



**Computer Repair, Inc.**

**Business Plan**

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# Computer Repair Service

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## 1.0 Executive Summary

The purpose of this business plan is to raise \$100,000 for the development of an onsite computer repair and service business while showcasing the expected financials and operations over the next five years. The Computer Repair Service, Inc. (“the Company”) is a New York based corporation that will provide computer repair, part sales, and development of custom built computers to customers in its targeted market. The Company was founded by John Doe.

### 1.1 The Services

The primary revenue stream for the business will come from the sale of computer repair services to the general public. As computers have become a necessity for many people on a day to day basis, the business will be immune from deleterious economic changes as people will continue to require computer repairs in any economic climate. The business will generate revenues from per hour labor fees plus part sales related to the repair of computers.

A secondary stream of revenue for the business will come from the sale of custom computers built to the customer’s specifications. This segment of the Company’s operations is expected to generate approximately 15% of the business’ aggregate revenues.

The third section of the business plan will further describe the services offered by the Computer Repair Service.

### 1.2 Financing

Mr. Doe is seeking to raise \$100,000 from as a bank loan. The interest rate and loan agreement are to be further discussed during negotiation. This business plan assumes that the business will receive a 10 year loan with a 9% fixed interest rate. The financing will be used for the following:

- Development of the Company’s Computer Repair and Service location.
- Financing for the first six months of operation.
- Capital to purchase an inventory of computers and computer parts.

Mr. Doe will contribute \$10,000 to the venture.

### 1.3 Mission Statement

The Computer Repair Service’ mission is to become the recognized leader in its targeted market for onsite computer repair and customization services.

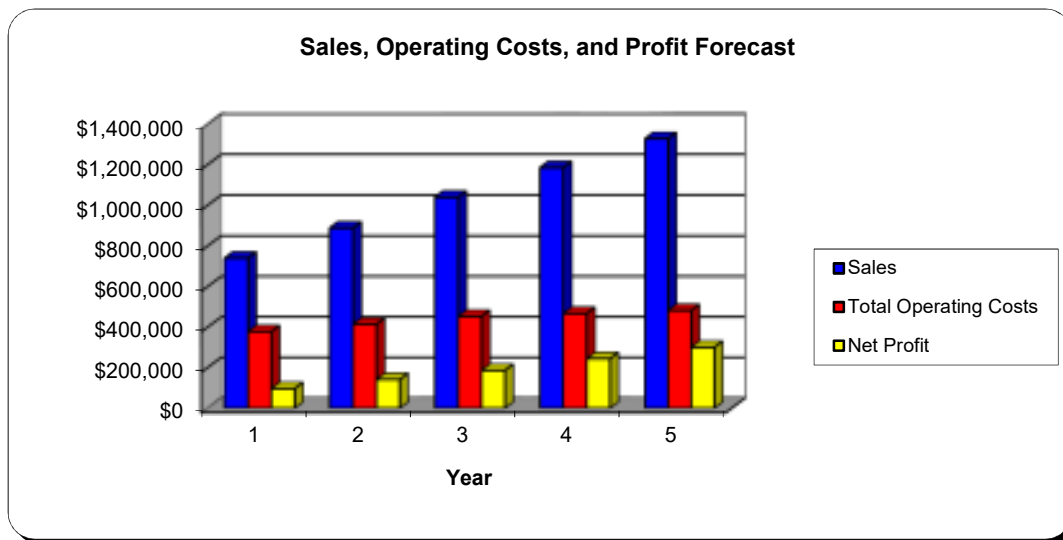
## 1.4 Management Team

The Company was founded by John Doe. Mr. Doe has more than 10 years of experience in the technology industry. Through his expertise, he will be able to bring the operations of the business to profitability within its first year of operations.

## 1.5 Sales Forecasts

Mr. Doe expects a strong rate of growth at the start of operations. Below are the expected financials over the next five years.

Proforma Profit and Loss (Yearly)					
Year	1	2	3	4	5
<b>Sales</b>	\$741,378	\$889,654	\$1,040,895	\$1,186,620	\$1,329,014
Cost of Goods Sold	\$198,413	\$238,096	\$278,572	\$317,573	\$355,681
<b>Gross Profit</b>	\$542,965	\$651,558	\$762,322	\$869,047	\$973,333
<b>Total Operating Costs</b>	<b>\$379,340</b>	<b>\$416,130</b>	<b>\$454,758</b>	<b>\$469,147</b>	<b>\$483,999</b>
<b>EBITA</b>	<b>\$163,624</b>	<b>\$235,427</b>	<b>\$307,565</b>	<b>\$399,900</b>	<b>\$489,334</b>



## 1.6 Expansion Plan

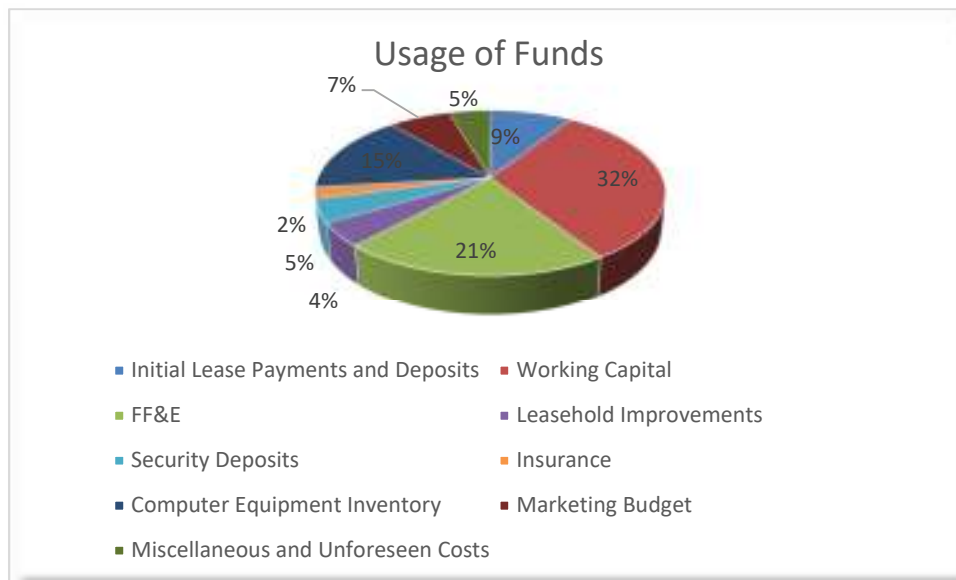
The Founder expects that the business will aggressively expand during the first three years of operation. Mr. Doe intends to implement marketing campaigns that will effectively target individuals and small businesses within the target market.

## 2.0 Company and Financing Summary

### 2.1 Required Funds

At this time, the Computer Repair Service requires \$100,000 of debt funds. Below is a breakdown of how these funds will be used:

Projected Expansion Costs	
Initial Lease Payments and Deposits	\$10,000
Working Capital	\$35,000
FF&E	\$23,000
Leasehold Improvements	\$5,000
Security Deposits	\$5,000
Insurance	\$2,500
Computer Equipment Inventory	\$17,000
Marketing Budget	\$7,500
Miscellaneous and Unforeseen Costs	\$5,000
<b>Total Costs</b>	<b>\$110,000</b>



### 2.2 Investor Equity

Mr. Doe is not seeking an investment from a third party at this time.

### 2.3 Management Equity

John Doe owns 100% of the Computer Repair Service, Inc.

### **2.4 Exit Strategy**

If the business is very successful, Mr. Doe may seek to sell the business to a third party for a significant earnings multiple. Most likely, the Company will hire a qualified business broker to sell the business on behalf of the Computer Repair Service. Based on historical numbers, the business could fetch a sales premium of up to 4 times earnings.



## 3.0 Services

Below is a description of the computer repair and customization services offered by the Computer Repair Service.

### 3.1 Computer Repair and Part Sales

The primary business of the Computer Repair Service is the repair of computers for customers living within the target market. Mr. Doe is able to provide standard and complex repairs pertaining to any aspect of a computer. He is well versed in many new technologies, and the business will continue provide fast and reliable service for people and businesses that have repair, maintenance, or installation needs.

At the onset of operations, all business will be conducted through the Company's retail location. As time progresses, Management intends to expand the business by providing onsite repair via independent contractors. The business model that Mr. Doe has developed will allow the business (through its retail store and eventual onsite services) to provide computer repairs to any individual or business within a 20 mile radius of the store.

### 3.2 Customization of Computers

The Company's secondary business unit is the development and manufacture of computers that are made exactly to the customer's specifications. Each of the computers will be built on site and delivered in a quick and efficient manner. The Company will provide a wide variety of customized computers and computing solutions including:

- Media center computers that are made specifically for home entertainment.
- Home and office PCs that offer consumers the latest in computing technology
- Office servers that allow businesses to communicate with their clients and employees in a cost efficient manner

## 4.0 Strategic and Market Analysis

### 4.1 Economic Outlook

This section of the analysis will detail the economic climate, the computer industry, the customer profile, and the competition that the business will face as it progresses through its business operations.

