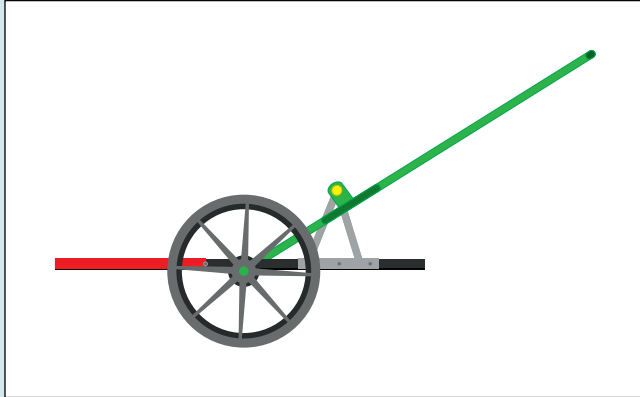


APPENDIX B

ColterDurham Business Plan

May 2015



By: Ryon Brown, Matt Dorsey, and Britt Talbert

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[Note to students: ColterDurham (<http://colterdurham.com/>) won the 2015 Georgia Bowl National Business Plan Competition, so you can be confident the business plan was seen as outstanding. You can also see a video on the business at www.youtube.com/watch?v=iuSh0Hlky3s. The plan fits with the model presented in this chapter, and came in at 3,957 words and 18 pages. That said, you will notice not every heading given in the chapter is used here. If a section does not fit with your plan, it can be acceptable to leave it out. You should check with your instructor or an expert, though, to make sure you don't leave out a section important in your industry or to your readers.]

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I. EXECUTIVE SUMMARY

Recent superstorms around the world highlight the extreme damage and disruption that occurs when people are forced from their homes, deprived of transportation and left without access to clean water, food or medical supplies. During Hurricane Katrina, 1.2 million people evacuated New Orleans and 100,000 people stayed behind.³⁷ In situations like these, the difference between life and death can be the ability to 1) store enough supplies and 2) easily transport them to safety when necessary. Residents, businesses, and government leaders around the world are trying to solve both of these problems. Residents are motivated by the feeling of security that comes from knowing that their family is prepared for such emergencies. Businesses and government officials want to mitigate risk and reduce the impact on people and property.

They do not, however, want the solution to this problem to be bulky, difficult to operate or take up large amounts of space when stored. Instead, people and institutions require the means to store emergency supplies and rapidly relocate with those supplies to safe locations.

ColterDurham is a startup company in Austin, Texas that specializes in solving consumer pains with innovative products. ColterDurham's flagship product, the StowCart, is a rugged frame storage container that converts to a handcart. Its design embodies a unique combination of effort/load arms (the lever) with a pivot axle (the fulcrum) to provide lift assistance, making it easy to operate. It also has a 10,000 cubic inch load area that lowers all the way to ground to maximize easy loading from 180°—a completely unique feature. The StowCart's base and large wheels allow it to transport up to 200 pounds of cargo over a variety of rough terrain types.

ColterDurham has filed a U.S. non-provisional patent application and later filed a PCT application for the StowCart's key design features and functions. We will soon nationalize this patent filing in select markets. Future expansion of this product line is expected to include modular kits and storage containers that attach to the StowCart's frame for specific tasks.

ColterDurham has built a relationship with a large online emergency preparation retailer, The Ready Store, and has collaborated with them on market validation efforts. They are a strong ally for reaching nearly 250,000 active customers. Ready Store customers are diverse in their purchasing habits and thus more likely to be effective in conducting word-of-mouth promotion of the StowCart to groups outside of emergency preparation circles. This will aid in providing a source of valuable sales data for later expansion plans into larger outdoor recreation and home & garden retailers. To retain a pricing opportunity, we're using a value cost model. Our wholesale target is

\$150.00 (US marketplace). Our cost for manufacturing at volume is \$50 per unit. Since Ready Store is online only, they are essentially a network of distribution/fulfillment centers.

They can inventory product or they can accept drop shipping directly to customers from a manufacturer, depending on the volume and rate of sales. Revenue for the second year is expected to be \$324,000 and is expected to increase to \$583,200 by year three. This will be achieved in carefully planned stages (stage 1 and stage 2) which are described in detail later in this business plan. In order to achieve stage 1 and stage 2 within ideal timelines, we are seeking an initial investment of \$78,000 to cover the initial build out of the first 360 units for the Ready Store.

