647	\$48,177	\$48,227	\$48,720	\$46,000	\$36,225
Long-Term Debt	\$0	\$130,000	\$128,542	\$127,076	\$125,601	\$124,118	\$122,626	\$121,125	\$119,616	\$118,098	\$116,571	\$115,035	\$113,490
Total Liabilities	\$27,800	\$193,368	\$190,774	\$184,930	\$180,933	\$176,505	\$172,593	\$169,772	\$167,793	\$166,325	\$165,291	\$161,035	\$149,715
Paid-In Capital	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000

University Cycle Works

Retained Earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Earnings	\$0	(\$12,392)	(\$10,397)	(\$9,563)	(\$8,764)	(\$8,756)	(\$8,327)	(\$12,088)	(\$15,390)	(\$13,337)	(\$6,993)	(\$314)	\$9,431
Total Owner's Equity	\$25,000	\$12,608	\$14,603	\$15,437	\$16,236	\$16,244	\$16,673	\$12,912	\$9,610	\$11,663	\$18,007	\$24,686	\$34,431
Total Liabilities & Equity	\$52,800	\$205,976	\$205,377	\$200,367	\$197,169	\$192,749	\$189,266	\$182,684	\$177,403	\$177,988	\$183,298	\$185,721	\$184,146

University Cycle Works

As of Period's End	Starting Balances	FY2013	FY2014	FY2015
Cash	\$0	\$142,440	\$183,550	\$233,747
Accounts Receivable	\$0	\$0	\$0	\$0
Inventory	\$17,000	\$17,026	\$19,580	\$19,583
Total Current Assets	\$17,000	\$159,466	\$203,130	\$253,330
Long-Term Assets	\$61,500	\$62,700	\$62,700	\$62,700
Accumulated Depreciation	\$0	(\$12,320)	(\$24,860)	(\$37,400)
Total Long-Term Assets	\$61,500	\$50,380	\$37,840	\$25,300
Total Assets	\$78,500	\$209,846	\$240,970	\$278,630
Accounts Payable	\$27,800	\$36,025	\$43,467	\$43,884
Sales Taxes Payable	\$0	\$0	\$0	\$0
Short-Term Debt	\$0	\$200	\$0	\$0
Total Current Liabilities	\$27,800	\$36,225	\$43,467	\$43,884
Long-Term Debt	\$0	\$113,490	\$94,232	\$73,582
Total Liabilities	\$27,800	\$149,715	\$137,699	\$117,466
Paid-In Capital	\$25,000	\$25,000	\$25,000	\$25,000
Retained Earnings	\$0	\$0	\$9,431	\$52,571
Earnings	\$0	\$9,431	\$43,140	\$57,893
Total Owner's Equity	\$25,000	\$34,431	\$77,571	\$135,464
Total Liabilities & Equity	\$52,800	\$184,146	\$215,270	\$252,930

Projected Cash Flow Statement (With Monthly Detail)

FY2013	Jul '12	Aug '12	Sep '12	Oct '12	Nov '12	Dec '12	Jan '13	Feb '13	Mar '13	Apr '13	May '13	Jun '13
Operations												
Net Profit	(\$12,392)	\$1,995	\$834	\$799	\$8	\$429	(\$3,761)	(\$3,302)	\$2,053	\$6,344	\$6,679	\$9,745
Depreciation and Amortization	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$1,045
Decrease in Accounts Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Decrease in Inventory	(\$2,495)	\$400	\$4,860	\$1,140	(\$3,830)	\$5,500	\$1,780	(\$3,870)	(\$2,720)	\$630	\$380	(\$1,801)
Increase in Accounts Payable	\$23,718	(\$986)	(\$4,228)	(\$1,372)	(\$1,295)	\$230	(\$170)	(\$320)	\$200	\$643	(\$70)	(\$8,125)
Increase in Sales Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow from Operations	\$9,856	\$2,434	\$2,491	\$1,592	(\$4,092)	\$7,184	(\$1,126)	(\$6,467)	\$558	\$8,642	\$8,014	\$864
Investing & Financing												
Assets Purchased	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,200)
Investments Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase in Short-Term Debt	\$11,850	(\$150)	(\$150)	(\$1,150)	(\$1,650)	(\$2,650)	(\$1,150)	(\$150)	(\$150)	(\$150)	(\$2,650)	(\$1,650)
Increase in Long-Term Debt	\$130,000	(\$1,458)	(\$1,466)	(\$1,475)	(\$1,483)	(\$1,492)	(\$1,501)	(\$1,509)	(\$1,518)	(\$1,527)	(\$1,536)	(\$1,545)
Net Cash Flow from Investing & Financing	\$141,850	(\$1,608)	(\$1,616)	(\$2,625)	(\$3,133)	(\$4,142)	(\$2,651)	(\$1,659)	(\$1,668)	(\$1,677)	(\$4,186)	(\$4,395)

University Cycle Works

Cash at Beginning of Period	\$0	\$151,706	\$152,532	\$153,407	\$152,374	\$145,149	\$148,191	\$144,414	\$136,288	\$135,178	\$142,143	\$145,971
Net Increase in Cash	\$151,706	\$826	\$875	(\$1,033)	(\$7,225)	\$3,042	(\$3,777)	(\$8,126)	(\$1,110)	\$6,965	\$3,828	(\$3,531)
Cash at End of Period	\$151,706	\$152,532	\$153,407	\$152,374	\$145,149	\$148,191	\$144,414	\$136,288	\$135,178	\$142,143	\$145,971	\$142,440

	FY2013	FY2014	FY2015
Operations			
Net Profit	\$9,431	\$43,140	\$57,893
Depreciation and Amortization	\$12,320	\$12,540	\$12,540
Decrease in Accounts Receivable	\$0	\$0	\$0
Decrease in Inventory	(\$26)	(\$2,554)	(\$3)
Increase in Accounts Payable	\$8,225	\$7,442	\$417
Increase in Sales Taxes Payable	\$0	\$0	\$0
Net Cash Flow from Operations	\$29,950	\$60,568	\$70,847
Investing & Financing			
Assets Purchased	(\$1,200)	\$0	\$0
Investments Received	\$0	\$0	\$0
Increase in Short-Term Debt	\$200	(\$200)	\$0
Increase in Long-Term Debt	\$113,490	(\$19,258)	(\$20,650)
Net Cash Flow from Investing & Financing	\$112,490	(\$19,458)	(\$20,650)
Cash at Beginning of Period	\$0	\$142,440	\$183,550
Net Increase in Cash	\$142,440	\$41,110	\$50,197
Cash at End of Period	\$142,440	\$183,550	\$233,747