Currently, the economic market condition in the United States is moderate. Unemployment rates have declined while asset prices have risen substantially. However, as computers have often become a necessity in day to day living (especially for businesses), deleterious changes in the economy should not impact the Company's ability to generate revenue.

### 4.2 Industry Analysis

The computer technical consulting industry has mushroomed in size over the last five years. Rapid increases and developments in computer technology has caused the average user to rely on computer professionals to handle their computing repair and consulting needs. In the United States, the market for computer repair services is immense. Last year of \$500 billion dollars was spent nationwide on computer and computer related services. Approximately 55% of this revenue was generated specifically from the management of computer systems, network installation and consulting. This growth has caused a number of businesses to develop and expand franchise-based computer consulting and repair businesses.

As time progresses, Management expects that the number of businesses operating within this market will continue to grow. One of the primary attractive elements to this market is that the demand for computer and networking services is insulated from changes in the general economy. Computers will not work properly regardless of the prosperity or recession of the economic market. Management also expects that as the number of agents entering the market increases, the aggregate fees generated per firm will decrease as price competition becomes the primary differential among service providers.

### 4.3 Customer Profile

The Computer Repair Service' average client will be a middle to upper middle class man/woman or small business owner living in the Company's target market. Common traits among clients will include:

- Annual household income exceeding \$50,000
- Lives or works no more than 25 miles from the Company's location.
- Will spend \$150 to \$300 per visit from the Computer Repair Service

### **4.4 Competition**

Competition in the field of computer repair is starting to solidify. There are a number of companies within this market that provide an expansive inventory of computer repair services through retail stores as well as online channels. The number of companies selling repair services within these markets is expected to increase significantly over the next ten years. As such, it is imperative that Computer Repair Service, Inc. maintain an expansive marketing campaign at all times in order to increase brand awareness.

## 5.0 Key Strategic Issues

### 5.1 Sustainable Competitive Advantage

- Immune from negative changes in the economy.
- Highly recurring gross margins generated from the ongoing hosting of websites on behalf of clients.
- Experienced owner-operator, John Doe.
- Strong demand among small businesses for ongoing onsite computer repair services.
- Very low operating and overhead costs.
- Ability to partner with third party firms in order to operate in a subcontracted capacity.

### 5.2 Avenues of Growth

Computer Repair Service, Inc. will grow through the following avenues:

- Continued expansion of the Company's marketing and advertising infrastructures.
- Potential acquisition of similar companies within the greater New York metropolitan area market.
- Hiring of additional technicians in order to boost the growth of the business.

## 6.0 Overview of the Organization

### 6.1 Registered Name

Computer Repair Service, Inc. The business is registered as a for profit corporation in the State of New York.

### 6.2 Commencement of Operations

The Company will commence revenue generating operations starting in 2018.

### 6.3 Vision Statement

Through his diverse areas of expertise and knowledge, the owner of the Company expects to build a business that will achieve \$1.3 million dollars of revenue by the fifth year of operations.

### 6.4 Organizational Objectives

- Providing outstand computer repair and consulting customers.
- Develop the Company so that delivers quality earnings regardless of the general direction of the economic markets.
- Continue to successfully manage and grow the core repair business while expanding into complimentary computer service markets.
- Create and market value added services to existing clients.
- Develop Computer Repair Service as a wealth and income creating vehicle for Mr. Doe.
- Provide services that will generate highly recurring streams of revenue for the business on a monthly basis.

### 6.5 Organizational Values

- Complete disclosure and transparency regarding all financial transactions.
- Complete honesty and integrity when working with a client and customer.
- To always provide competent computer expertise that helps customers with their computer repair issues in a timely and cost efficient manner.

## 7.0 Marketing Plan

The Computer Repair Service intends to maintain an extensive marketing campaign that will ensure maximum visibility for the business in its targeted market. Below is an overview of the marketing strategies and objectives of the Computer Repair Service.

### 7.1 Marketing Objectives

- Develop an online presence by developing a website and placing the Company's name and contact information with online directories.
- Implement a local campaign with the Company's targeted market via the use of flyers, local newspaper advertisements, and word of mouth.
- Establish relationships with other computer firms in the area so that the Company can act in a subcontracting capacity for fixing large numbers of computers.

### 7.2 Marketing Strategies

Mr. Doe intends on using a number of marketing strategies that will allow the Computer Repair Service to easily target individuals and small businesses within the target market. These strategies include traditional print advertisements and ads placed on search engines on the Internet. Below is a description of how the business intends to market its services to the general public.

The Computer Repair Service will also use an internet based strategy. This is very important as many people seeking local services, such as computer repair shops, now use the Internet to conduct their preliminary searches. Mr. Doe will register the Computer Repair Service with online portals so that potential customers can easily reach the business. The Company will also develop its own online website, which will showcase the services provided by the business, its hours of operation, and preliminary and flat rate pricing programs.

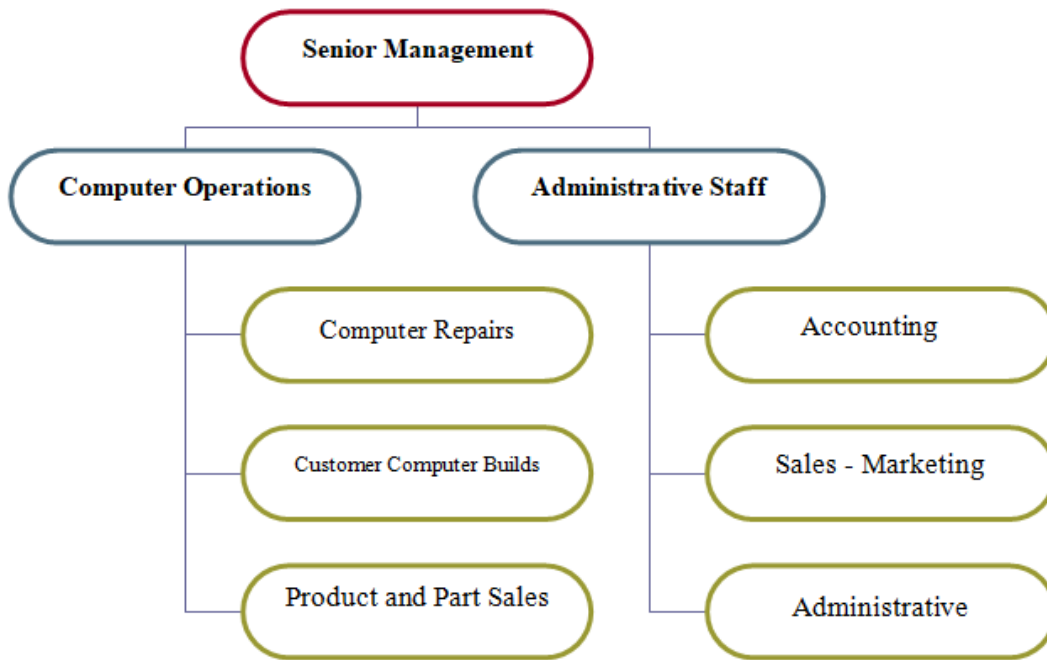
The Company will maintain a sizable amount of print and traditional advertising methods within local markets to promote the computer repair and specialized computer services that the Company is selling.

### 7.3 Pricing

For computer repair service job completed, Management anticipates revenues of \$200. As it relates to part sales, the business will generate an additional \$50 to \$100 per order. Gross margins from services is expected to be 90% of each dollar of revenue generated.