II. THE PROBLEM/PAIN

Through his experiences while serving in the U.S. Coast Guard, ColterDurham's Founder and CEO, Ryon Brown, saw a serious problem with the way people prepare for, and respond to, natural disasters. If people have survival gear at all, it's usually not adequate; and those who have adequate supplies are typically unable to travel any significant distance and often end up abandoning their supplies due to the weight. Out of 147 people polled in our target demographic, 100 of them felt they are not adequately prepared for any type of emergency and are actively making purchases decisions. From the same poll, 124 of 147 people ranked the StowCart solution a 9 out of 10 for storing and carrying supplies (particularly water) in an emergency that required an evacuation.

The Federal Emergency Management Agency (FEMA) recommends every member of a household have a 72-hour survival kit ready for a rapid evacuation (these are typically contained in a school type backpack).³⁸ Interestingly, the reason the government started recommending a three-day survival kit is not because natural disasters only impact us for three days; it is because the average adult cannot safely carry more than a three-day supply on their back for any significant length of time or distance. ***Since WWI, emergency preparedness thinking has not evolved much beyond the backpack.*** Even a "deluxe" 72-hour backpack from a major retailer is better than nothing, but none of them include even the minimum amount of freshwater recommended by FEMA. This is due to the weight restrictions of carrying your 72-hour kit on your back or in your arms. FEMA recommends 11.5 gallons of water per person, per day, for at least three days.³⁹ The weight of this amount of water for a group of four is over 152 pounds.

Additionally, the chaos, confusion, and emotions experienced during a disaster and evacuation make it very difficult to safely and effectively perform complex tasks

such as gathering supplies—and you rarely have the luxury of time to do so. *This is the primary consumer pain that we seek to resolve.* We believe that one solution for storage and rapid mobility is key. The StowCart allows storage and rapid mobilization of up to 200 pounds of emergency supplies/water by one adult.

III. STOWCART DESCRIPTION

The StowCart is a multipurpose storage device that mechanically converts into a handcart. Ground level loading and a breakaway handle allow cargo to be placed directly on the 22" × 40" loading base at ground level with 180° unobstructed loading. The StowCart's payload is over 200 pounds and 10,000 cubic inches. When converting from loading mode to cart mode, the arrangement of handle, fulcrum and wheels work together to generate a 10 to 1 lift advantage—which we call lift assist mechanics (see Appendix C). These features and functionality are totally unique and differentiate the StowCart from competing products. Additionally, 4-point ground contact during the lift assist maneuver lends to a very stable load lifting experience for users (as opposed to 3-point ground contact on a wheelbarrow).

The device is also designed to be stored and operated in small spaces. It easily fits through a standard 31" doorway and in extreme cases, it can be operated up and down stairs. The device has a dry weight of 52 pounds and is fabricated with tube steel, aluminum, rustproof hardware, and an HDPE or ABS weather proof plastic deck plate for the nonskid floor of the flatbed. It uses high payload, 16" flat proof wheels to allow 7.5" clearance and reliable travel over rough terrain. The utility of the StowCart can be enhanced by several custom accessory kits—which are being designed for specific loads, uses, or terrains (e.g., yard bucket, security box/utility, pet crate carrier, and general multi-load with tie downs). The StowCart converts into three distinct modes depending on whether it is being hauled, stored, and loaded. For a detailed description of these modes, see Appendix D.

IV. THE MARKET

The emergency preparedness market is split into two initial segments; the consumer and the business/government, however, we intend to initially pursue the consumer market to gain solid foothold prior to expanding into adjacent markets. According to IBIS World, the size of the government emergency preparedness/response market is \$8.4 billion while the Compound Annual Growth Rate (CAGR) will be 1.8% for the next four years.⁴⁰ This is a large boost compared to the last four years, which showed a negative CAGR from 2010-2014. According

to Jonathan Dick, the director of sales and marketing for the Ready Store, the consumer segment alone is worth well over \$500 million and that number jumps to "several billion dollars when sales to business and government agencies are folded in."⁴¹ This is corroborated by the previously noted IBIS World's calculations. According to the National Climate Assessment, the "U.S. infrastructure is vulnerable to phenomena associated with climate change, including sea level rise, storm surge, heavy downpours, and extreme heat."⁴² As a result, emergency preparedness tools and solutions will only become more important as future weather conditions worsen.