8.0 Organizational Plan and Personnel Summary

8.1 Corporate Organization

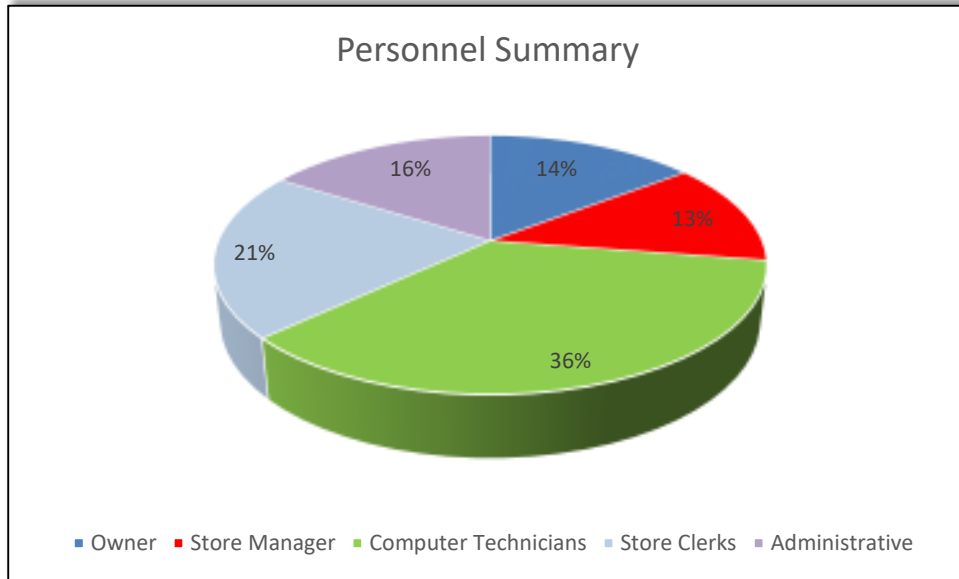


8.2 Organizational Budget

Personnel Plan - Yearly					
Year	1	2	3	4	5
Owner	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020
Store Manager	\$35,000	\$36,050	\$37,132	\$38,245	\$39,393
Computer Technicians	\$97,500	\$100,425	\$103,438	\$106,541	\$109,737
Store Clerks	\$57,000	\$78,280	\$100,786	\$103,809	\$106,923
Administrative	\$44,000	\$45,320	\$46,680	\$48,080	\$49,522
<b>Total</b>	<b>\$273,500</b>	<b>\$301,275</b>	<b>\$330,470</b>	<b>\$340,384</b>	<b>\$350,596</b>

Numbers of Personnel					
Year	1	2	3	4	5
Owner	1	1	1	1	1
Store Manager	1	1	1	1	1
Computer Technicians	3	3	3	3	3
Store Clerks	3	4	5	5	5
Administrative	2	2	2	2	2
<b>Totals</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>

8.2 Organizational Budget (Cont.)





## 9.0 Financial Plan

### 9.1 Underlying Assumptions

The Company has based its proforma financial statements on the following:

- The Computer Repair Service will have an annual revenue growth rate of 16% per year.
- The Owner will acquire \$100,000 of debt funds to develop the business.
- The loan will have a 10 year term with a 9% interest rate.

### 9.2 Sensitivity Analysis

The Company’s revenues are moderately sensitive to changes in the general economy. In the event of an economic recession, the business may experience decreases in revenues. However, computers have become an integral part of life, and it has become a necessity for some to have an operational computer. As such, Management expects that declines due to poor performance within the general economy will be minimal, and the business will be able to continually service its ongoing obligations.

### 9.3 Source of Funds

Financing	
<b>Equity Contributions</b>	
Management Investment	\$10,000.00
<b>Total Equity Financing</b>	<b>\$10,000.00</b>
<b>Banks and Lenders</b>	
Banks and Lenders	\$100,000.00
<b>Total Debt Financing</b>	<b>\$100,000.00</b>
<b>Total Financing</b>	<b>\$110,000.00</b>

### 9.4 General Assumptions

General Assumptions					
Year	1	2	3	4	5
<b>Federal Tax Rate</b>	33.0%	33.0%	33.0%	33.0%	33.0%
<b>State Tax Rate</b>	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Personnel Taxes</b>	15.0%	15.0%	15.0%	15.0%	15.0%

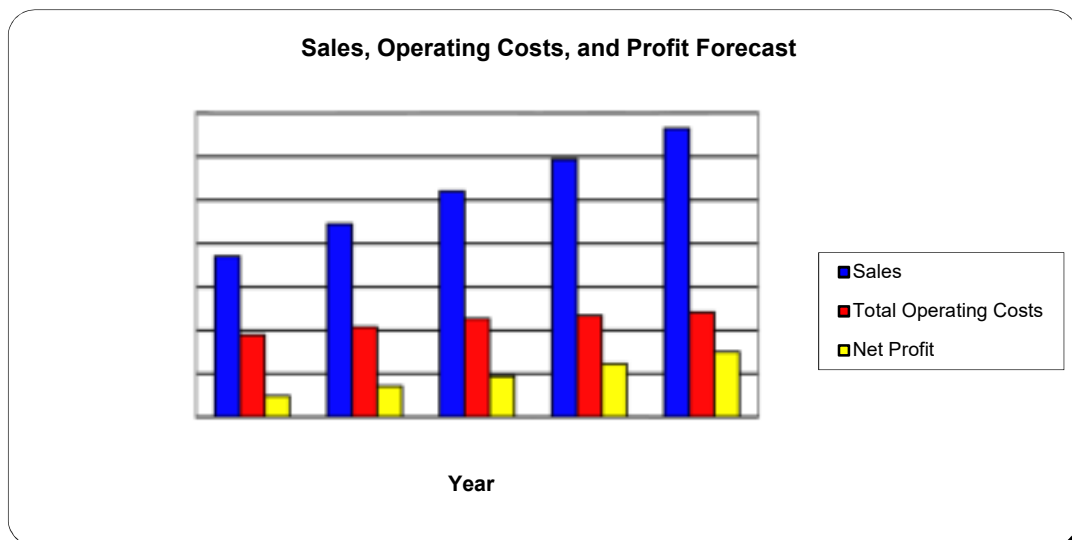
## 9.5 Profit and Loss Statements

Proforma Profit and Loss (Yearly)					
Year	1	2	3	4	5
<b>Sales</b>	\$741,378	\$889,654	\$1,040,895	\$1,186,620	\$1,329,014
Cost of Goods Sold	\$198,413	\$238,096	\$278,572	\$317,573	\$355,681
Gross Margin	73.24%	73.24%	73.24%	73.24%	73.24%
<b>Gross Profit</b>	<b>\$542,965</b>	<b>\$651,558</b>	<b>\$762,322</b>	<b>\$869,047</b>	<b>\$973,333</b>

Expenses					
Payroll	\$273,500	\$301,275	\$330,470	\$340,384	\$350,596
General and Administrative	\$25,200	\$26,208	\$27,256	\$28,347	\$29,480
Marketing Expenses	\$3,107	\$3,728	\$4,362	\$4,537	\$4,718
Professional Fees and Licensure	\$5,219	\$5,376	\$5,537	\$5,758	\$5,989
Insurance Costs	\$1,987	\$2,086	\$2,191	\$2,278	\$2,369
Travel and Vehicle Costs	\$7,596	\$8,356	\$9,191	\$9,559	\$9,941
Rent and Utilities	\$14,250	\$14,963	\$15,711	\$16,339	\$16,993
Miscellaneous Costs	\$7,457	\$8,948	\$10,469	\$10,888	\$11,323
Payroll Taxes	\$41,025	\$45,191	\$49,571	\$51,058	\$52,589
<b>Total Operating Costs</b>	<b>\$379,340</b>	<b>\$416,130</b>	<b>\$454,758</b>	<b>\$469,147</b>	<b>\$483,999</b>

<b>EBITA</b>	<b>\$163,624</b>	<b>\$235,427</b>	<b>\$307,565</b>	<b>\$399,900</b>	<b>\$489,334</b>
Federal Income Tax	\$51,806	\$75,775	\$99,874	\$130,659	\$160,510
State Income Tax	\$7,849	\$11,481	\$15,132	\$19,797	\$24,320
Interest Expense	\$6,636	\$5,807	\$4,918	\$3,964	\$2,941

<b>Net Profit</b>	<b>\$97,332</b>	<b>\$142,364</b>	<b>\$187,641</b>	<b>\$245,480</b>	<b>\$301,564</b>
<b>Profit Margin</b>	<b>13.13%</b>	<b>16.00%</b>	<b>18.03%</b>	<b>20.69%</b>	<b>22.69%</b>



## 9.6 Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$97,332	\$142,364	\$187,641	\$245,480	\$301,564
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$97,332</b>	<b>\$142,364</b>	<b>\$187,641</b>	<b>\$245,480</b>	<b>\$301,564</b>