Marketing efforts will be targeted to consumers that live in areas that are prone to extreme weather emergencies and natural disasters. Within that group, we are specifically reaching those with a combined household income⁴³ of at least \$60,000 and who actively prepare for emergencies (measured by who has purchased a 72-hour kit within the last 2 years). In an interview with Paul Fulton, the President of the Ready Store, he said, "We like [the StowCart]. We want it. Our customers have been asking for something like this and they are ready to buy. When can you make it?" We are doing our best to get it manufactured for his customers right now. His interest—and his customers' interest—in our product provides us with a strong strategic starting point for market entry.

The federal government has also made emergency management and preparation a priority through several program initiatives. The Emergency Management Performance Grants (EMPG) program provides \$350 million to state, local and tribal governments to improve their emergency management capabilities.⁴⁴ Another example of this is the Ready Responder program that focuses efforts on ensuring that all first responders and their families are prepared for emergencies, thus reducing the likelihood that they will refuse recall during a major disaster. Research at the Naval Postgraduate School's Center for Homeland Studies suggests that issuing first responders "go kits" would be one of the most effective methods to accomplish this goal. This was expounded upon in a conversation with a Field Response Coordinator with the Texas Department of Public Safety this summer: "the StowCart has potential as a first responder gear/supply cart in urban areas. Often responders need more than what they can carry but the area is not accessible by vehicle due to debris or flooding and this device may help solve this problem."⁴⁵

V. COMPETITION

Competition analysis cannot be done by measuring products with 1:1 features because the StowCart combines tasks and functions that are only seen in separate, unrelated products

(a storage device, a handcart, and a lever for lifting loads). There are several products that are being used in the place of the StowCart but as single products, they certainly lack the same combination of functions and task performance as the StowCart. Examples of these include handcarts, wheelbarrows, and back packs/ready bags (see Appendix A). There are many brands such as Worx, Wesco, Rock N' Roller, Gleason and Gorilla Carts that offer hauling devices. The largest of the group is Wesco who had sales of \$7.5 billion with a net income of \$254 million in 2013.⁴⁶ Worx is privately owned and has a wheel barrow type device called the Aerocart. The timing of the arrival of the Aerocart is ideal because it introduces a comparison product that's in a similar category and price point but does not perform as many tasks, have as many features, or have the same flexibility as the StowCart. Worx also has several other products in the home & garden and consumer power tool categories.

Through interviews with our emergency preparedness targeted market segment, we learned that competitive pricing, storage/mobility, and ease of use all topped the list as the most important factors in their purchasing decisions for a hauling utility device (see Appendix B).

This means that consumer switching power and buyer power is high which is great news for new entrants in the market. Because the emergency preparedness industry is made up of many smaller supplier/vendor companies, as a new company, ColterDurham has a better chance of entering a marketplace via emergency preparedness first. Once sales traction is achieved and capacity is normalized, we can enter big box retail home stores and large, national outdoor recreation retailers (all of whom have expressed interest). This ease of entry makes the consumer emergency preparedness industry even more favorable; the industry assistance is high, concentration level is low and competition level is present but not very high.

VI. BUSINESS MODEL

ColterDurham's business model is patterned after a typical manufacturing business model where the majority of our revenue (77%) is spent on manufacturing costs and cost of goods sold. We anticipate spending approximately 16% of our revenue on sales and marketing expenses which will net us 7% in profit. This business model is very similar in comparison to our competitors such as Gleason and Wesco (see Appendix E).

VII. MARKETING STRATEGY

Phase One

In the first phase of our strategy, we will target the consumer emergency preparedness market. As previously mentioned, we have built a relationship with one of the

top three (by total revenue) online retailers in this space, The Ready Store. They have verbally agreed to purchase 2040 units a month upon completion of the final assembly and with proof of manufacturing capacity. Based on actual customer inquiries in their support database, they believe they could sell 2040 units per month the first year, increasing that number in following years as awareness of the product grows. This phase will also include small batch sales with independently owned hardware/utility retailers such as True Value, Ace Hardware and Tractor Supply Co. The benefit we see in this approach is two fold: to test the general utility marketplace, and to build sales with retailers who do not have strict large volume purchasing requirements. The primary strategy in phase one is to gain *steady sales traction* in order to build revenue momentum and manufacturing capacity in preparation to entering the next phases (big box retail).