### Other Cash Inflows

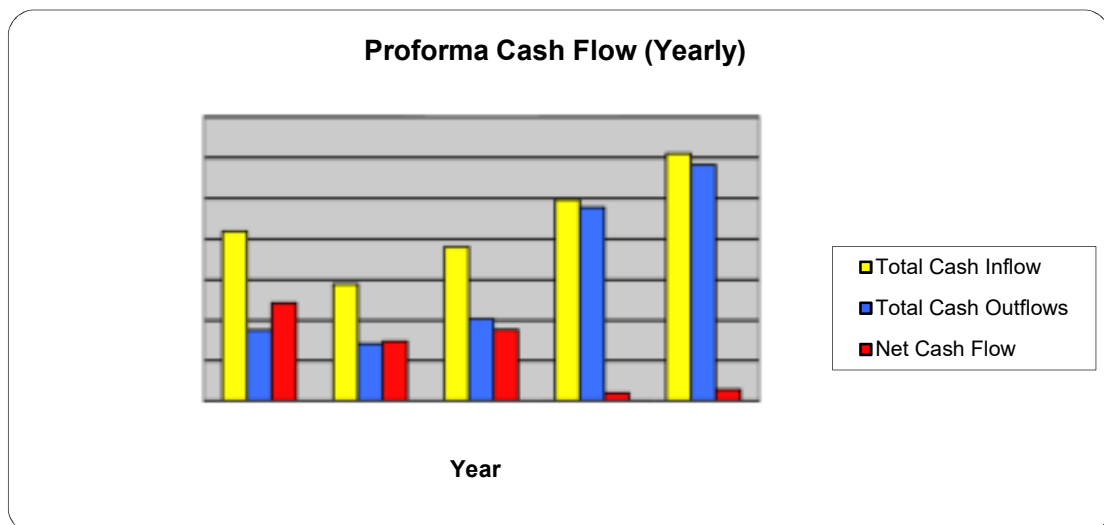
Equity Investment	\$10,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$100,000	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$2,000	\$2,300	\$2,645	\$3,042	\$3,498
<b>Total Other Cash Inflows</b>	<b>\$112,000</b>	<b>\$2,300</b>	<b>\$2,645</b>	<b>\$3,042</b>	<b>\$3,498</b>

<b>Total Cash Inflow</b>	<b>\$209,332</b>	<b>\$144,664</b>	<b>\$190,286</b>	<b>\$248,522</b>	<b>\$305,062</b>
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### Cash Outflows

Repayment of Principal	\$11,475	\$12,304	\$13,194	\$14,147	\$15,170
A/P Decreases	\$800	\$960	\$1,152	\$1,382	\$1,659
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$57,500	\$15,143	\$23,012	\$27,003	\$33,172
Dividends	\$18,025	\$42,400	\$64,434	\$196,384	\$241,251
<b>Total Cash Outflows</b>	<b>\$87,799</b>	<b>\$70,807</b>	<b>\$101,791</b>	<b>\$238,917</b>	<b>\$291,252</b>

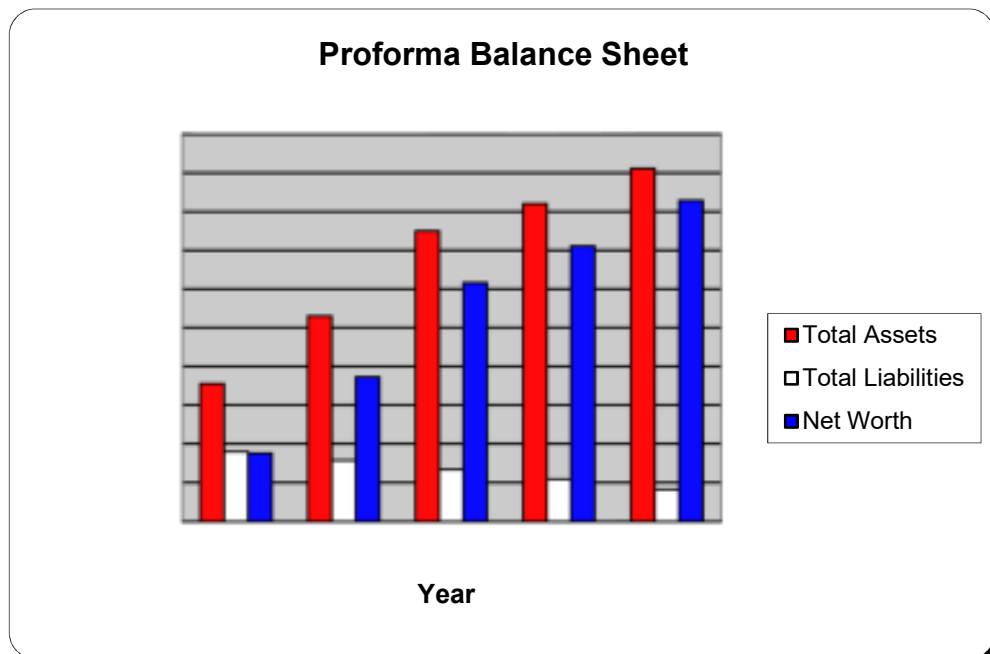
<b>Net Cash Flow</b>	<b>\$121,533</b>	<b>\$73,857</b>	<b>\$88,495</b>	<b>\$9,605</b>	<b>\$13,810</b>
<b>Cash Balance</b>	<b>\$121,533</b>	<b>\$195,391</b>	<b>\$283,886</b>	<b>\$293,491</b>	<b>\$307,300</b>



# Computer Repair Service

## 9.7 Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
<b>Assets</b>					
Cash	\$121,533	\$195,391	\$283,886	\$293,491	\$307,300
Amortized Development and Expansion Costs	\$17,500	\$19,014	\$21,315	\$34,817	\$51,403
Computer Equipment Inventory	\$17,000	\$28,357	\$45,616	\$53,717	\$63,669
FF&E	\$23,000	\$25,271	\$28,723	\$34,124	\$40,758
Accumulated Depreciation	(\$1,513)	(\$3,026)	(\$4,539)	(\$6,053)	(\$7,566)
<b>Total Assets</b>	<b>\$177,520</b>	<b>\$265,007</b>	<b>\$375,001</b>	<b>\$410,096</b>	<b>\$455,564</b>
<b>Liabilities and Equity</b>					
Accounts Payable	\$1,200	\$2,540	\$4,033	\$5,692	\$7,531
Long Term Liabilities	\$88,525	\$76,221	\$63,027	\$48,880	\$33,710
Other Liabilities	\$0	\$0	\$0	\$0	\$0
<b>Total Liabilities</b>	<b>\$89,725</b>	<b>\$78,761</b>	<b>\$67,060</b>	<b>\$54,572</b>	<b>\$41,241</b>
<b>Net Worth</b>	<b>\$87,795</b>	<b>\$186,246</b>	<b>\$307,941</b>	<b>\$355,524</b>	<b>\$414,323</b>
<b>Total Liabilities and Equity</b>	<b>\$177,520</b>	<b>\$265,007</b>	<b>\$375,001</b>	<b>\$410,096</b>	<b>\$455,564</b>



## 9.8 Common Size Income Statement

Proforma Profit and Loss (Common Size)					
Year	1	2	3	4	5
<b>Sales</b>	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Goods Sold	26.76%	26.76%	26.76%	26.76%	26.76%
<b>Gross Profit</b>	<b>73.24%</b>	<b>73.24%</b>	<b>73.24%</b>	<b>73.24%</b>	<b>73.24%</b>
<b>Expenses</b>					
Payroll	36.89%	33.86%	31.75%	28.69%	26.38%
General and Administrative	3.40%	2.95%	2.62%	2.39%	2.22%
Marketing Expenses	0.42%	0.42%	0.42%	0.38%	0.36%
Professional Fees and Licensure	0.70%	0.60%	0.53%	0.49%	0.45%
Insurance Costs	0.27%	0.23%	0.21%	0.19%	0.18%
Travel and Vehicle Costs	1.02%	0.94%	0.88%	0.81%	0.75%
Rent and Utilities	1.92%	1.68%	1.51%	1.38%	1.28%
Miscellaneous Costs	1.01%	1.01%	1.01%	0.92%	0.85%
Payroll Taxes	5.53%	5.08%	4.76%	4.30%	3.96%
<b>Total Operating Costs</b>	<b>51.17%</b>	<b>46.77%</b>	<b>43.69%</b>	<b>39.54%</b>	<b>36.42%</b>
<b>EBITA</b>	<b>22.07%</b>	<b>26.46%</b>	<b>29.55%</b>	<b>33.70%</b>	<b>36.82%</b>
Federal Income Tax	6.99%	8.52%	9.59%	11.01%	12.08%
State Income Tax	1.06%	1.29%	1.45%	1.67%	1.83%
Interest Expense	0.90%	0.65%	0.47%	0.33%	0.22%
<b>Net Profit</b>	<b>13.13%</b>	<b>16.00%</b>	<b>18.03%</b>	<b>20.69%</b>	<b>22.69%</b>

## 9.9 Expanded Sensitivity Analysis

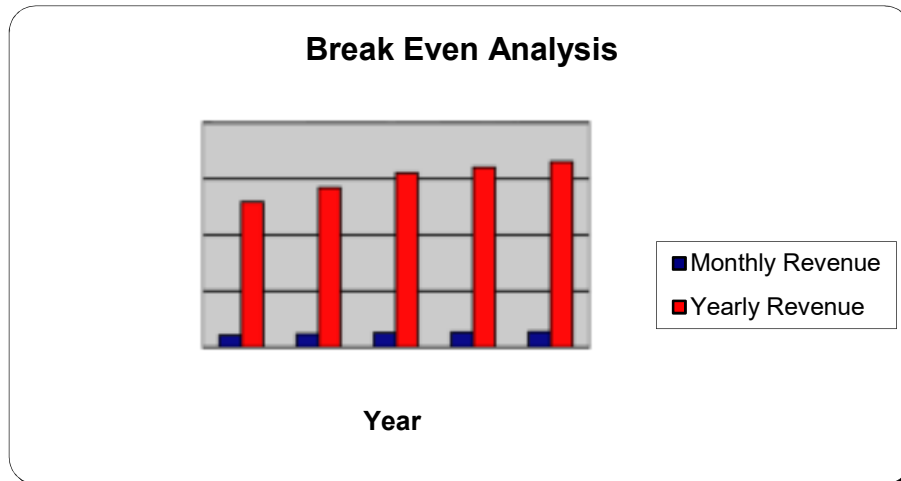
Sensitivity Analysis (10% Less)					
Year	1	2	3	4	5
<b>Sales</b>	\$667,240	\$800,688	\$936,805	\$1,067,958	\$1,196,113
Cost of Goods Sold	\$178,572	\$214,286	\$250,715	\$285,815	\$320,113
<b>Gross Profit</b>	\$488,668	\$586,402	\$686,090	\$782,143	\$876,000
<b>Total Operating Costs</b>	<b>\$379,340</b>	<b>\$416,130</b>	<b>\$454,758</b>	<b>\$469,147</b>	<b>\$483,999</b>
<b>EBITA</b>	<b>\$109,328</b>	<b>\$170,271</b>	<b>\$231,333</b>	<b>\$312,995</b>	<b>\$392,001</b>

Sensitivity Analysis (20% Less)					
Year	1	2	3	4	5
<b>Sales</b>	\$593,102	\$711,723	\$832,716	\$949,296	\$1,063,211
Cost of Goods Sold	\$158,731	\$190,477	\$222,858	\$254,058	\$284,545
<b>Gross Profit</b>	\$434,372	\$521,246	\$609,858	\$695,238	\$778,666
<b>Total Operating Costs</b>	<b>\$379,340</b>	<b>\$416,130</b>	<b>\$454,758</b>	<b>\$469,147</b>	<b>\$483,999</b>
<b>EBITA</b>	<b>\$55,031</b>	<b>\$105,116</b>	<b>\$155,100</b>	<b>\$226,090</b>	<b>\$294,668</b>

Sensitivity Analysis (30% Less)					
Year	1	2	3	4	5
<b>Sales</b>	\$518,965	\$622,758	\$728,626	\$830,634	\$930,310
Cost of Goods Sold	\$138,889	\$166,667	\$195,001	\$222,301	\$248,977
<b>Gross Profit</b>	\$380,075	\$456,090	\$533,626	\$608,333	\$681,333
<b>Total Operating Costs</b>	<b>\$379,340</b>	<b>\$416,130</b>	<b>\$454,758</b>	<b>\$469,147</b>	<b>\$483,999</b>
<b>EBITA</b>	<b>\$735</b>	<b>\$39,960</b>	<b>\$78,868</b>	<b>\$139,186</b>	<b>\$197,334</b>

## 9.10 Breakeven Analysis

Monthly Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	\$43,163	\$47,350	\$51,745	\$53,382	\$55,072
Yearly Revenue	\$517,961	\$568,195	\$620,938	\$640,586	\$660,865



## 9.11 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
<b>Sales</b>					
Sales Growth	0.0%	20.0%	17.0%	14.0%	12.0%
Gross Margin	73.2%	73.2%	73.2%	73.2%	73.2%

<b>Financials</b>					
Profit Margin	13.13%	16.00%	18.03%	20.69%	22.69%
Assets to Liabilities	1.98	3.36	5.59	7.51	11.05
Equity to Liabilities	0.98	2.36	4.59	6.51	10.05
Assets to Equity	2.02	1.42	1.22	1.15	1.10

<b>Liquidity</b>					
Acid Test	1.35	2.48	4.23	5.38	7.45
Cash to Assets	0.68	0.74	0.76	0.72	0.67

## Appendix A - SWOT Analysis

### Strengths

- Predictable streams of revenue from the sale of computer repair services.
- Extremely large market for onsite computer repair services.
- Targeted markets have high median incomes, and tens of thousands of businesses operating within the area.
- Low operating costs.
- Highly experienced owner-operator, John Doe.
- Revenues are relatively immune from negative changes in the economic climate.

### Weaknesses

- Adverse market conditions can impact revenue, decrease the value of the Company's equity.
- Competitors can enter the market with relative ease.

### Opportunities

- Expansion into several facets of the onsite computer repair and consulting market.
- Acquisition of similar companies that are already operational and profitable.

### Threats

- Market fluctuations can severely impact value and revenue of business.
- Several other competitors operating within targeted New York markets.
- Increases in external cost drivers (such as oil for vehicle costs) can impact the Company's profit and loss statements.



## Appendix B - Critical Risks and Problems

### Development Risk – **Minimal**

The strategies and pricing models that the Company plans on employing through its varying computer consulting and repair business units have been developed and are in operation. Additional services lines will be developed by Mr. Doe as the business expands its operations over the next five years.

### Financing Risk – **Moderate**

The business will require moderate financing (\$100,000) from a financial institution in order for Mr. Doe to obtain the equipment necessary to provide computer repair services. The cash flow generated by the business will be extremely sufficient to cover the debt service payments.

### Marketing Risk – **Low to Moderate**

The Company will use a number of local marketing strategies to promote the business among individuals and small businesses. Computer Repair Service will use the marketing strategies outlined in section seven of the business plan.

### Management Risk – **Low/Moderate**

The Company's owner, John Doe, is experienced, educated, and knowledgeable regarding all aspects of the Company's computer repair services and operations. The owner is fully committed to working towards the success of the Company.

### Valuation Risk – **Low**

The risk that an owner pays too much for the venture can be offset by:

- A stream of predictable income from the ongoing onsite repair of computers.
- Assets that are primarily divestible within six months.
- Revenues are immune from negative economic climates.

### Exit Risk - **Minimal**

There is a great demand for established computer consulting and repair businesses, and the Management feels that the full divestiture of this business could occur within one year's time.

### **Appendix C - Reference Sources**

All statistics and market information was obtained through:

1. U.S. Government Bureau of Labor Statistics
2. U.S. Economic Census  
Computer Consulting – NAICS Report 541512
3. Bureau of Economic Analysis – Computer Consulting

# Computer Repair Service

## Appendix D - Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
<b>Sales</b>	<b>\$59,950</b>	<b>\$60,283</b>	<b>\$60,616</b>	<b>\$60,949</b>	<b>\$61,282</b>	<b>\$61,615</b>	<b>\$61,948</b>
Cost of Goods Sold	\$15,985	\$16,085	\$16,185	\$16,285	\$16,385	\$16,485	\$16,584
Gross Margin	73.3%	73.3%	73.3%	73.3%	73.3%	73.2%	73.2%

<b>Gross Profit</b>	<b>\$43,965</b>	<b>\$44,198</b>	<b>\$44,431</b>	<b>\$44,664</b>	<b>\$44,897</b>	<b>\$45,131</b>	<b>\$45,364</b>
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### Expenses

Payroll	\$22,792	\$22,792	\$22,792	\$22,792	\$22,792	\$22,792	\$22,792
General and Administrative	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100
Marketing Expenses	\$259	\$259	\$259	\$259	\$259	\$259	\$259
Professional Fees and Licensure	\$435	\$435	\$435	\$435	\$435	\$435	\$435
Insurance Costs	\$166	\$166	\$166	\$166	\$166	\$166	\$166
Travel and Vehicle Costs	\$633	\$633	\$633	\$633	\$633	\$633	\$633
Rent and Utilities	\$1,188	\$1,188	\$1,188	\$1,188	\$1,188	\$1,188	\$1,188
Miscellaneous Costs	\$621	\$621	\$621	\$621	\$621	\$621	\$621
Payroll Taxes	\$3,419	\$3,419	\$3,419	\$3,419	\$3,419	\$3,419	\$3,419
<b>Total Operating Costs</b>	<b>\$31,612</b>	<b>\$31,612</b>	<b>\$31,612</b>	<b>\$31,612</b>	<b>\$31,612</b>	<b>\$31,612</b>	<b>\$31,612</b>

<b>EBITA</b>	<b>\$12,353</b>	<b>\$12,586</b>	<b>\$12,819</b>	<b>\$13,053</b>	<b>\$13,286</b>	<b>\$13,519</b>	<b>\$13,752</b>
Federal Income Tax	\$4,189	\$4,212	\$4,236	\$4,259	\$4,282	\$4,306	\$4,329
State Income Tax	\$635	\$638	\$642	\$645	\$649	\$652	\$656
Interest Expense	\$583	\$578	\$572	\$567	\$562	\$556	\$550
<b>Net Profit</b>	<b>\$6,946</b>	<b>\$7,158</b>	<b>\$7,370</b>	<b>\$7,581</b>	<b>\$7,793</b>	<b>\$8,005</b>	<b>\$8,217</b>