Phase Two

The next marketing steps would be to move into the larger hardware and home and garden stores such as The Home Depot and Lowe's. After reviewing the StowCart, a Home Depot purchasing manager told us, "The concept is great and seems to solve a storage and mobility problem that a lot of our customers have, but Home Depot's policy regarding new suppliers and new products is pretty rigid. The product must have sales history before a company like Home Depot will pick it up." ColterDurham will only move into this market once we have established enough sales through the smaller retailers in phase one. We plan to sell 1,000 units through smaller, regional stores before we attempt to enter the big-box retail stores. The Home Depot will be an ideal strategic retail partner to springboard into parallel markets such as DIY lawn & garden (\$29.5 billion last year)⁴⁷ and residential/commercial landscaping (\$74 billion last year).⁴⁸ Congruently, ColterDurham plans to sell to the outdoor recreation market in stores such as Academy, Dick's Sporting Goods, Cabela's and REI, which is planned for year three and four.

VIII. OPERATIONS

The initial manufacturing process of the StowCart will be divided in three controlled stages. Due to the high impact of the cost of materials, logistics and manufacturing with our business model, our general strategy is to achieve lower manufacturing costs at each stage based on economies of scale and negotiations with suppliers.

Stage One: Prototyping

Using a Texas-based manufacturer we will build the first 10 final iterations for testing (tie-down sizing and placement, safety, environmental). During this stage all

components will be purchased from local distributors. The StowCart was specifically designed to fit in a 40" × 24" × 4" *flat pack*—this complies with the maximum distribution center storage slot measurements for most big box retailers. After purchase, the StowCart is easily assembled by the user from three pieces. This stage started in late fall, 2014.

Stage Two: Production of First 100 Units

Once all feedback is received from stage one and any modifications are made in the production CAD models, the next 100 units will be made. The wheels are the most expensive (and most important) single component for the StowCart and since we know the type of wheels that will be used, they will be imported directly from overseas suppliers in larger quantities at the beginning of this phase in order to substantially decrease unit costs.

Stage Three: Production Up to 1,000 Units

Once the first 100 units are sold and orders are in place for the next 1,000 units, we will transition to offshore manufacturing. To mitigate disruption, we will drop-ship from the new manufacturer as soon as they are able to start production. Once orders are flowing from offshore (taking into account the shipping delay), on-shore manufacturing will then be phased out. China, Vietnam, and Mexico-based manufacturers are the most attractive due to their low cost structure, however other potential manufacturing centers will be evaluated. During stage two and three “just in time” supply chain management will be very important to keep inventory costs as low as possible.

IX. MANAGEMENT TEAM

The founding team consists of three graduate students in the Master of Science Technology Commercialization (MSTC) program at the University of Texas at Austin. Although each team member has distinct roles in the operation of the company, we will each be heavily involved in business development for the first three phases and have agreed not to draw any salaries during that time. Our team includes the following:

Matt Dorsey: Chief Financial Officer. Matt is a Senior Training Manager for a global telecommunications company and earned his undergraduate degree in economics.

Britt Talbert: Chief Operating Officer. Britt spent 21 years as a Naval Officer with extensive international leadership experience. One of his last jobs in the Navy was leading and directing the largest communications exercise in Africa involving 35 nations and 5 regional

organizations. Currently, Britt is a Senior Program Manager at a major manufacturing company performing manufacturing security assessments of the company’s plants.

Ryon Brown: Founder and Chief Executive Officer. Ryon is a go-to-market strategist, process engineer, and the creator of the StowCart. He served in the U.S. Coast Guard for eight years in communications, intelligence, and operations. Ryon launched ColterDurham in 2012 and designed early iterations of the StowCart in his studio workshop. He then moved his family and the startup business to Texas in early 2014 to obtain a graduate degree in Technology Commercialization from University of Texas at Austin (McCombs School of Business). Ryon brings experience in emergency management, operations, strategy, and product design/development.

X. FINANCIAL SUMMARY

The founding team will dedicate a total of \$36,000 towards the first stage of production—prototyping, product testing, and initial short run inventory. To launch the StowCart and supply the first 360 units to market, we are asking for a \$78,000 investment in ColterDurham, outlined in the Start-Up Expenses table below. Stage 1: being able to supply the first 200 units will allow us to fulfill orders to the Ready Store for 6+ months while maintaining the ability to fulfill some purchase orders originating from trade shows, word of mouth, and direct sales. Since none of the founders will be receiving a salary in the first three phases, nor will we obtain a physical location, we will have minimal overhead and staffing costs. When the time is right (perhaps year 2) we will hire a full-time sales professional with experience with multi-channel marketing and wholesale sales.

Start-Up Expenses

First Year Cash			
Source	\$	Use	\$
Internal (founding team)	\$36,000	Prototyping	\$1,200
External (Debt)	\$0	Testing	\$10,000
		Initial Marketing	\$5,000
		Initial Product Orders	\$41,580
		Working Capital	\$20,000
Total:	\$36,000		\$77,780

The remaining invested funds will be dedicated primarily to marketing and sales efforts. This permits us to reserve the remaining revenue to fund future orders. For total cash flow projections, pro forma income statement, and balance sheet for the next five years of operations, see Appendix F.

XI. EXIT STRATEGY

As a product manufacturing company with only one product so far, we have a few options for an exit. One would be to sell to a more established company in the same industry who serves this market. Our research has shown that it is not uncommon for regional companies to be purchased by private equity firms. As an example, Wesco has purchased, numerous companies similar to ColterDurham in the last year such as HiLine, HazMasters and La Prairie Inc. for undisclosed amounts. For comparison, HiLine had an annual revenue of around \$30 million. As an asset-light startup with one initial product we believe that earnings before taxes, depreciation, and amortization (EBITDA) is the best way to measure the company's valuation. We will aim to sell for 3 times EBITDA. Selling in 2018 with a 10× return on initial investment would result in \$1,000,000.00. Year four then provides an inflection point for ColterDurham. If we and our investors determine that it is more profitable to remain in business and diversify offerings, we have other potential paths such as adding additional accessories to the StowCart, creative and product commercialization as well as additional products in similar industries.

XII. NEXT STEPS





As a sales and revenue-sensitive startup, the StowCart is our primary focus—but it is the first of many

products. Once revenue and manufacturing momentum is gained and we are scaled to a reasonable level, two additional products in the same category as the StowCart will be given the *green light*. They are in early concept stages and are not releasable due to IP status. As a product design company we will stay in our lane of specialty and continue to detect market pains and address those with innovation. Similar to Dyson, we plan to create complementary parallel lines to our core product. Additionally, the StowCart has already attracted attention from third party suppliers who wish to participate in the accessory market with us. Market tests show promising early signs for at least two kits that are now in early development.

“ColterDurham” origins: As a values brand, we take our namesakes seriously: The company name is derived from two individuals from the founder's family tree: John Colter, the great American survivalist and wilderness guide to Lewis & Clark; and William Durham, the beloved Coast Guard officer and community leader. We will continue to strive to build our brand with great relationships and products that are known for strength, durability and quality.

XIII. APPENDICES

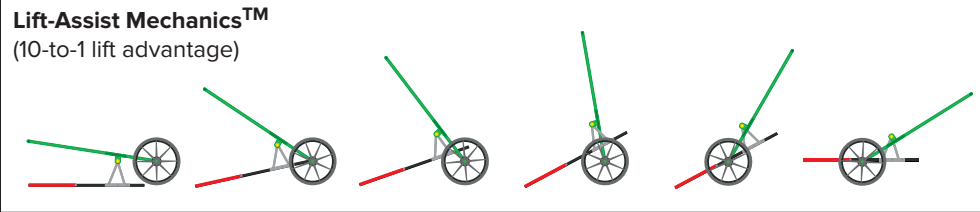
Appendix A: Competitor Decision Matrix (Weights based on Our Customer Needs Analysis)

Weight of Importance	9	5	2	8	4	4	32	
	28%	16%	6%	25%	13%	13%	100%	
Option	MSRP	Durability	Weight	Utility	Payload	Ease of Use	Score	
StowCart	60	90	65	80	80	85	76	
Handcart	50	90	80	65	90	90	72	
Wheelbarrow	90	70	65	50	95	60	72	
Easy-Roll-and-Go	60	50	90	25	30	60	48	

Appendix B: Customer Needs Analysis (based on polling 147 consumers in the emergency preparedness market)