# Computer Repair Service

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	1
<b>Sales</b>	<b>\$62,281</b>	<b>\$62,614</b>	<b>\$62,947</b>	<b>\$63,280</b>	<b>\$63,613</b>	<b>\$741,378</b>
Cost of Goods Sold	\$16,684	\$16,784	\$16,884	\$16,984	\$17,084	\$198,413
Gross Margin	73.2%	73.2%	73.2%	73.2%	73.1%	73.2%
<b>Gross Profit</b>	<b>\$45,597</b>	<b>\$45,830</b>	<b>\$46,063</b>	<b>\$46,296</b>	<b>\$46,529</b>	<b>\$542,965</b>

## Expenses

Payroll	\$22,792	\$22,792	\$22,792	\$22,792	\$22,792	\$273,500
General and Administrative	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$25,200
Marketing Expenses	\$259	\$259	\$259	\$259	\$259	\$3,107
Professional Fees and Licensure	\$435	\$435	\$435	\$435	\$435	\$5,219
Insurance Costs	\$166	\$166	\$166	\$166	\$166	\$1,987
Travel and Vehicle Costs	\$633	\$633	\$633	\$633	\$633	\$7,596
Rent and Utilities	\$1,188	\$1,188	\$1,188	\$1,188	\$1,188	\$14,250
Miscellaneous Costs	\$621	\$621	\$621	\$621	\$621	\$7,457
Payroll Taxes	\$3,419	\$3,419	\$3,419	\$3,419	\$3,419	\$41,025
<b>Total Operating Costs</b>	<b>\$31,612</b>	<b>\$31,612</b>	<b>\$31,612</b>	<b>\$31,612</b>	<b>\$31,612</b>	<b>\$379,340</b>
<b>EBITA</b>	<b>\$13,985</b>	<b>\$14,218</b>	<b>\$14,451</b>	<b>\$14,684</b>	<b>\$14,917</b>	<b>\$163,624</b>
Federal Income Tax	\$4,352	\$4,375	\$4,399	\$4,422	\$4,445	\$51,806
State Income Tax	\$659	\$663	\$666	\$670	\$674	\$7,849
Interest Expense	\$545	\$539	\$534	\$528	\$522	\$6,636
<b>Net Profit</b>	<b>\$8,429</b>	<b>\$8,641</b>	<b>\$8,853</b>	<b>\$9,065</b>	<b>\$9,277</b>	<b>\$97,332</b>

# Computer Repair Service

Profit and Loss Statement (Second Year)					
2					
Quarter	Q1	Q2	Q3	Q4	2
<b>Sales</b>	\$177,931	\$222,413	\$240,206	\$249,103	\$889,654
Cost of Goods Sold	\$47,619	\$59,524	\$64,286	\$66,667	\$238,096
Gross Margin	73.2%	73.2%	73.2%	73.2%	73.2%

<b>Gross Profit</b>	<b>\$130,312</b>	<b>\$162,889</b>	<b>\$175,921</b>	<b>\$182,436</b>	<b>\$651,558</b>
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### Expenses

Payroll	\$60,255	\$75,319	\$81,344	\$84,357	\$301,275
General and Administrative	\$5,242	\$6,552	\$7,076	\$7,338	\$26,208
Marketing Expenses	\$746	\$932	\$1,007	\$1,044	\$3,728
Professional Fees and Licensure	\$1,075	\$1,344	\$1,451	\$1,505	\$5,376
Insurance Costs	\$417	\$522	\$563	\$584	\$2,086
Travel and Vehicle Costs	\$1,671	\$2,089	\$2,256	\$2,340	\$8,356
Rent and Utilities	\$2,993	\$3,741	\$4,040	\$4,190	\$14,963
Miscellaneous Costs	\$1,790	\$2,237	\$2,416	\$2,505	\$8,948
Payroll Taxes	\$9,038	\$11,298	\$12,202	\$12,654	\$45,191
<b>Total Operating Costs</b>	<b>\$83,226</b>	<b>\$104,033</b>	<b>\$112,355</b>	<b>\$116,517</b>	<b>\$416,130</b>

<b>EBITA</b>	<b>\$47,085</b>	<b>\$58,857</b>	<b>\$63,565</b>	<b>\$65,920</b>	<b>\$235,427</b>
Federal Income Tax	\$15,155	\$18,944	\$20,459	\$21,217	\$75,775
State Income Tax	\$2,296	\$2,870	\$3,100	\$3,215	\$11,481
Interest Expense	\$1,532	\$1,479	\$1,425	\$1,371	\$5,807
<b>Net Profit</b>	<b>\$28,103</b>	<b>\$35,564</b>	<b>\$38,581</b>	<b>\$40,117</b>	<b>\$142,364</b>

## Computer Repair Service

Profit and Loss Statement (Third Year)					
3					
Quarter	Q1	Q2	Q3	Q4	3
Sales	\$208,179	\$260,224	\$281,042	\$291,451	\$1,040,895
Cost of Goods Sold	\$55,714	\$69,643	\$75,215	\$78,000	\$278,572
Gross Margin	73.2%	73.2%	73.2%	73.2%	73.2%
<b>Gross Profit</b>	<b>\$152,464</b>	<b>\$190,581</b>	<b>\$205,827</b>	<b>\$213,450</b>	<b>\$762,322</b>
<b>Expenses</b>					
Payroll	\$66,094	\$82,618	\$89,227	\$92,532	\$330,470
General and Administrative	\$5,451	\$6,814	\$7,359	\$7,632	\$27,256
Marketing Expenses	\$872	\$1,091	\$1,178	\$1,221	\$4,362
Professional Fees and Licensure	\$1,107	\$1,384	\$1,495	\$1,550	\$5,537
Insurance Costs	\$438	\$548	\$591	\$613	\$2,191
Travel and Vehicle Costs	\$1,838	\$2,298	\$2,482	\$2,574	\$9,191
Rent and Utilities	\$3,142	\$3,928	\$4,242	\$4,399	\$15,711
Miscellaneous Costs	\$2,094	\$2,617	\$2,827	\$2,931	\$10,469
Payroll Taxes	\$9,914	\$12,393	\$13,384	\$13,880	\$49,571
<b>Total Operating Costs</b>	<b>\$90,952</b>	<b>\$113,689</b>	<b>\$122,785</b>	<b>\$127,332</b>	<b>\$454,758</b>
<b>EBITA</b>	<b>\$61,513</b>	<b>\$76,891</b>	<b>\$83,042</b>	<b>\$86,118</b>	<b>\$307,565</b>
Federal Income Tax	\$19,975	\$24,968	\$26,966	\$27,965	\$99,874
State Income Tax	\$3,026	\$3,783	\$4,086	\$4,237	\$15,132
Interest Expense	\$1,315	\$1,259	\$1,201	\$1,143	\$4,918
<b>Net Profit</b>	<b>\$37,197</b>	<b>\$46,881</b>	<b>\$50,790</b>	<b>\$52,774</b>	<b>\$187,641</b>

## Computer Repair Service

Profit and Loss Statement (Fourth Year)					
4					
Quarter	Q1	Q2	Q3	Q4	4
<b>Sales</b>	\$237,324	\$296,655	\$320,387	\$332,254	\$1,186,620
Cost of Goods Sold	\$63,515	\$79,393	\$85,745	\$88,920	\$317,573
Gross Margin	73.2%	73.2%	73.2%	73.2%	73.2%
<b>Gross Profit</b>	<b>\$173,809</b>	<b>\$217,262</b>	<b>\$234,643</b>	<b>\$243,333</b>	<b>\$869,047</b>
<b>Expenses</b>					
Payroll	\$68,077	\$85,096	\$91,904	\$95,308	\$340,384
General and Administrative	\$5,669	\$7,087	\$7,654	\$7,937	\$28,347
Marketing Expenses	\$907	\$1,134	\$1,225	\$1,270	\$4,537
Professional Fees and Licensure	\$1,152	\$1,440	\$1,555	\$1,612	\$5,758
Insurance Costs	\$456	\$570	\$615	\$638	\$2,278
Travel and Vehicle Costs	\$1,912	\$2,390	\$2,581	\$2,676	\$9,559
Rent and Utilities	\$3,268	\$4,085	\$4,412	\$4,575	\$16,339
Miscellaneous Costs	\$2,178	\$2,722	\$2,940	\$3,049	\$10,888
Payroll Taxes	\$10,212	\$12,764	\$13,786	\$14,296	\$51,058
<b>Total Operating Costs</b>	<b>\$93,829</b>	<b>\$117,287</b>	<b>\$126,670</b>	<b>\$131,361</b>	<b>\$469,147</b>
<b>EBITA</b>	<b>\$79,980</b>	<b>\$99,975</b>	<b>\$107,973</b>	<b>\$111,972</b>	<b>\$399,900</b>
Federal Income Tax	\$26,132	\$32,665	\$35,278	\$36,585	\$130,659
State Income Tax	\$3,959	\$4,949	\$5,345	\$5,543	\$19,797
Interest Expense	\$1,083	\$1,022	\$961	\$898	\$3,964
<b>Net Profit</b>	<b>\$48,806</b>	<b>\$61,339</b>	<b>\$66,389</b>	<b>\$68,947</b>	<b>\$245,480</b>