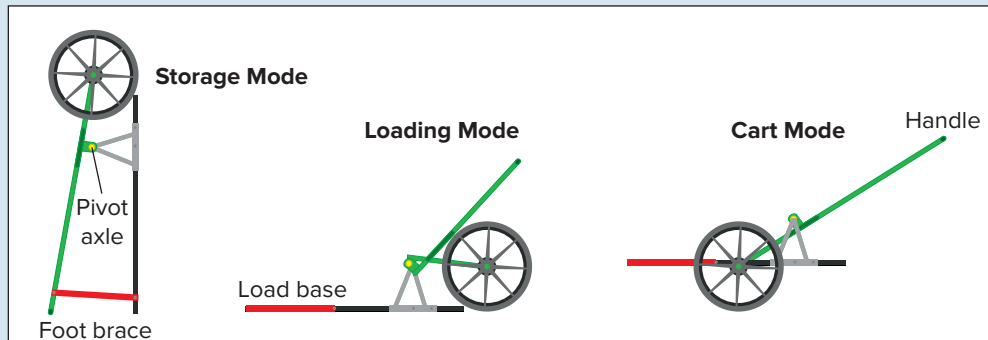
Customer Needs	Weight
Price: Competitive pricing.	9
Utility: Needs one device for storage and mobility.	8
Utility: Load and unload with relative ease.	7
Trialability: Must be able to see the product in use understand it to purchase.	7
Physicality: Weight and width, e.g. can carry it empty and can get through doors.	6
Durability: Withstand harsh environmental conditions.	5
Capacity: Needs to carry enough supplies for a family group of 4-5.	4
Capabilities: Converts easily/safely to the three modes while carrying full load.	4
Physicality: Needs device to store in small space, e.g. can't take up a lot of room.	3
Applications: Multi-use, e.g. helpful around the yard, outdoor activities, not just emergencies.	3
Features: Features, such as removable straps and tie-downs.	2

Appendix C: StowCart's Lift Assist Mechanics



Appendix D: StowCart's Functional Modes

The StowCart has three distinct mechanical modes:



1) Storage Mode: In this mode the StowCart stands upright, has a 28" × 18" footprint, and is 48" tall.

2) Loading Mode: In this mode the StowCart flatbed frame is lying directly on the ground with the handle pivoted forward and wheels in front. This mode allows easy loading and unloading of the contents of the StowCart by the user. It also provides a safe way to rest without worrying about it rolling away.

3) Cart Mode: From loading mode, the handle is pulled forward, rotating on the pivot axle, which slowly raises the front of the StowCart and brings the wheels underneath the device. This action is what generates lift assist mechanics that raises the load from the ground up onto the wheels.

Assumptions for ColterDurham Financials

Sales price of StowCart	150.00	
COGS	115.50	77%
Gross Margin	34.50	23%
Sales commission	12.00	8%
SG&A	12.00	8%
Net income before tax	10.50	7%

given in narrative form in Section VIII: Operations. Check with your instructors to make sure you do the financials in the way they recommend. Note that the format for these financials

follows the model given in Chapter 13.]

1. Sales in years 1–4 are comprised solely of StowCarts.
2. All expenses are strictly variable in respect to sales revenue.

Appendix E: Manufacturing Business Model

INDUSTRY STANDARD		WESCO		GLEASON		COLTER DURHAM	
SALES & MARKETING	15%	SALES & MARKETING	13.3%	SALES & MARKETING	17.3%	SALES & MARKETING	16%
MAN	40%	MAN	40%	MAN	37.8%	MAN	37%
COGS	40%	COGS	40%	COGS	37.8%	COGS	40%
PROFIT	5%	PROFIT	5%	PROFIT	7.1%	PROFIT	7%

Appendix F: Financial Projections

[Note to students: ColterDurham did its financials by quarter for the first year, and then annually. While this is different from what is recommended in the text, it was the approach their instructor chose. Also note that the start-up costs were included in Section X: Financial Summary, and the timeline

3. All revenues are collected in the month of sale.
4. All purchases are paid upon receipt of product except, starting in year 2 supplier credit will provide up to 14% of purchases.