## Computer Repair Service

Profit and Loss Statement (Fifth Year)					
5					
Quarter	Q1	Q2	Q3	Q4	5
Sales	\$265,803	\$332,254	\$358,834	\$372,124	\$1,329,014
Cost of Goods Sold	\$71,136	\$88,920	\$96,034	\$99,591	\$355,681
Gross Margin	73.2%	73.2%	73.2%	73.2%	73.2%
<b>Gross Profit</b>	<b>\$194,667</b>	<b>\$243,333</b>	<b>\$262,800</b>	<b>\$272,533</b>	<b>\$973,333</b>
<b>Expenses</b>					
Payroll	\$70,119	\$87,649	\$94,661	\$98,167	\$350,596
General and Administrative	\$5,896	\$7,370	\$7,960	\$8,255	\$29,480
Marketing Expenses	\$944	\$1,180	\$1,274	\$1,321	\$4,718
Professional Fees and Licensure	\$1,198	\$1,497	\$1,617	\$1,677	\$5,989
Insurance Costs	\$474	\$592	\$640	\$663	\$2,369
Travel and Vehicle Costs	\$1,988	\$2,485	\$2,684	\$2,784	\$9,941
Rent and Utilities	\$3,399	\$4,248	\$4,588	\$4,758	\$16,993
Miscellaneous Costs	\$2,265	\$2,831	\$3,057	\$3,171	\$11,323
Payroll Taxes	\$10,518	\$13,147	\$14,199	\$14,725	\$52,589
<b>Total Operating Costs</b>	<b>\$96,800</b>	<b>\$121,000</b>	<b>\$130,680</b>	<b>\$135,520</b>	<b>\$483,999</b>
<b>EBITA</b>	<b>\$97,867</b>	<b>\$122,334</b>	<b>\$132,120</b>	<b>\$137,014</b>	<b>\$489,334</b>
Federal Income Tax	\$32,102	\$40,127	\$43,338	\$44,943	\$160,510
State Income Tax	\$4,864	\$6,080	\$6,566	\$6,810	\$24,320
Interest Expense	\$834	\$769	\$703	\$635	\$2,941
<b>Net Profit</b>	<b>\$60,067</b>	<b>\$75,357</b>	<b>\$81,514</b>	<b>\$84,626</b>	<b>\$301,564</b>



# Computer Repair Service

## Appendix E - Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	\$6,946	\$7,158	\$7,370	\$7,581	\$7,793	\$8,005	\$8,217	\$8,429
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$6,946</b>	<b>\$7,158</b>	<b>\$7,370</b>	<b>\$7,581</b>	<b>\$7,793</b>	<b>\$8,005</b>	<b>\$8,217</b>	<b>\$8,429</b>

### Other Cash Inflows

Equity Investment	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167
<b>Total Other Cash Inflows</b>	<b>\$110,167</b>	<b>\$167</b>	<b>\$167</b>	<b>\$167</b>	<b>\$167</b>	<b>\$167</b>	<b>\$167</b>	<b>\$167</b>

<b>Total Cash Inflow</b>	<b>\$117,113</b>	<b>\$7,324</b>	<b>\$7,536</b>	<b>\$7,748</b>	<b>\$7,960</b>	<b>\$8,172</b>	<b>\$8,383</b>	<b>\$8,595</b>
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### Cash Outflows

Repayment of Principal	\$926	\$931	\$937	\$942	\$948	\$953	\$959	\$964
A/P Decreases	\$67	\$67	\$67	\$67	\$67	\$67	\$67	\$67
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$57,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$58,493</b>	<b>\$998</b>	<b>\$1,003</b>	<b>\$1,009</b>	<b>\$1,014</b>	<b>\$1,020</b>	<b>\$1,025</b>	<b>\$1,031</b>

<b>Net Cash Flow</b>	<b>\$58,620</b>	<b>\$6,326</b>	<b>\$6,533</b>	<b>\$6,739</b>	<b>\$6,945</b>	<b>\$7,152</b>	<b>\$7,358</b>	<b>\$7,564</b>
<b>Cash Balance</b>	<b>\$58,620</b>	<b>\$64,947</b>	<b>\$71,479</b>	<b>\$78,218</b>	<b>\$85,164</b>	<b>\$92,315</b>	<b>\$99,673</b>	<b>\$107,238</b>

## Computer Repair Service

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	1
Cash From Operations	\$8,641	\$8,853	\$9,065	\$9,277	\$97,332
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$8,641</b>	<b>\$8,853</b>	<b>\$9,065</b>	<b>\$9,277</b>	<b>\$97,332</b>

### Other Cash Inflows

Equity Investment	\$0	\$0	\$0	\$0	\$10,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$100,000
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$167	\$167	\$167	\$167	\$2,000
<b>Total Other Cash Inflows</b>	<b>\$167</b>	<b>\$167</b>	<b>\$167</b>	<b>\$167</b>	<b>\$112,000</b>

<b>Total Cash Inflow</b>	<b>\$8,807</b>	<b>\$9,019</b>	<b>\$9,231</b>	<b>\$9,443</b>	<b>\$209,332</b>
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### Cash Outflows

Repayment of Principal	\$970	\$976	\$981	\$987	\$11,475
A/P Decreases	\$67	\$67	\$67	\$67	\$800
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$57,500
Dividends	\$0	\$0	\$0	\$18,025	\$18,025
<b>Total Cash Outflows</b>	<b>\$1,037</b>	<b>\$1,042</b>	<b>\$1,048</b>	<b>\$19,079</b>	<b>\$87,799</b>

<b>Net Cash Flow</b>	<b>\$7,771</b>	<b>\$7,977</b>	<b>\$8,183</b>	<b>-\$9,636</b>	<b>\$121,533</b>
<b>Cash Balance</b>	<b>\$115,008</b>	<b>\$122,985</b>	<b>\$131,168</b>	<b>\$121,533</b>	<b>\$121,533</b>

## Computer Repair Service

Cash Flow Analysis (Second Year)					
2					
Quarter	Q1	Q2	Q3	Q4	2
Cash From Operations	\$28,473	\$35,591	\$38,438	\$39,862	\$142,364
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$28,473</b>	<b>\$35,591</b>	<b>\$38,438</b>	<b>\$39,862</b>	<b>\$142,364</b>
<b>Other Cash Inflows</b>					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$460	\$575	\$621	\$644	\$2,300
<b>Total Other Cash Inflows</b>	<b>\$460</b>	<b>\$575</b>	<b>\$621</b>	<b>\$644</b>	<b>\$2,300</b>
<b>Total Cash Inflow</b>	<b>\$28,933</b>	<b>\$36,166</b>	<b>\$39,059</b>	<b>\$40,506</b>	<b>\$144,664</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$2,996	\$3,049	\$3,102	\$3,157	\$12,304
A/P Decreases	\$192	\$240	\$259	\$269	\$960
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$3,029	\$3,786	\$4,089	\$4,240	\$15,143
Dividends	\$8,480	\$10,600	\$11,448	\$11,872	\$42,400
<b>Total Cash Outflows</b>	<b>\$14,697</b>	<b>\$17,674</b>	<b>\$18,898</b>	<b>\$19,538</b>	<b>\$70,807</b>
<b>Net Cash Flow</b>	<b>\$14,236</b>	<b>\$18,492</b>	<b>\$20,161</b>	<b>\$20,968</b>	<b>\$73,857</b>
<b>Cash Balance</b>	<b>\$135,769</b>	<b>\$154,261</b>	<b>\$174,422</b>	<b>\$195,391</b>	<b>\$195,391</b>