Income Statement

	2015	2016 Q1	2016 Q2	2016 Q3
	T + 0	T + 0.25	T + 0.5	T + 0.75
Revenues	0	0	18,000	18,000
Cost of Goods Sold	0	0	13,860	13,860
Gross Profit	0	0	4,140	4,140
Sales, General & Administration				
Advertising	0	0	576	576
Sales Commissions	0	0	0	0
Professional Services	0	0	1,008	1,008
Travel and Entertainment	0	0	288	288
Miscellaneous	0	57,780	1,008	1,008
Total SG&A	0	57,780	2,880	2,880
EBITDA	0	-57,780	1,260	1,260
Interest Expense	0	0	0	0
Payback on Long-Term Debt	0	0	0	0
Pre-tax Income	0	-57,780	1,260	1,260
Provision for Income Tax				
Net Income	0	-57,780	1,260	1,260

Balance Sheet

	2015	2016 Q1	2016 Q2	2016 Q3
	T + 0	T + 0.25	T + 0.5	T + 0.75
Cash	36,000	10,220	11,345	10,805
Marketable Securities	0	0	0	0
Accounts Receivable	0		3,600	5,400
Inventory	0	0	0	0
Provision for Income Tax (payable)				
Total Assets	36,000	10,220	14,945	16,205
Accounts Payable	0		3,465	3,465
Note Payable to Members		32,000	32,000	32,000
Long Term Debt	0	0	0	0
Contributed Capital	36,000	36,000	36,000	36,000
Retained Earnings	0	-57,780	-56,520	-55,260
Total Liabilities & Equity	36,000	10,220	14,945	16,205

Income Statement (Continued)

2016 Q4	2016	2017	2018	2019
T + 1	Year End	T + 2	T + 3	T + 4
18,000	54,000	324,000	583,200	874,800
13,860	41,580	249,480	449,064	586,116
4,140	12,420	74,520	134,136	288,684
576	1,728	10,368	10,368	10,368
0	0	25,920	46,656	69,984
1,008	3,024	5,184	5,184	5,184
288	864	5,184	5,184	5,184
1,008	60,804	5,184	5,184	5,184
2,880	66,420	51,840	72,576	95,904
1,260	−54,000	22,680	61,560	192,780
0	0	0	0	0
0	0	0	0	0
1,260	−54,000	22,680	61,560	192,780
1,260	−54,000	22,680	61,560	192,780

Balance Sheet (Continued)

2016 Q4	2016	2017	2018	2019
T + 1	Year End	T + 2	T + 3	T + 4
12,065	12,065	32,450	61,466	204,269
0	0	0	0	0
5,400	5,400	66,600	149,040	233,280
0	0	0	0	0
17,465	17,465	99,050	210,506	437,549
3,465	3,465	62,370	112,266	146,529
32,000	32,000	32,000	32,000	32,000
0	0	0	0	0
36,000	36,000	36,000	36,000	36,000
−54,000	−54,000	−31,320	30,240	223,020
17,465	17,465	99,050	210,506	437,549

Cash-Flow Statement

	2015	2016 Q1	2016 Q2	2016 Q3
	T + 0	T + 0.25	T + 0.5	T + 0.75
Cash Flows from Operations				
Net Income	0	−57,780	1,260	1,260
Add Depreciation	0	0	0	0
Decrease (Increase) Accts Receivable	0	0	−3,600	−1,800
Decrease (Increase) Inventory	0	0	0	0
Increase (Decrease) Accts Payable	0	0	3,465	0
Increase (Decrease) in Provision for tax				
Total	0	−57,780	1,125	−540
Cash Flows from Investing	0	0	0	0
Cash Flows from Financing				
Issue (Buy Back) Member Shares	36,000	0	0	0
Increase (Decrease) in Note Payable		32,000		
Increase (Decrease) in Long-Term Debt	0		0	0
Net Cash Inflow (Outflow) from Financing	36,000	32,000	0	0
Net Cash Inflow (Outflow)	36,000	−25,780	1,125	−540
Beginning Cash Balance	0	36,000	10,220	11,345
Ending Cash Balance	36,000	10,220	11,345	10,805

Cash-Flow Statement (*Continued*)

2016 Q4	2016	2017	2018	2019
T + 1	Year End	T + 2	T + 3	T + 4
1,260	−54,000	22,680	61,560	192,780
0	0	0	0	0
0	−5,400	−61,200	−82,440	−84,240
0	0	0	0	0
0	3,465	58,905	49,896	34,263
1,260	−55,935	20,385	29,016	142,803
0	0	0	0	0
0	32,000	0	0	0
0	0	0	0	0
0	32,000	0	0	0
1,260	−23,935	20,385	29,016	142,803
10,805	36,000	12,065	32,450	61,466
12,065	12,065	32,450	61,466	204,269