## Computer Repair Service

Cash Flow Analysis (Third Year)					
3					
Quarter	Q1	Q2	Q3	Q4	3
Cash From Operations	\$37,528	\$46,910	\$50,663	\$52,540	\$187,641
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$37,528</b>	<b>\$46,910</b>	<b>\$50,663</b>	<b>\$52,540</b>	<b>\$187,641</b>
<b>Other Cash Inflows</b>					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$529	\$661	\$714	\$741	\$2,645
<b>Total Other Cash Inflows</b>	<b>\$529</b>	<b>\$661</b>	<b>\$714</b>	<b>\$741</b>	<b>\$2,645</b>
<b>Total Cash Inflow</b>	<b>\$38,057</b>	<b>\$47,572</b>	<b>\$51,377</b>	<b>\$53,280</b>	<b>\$190,286</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$3,213	\$3,269	\$3,327	\$3,385	\$13,194
A/P Decreases	\$230	\$288	\$311	\$323	\$1,152
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$4,602	\$5,753	\$6,213	\$6,443	\$23,012
Dividends	\$12,887	\$16,108	\$17,397	\$18,041	\$64,434
<b>Total Cash Outflows</b>	<b>\$20,932</b>	<b>\$25,419</b>	<b>\$27,248</b>	<b>\$28,193</b>	<b>\$101,791</b>
<b>Net Cash Flow</b>	<b>\$17,125</b>	<b>\$22,153</b>	<b>\$24,129</b>	<b>\$25,088</b>	<b>\$88,495</b>
<b>Cash Balance</b>	<b>\$212,516</b>	<b>\$234,669</b>	<b>\$258,798</b>	<b>\$283,886</b>	<b>\$283,886</b>

## Computer Repair Service

Cash Flow Analysis (Fourth Year)					
4					
Quarter	Q1	Q2	Q3	Q4	4
Cash From Operations	\$49,096	\$61,370	\$66,280	\$68,735	\$245,480
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$49,096</b>	<b>\$61,370</b>	<b>\$66,280</b>	<b>\$68,735</b>	<b>\$245,480</b>

### Other Cash Inflows

Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$608	\$760	\$821	\$852	\$3,042
<b>Total Other Cash Inflows</b>	<b>\$608</b>	<b>\$760</b>	<b>\$821</b>	<b>\$852</b>	<b>\$3,042</b>

<b>Total Cash Inflow</b>	<b>\$49,704</b>	<b>\$62,131</b>	<b>\$67,101</b>	<b>\$69,586</b>	<b>\$248,522</b>
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### Cash Outflows

Repayment of Principal	\$3,445	\$3,505	\$3,567	\$3,630	\$14,147
A/P Decreases	\$276	\$346	\$373	\$387	\$1,382
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$5,401	\$6,751	\$7,291	\$7,561	\$27,003
Dividends	\$39,277	\$49,096	\$53,024	\$54,988	\$196,384
<b>Total Cash Outflows</b>	<b>\$48,399</b>	<b>\$59,698</b>	<b>\$64,255</b>	<b>\$66,565</b>	<b>\$238,917</b>

<b>Net Cash Flow</b>	<b>\$1,306</b>	<b>\$2,433</b>	<b>\$2,846</b>	<b>\$3,021</b>	<b>\$9,605</b>
<b>Cash Balance</b>	<b>\$285,191</b>	<b>\$287,624</b>	<b>\$290,470</b>	<b>\$293,491</b>	<b>\$293,491</b>

## Computer Repair Service

Cash Flow Analysis (Fifth Year)					
5					
Quarter	Q1	Q2	Q3	Q4	5
Cash From Operations	\$60,313	\$75,391	\$81,422	\$84,438	\$301,564
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$60,313</b>	<b>\$75,391</b>	<b>\$81,422</b>	<b>\$84,438</b>	<b>\$301,564</b>

### Other Cash Inflows

Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$700	\$875	\$944	\$979	\$3,498
<b>Total Other Cash Inflows</b>	<b>\$700</b>	<b>\$875</b>	<b>\$944</b>	<b>\$979</b>	<b>\$3,498</b>

<b>Total Cash Inflow</b>	<b>\$61,012</b>	<b>\$76,265</b>	<b>\$82,367</b>	<b>\$85,417</b>	<b>\$305,062</b>
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### Cash Outflows

Repayment of Principal	\$3,694	\$3,759	\$3,825	\$3,892	\$15,170
A/P Decreases	\$332	\$415	\$448	\$464	\$1,659
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$6,634	\$8,293	\$8,956	\$9,288	\$33,172
Dividends	\$48,250	\$60,313	\$65,138	\$67,550	\$241,251
<b>Total Cash Outflows</b>	<b>\$58,910</b>	<b>\$72,779</b>	<b>\$78,367</b>	<b>\$81,195</b>	<b>\$291,252</b>

<b>Net Cash Flow</b>	<b>\$2,102</b>	<b>\$3,486</b>	<b>\$4,000</b>	<b>\$4,222</b>	<b>\$13,810</b>
<b>Cash Balance</b>	<b>\$295,593</b>	<b>\$299,079</b>	<b>\$303,078</b>	<b>\$307,300</b>	<b>\$307,300</b>

**Appendix F – Loan Amortization Table**

\$100,000 Loan Carrying a 7 Year Term and a 7% Interest Rate

Payment Number	Payment Amount	Principal Payment	Interest Payment	Balance
1	\$1,509.27	\$925.93	\$583.33	\$99,074.07
2	\$1,509.27	\$931.34	\$577.93	\$98,142.73
3	\$1,509.27	\$936.77	\$572.50	\$97,205.96
4	\$1,509.27	\$942.23	\$567.03	\$96,263.73
5	\$1,509.27	\$947.73	\$561.54	\$95,316.00
6	\$1,509.27	\$953.26	\$556.01	\$94,362.74
7	\$1,509.27	\$958.82	\$550.45	\$93,403.92
8	\$1,509.27	\$964.41	\$544.86	\$92,439.51
9	\$1,509.27	\$970.04	\$539.23	\$91,469.47
10	\$1,509.27	\$975.70	\$533.57	\$90,493.78
11	\$1,509.27	\$981.39	\$527.88	\$89,512.39
12	\$1,509.27	\$987.11	\$522.16	\$88,525.28
13	\$1,509.27	\$992.87	\$516.40	\$87,532.41
14	\$1,509.27	\$998.66	\$510.61	\$86,533.74
15	\$1,509.27	\$1,004.49	\$504.78	\$85,529.26
16	\$1,509.27	\$1,010.35	\$498.92	\$84,518.91
17	\$1,509.27	\$1,016.24	\$493.03	\$83,502.67
18	\$1,509.27	\$1,022.17	\$487.10	\$82,480.50
19	\$1,509.27	\$1,028.13	\$481.14	\$81,452.37
20	\$1,509.27	\$1,034.13	\$475.14	\$80,418.24
21	\$1,509.27	\$1,040.16	\$469.11	\$79,378.07
22	\$1,509.27	\$1,046.23	\$463.04	\$78,331.85
23	\$1,509.27	\$1,052.33	\$456.94	\$77,279.51
24	\$1,509.27	\$1,058.47	\$450.80	\$76,221.04
25	\$1,509.27	\$1,064.65	\$444.62	\$75,156.40
26	\$1,509.27	\$1,070.86	\$438.41	\$74,085.54
27	\$1,509.27	\$1,077.10	\$432.17	\$73,008.44
28	\$1,509.27	\$1,083.39	\$425.88	\$71,925.05
29	\$1,509.27	\$1,089.71	\$419.56	\$70,835.35
30	\$1,509.27	\$1,096.06	\$413.21	\$69,739.29
31	\$1,509.27	\$1,102.46	\$406.81	\$68,636.83
32	\$1,509.27	\$1,108.89	\$400.38	\$67,527.94
33	\$1,509.27	\$1,115.35	\$393.91	\$66,412.59
34	\$1,509.27	\$1,121.86	\$387.41	\$65,290.73
35	\$1,509.27	\$1,128.41	\$380.86	\$64,162.32
36	\$1,509.27	\$1,134.99	\$374.28	\$63,027.34
37	\$1,509.27	\$1,141.61	\$367.66	\$61,885.73
38	\$1,509.27	\$1,148.27	\$361.00	\$60,737.46
39	\$1,509.27	\$1,154.97	\$354.30	\$59,582.49
40	\$1,509.27	\$1,161.70	\$347.56	\$58,420.79
41	\$1,509.27	\$1,168.48	\$340.79	\$57,252.31
42	\$1,509.27	\$1,175.30	\$333.97	\$56,077.01
43	\$1,509.27	\$1,182.15	\$327.12	\$54,894.86
44	\$1,509.27	\$1,189.05	\$320.22	\$53,705.81
45	\$1,509.27	\$1,195.98	\$313.28	\$52,509.83

## Computer Repair Service

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46	\$1,509.27	\$1,202.96	\$306.31	\$51,306.87
47	\$1,509.27	\$1,209.98	\$299.29	\$50,096.89
48	\$1,509.27	\$1,217.04	\$292.23	\$48,879.85
49	\$1,509.27	\$1,224.14	\$285.13	\$47,655.72
50	\$1,509.27	\$1,231.28	\$277.99	\$46,424.44
51	\$1,509.27	\$1,238.46	\$270.81	\$45,185.98
52	\$1,509.27	\$1,245.68	\$263.58	\$43,940.30
53	\$1,509.27	\$1,252.95	\$256.32	\$42,687.35
54	\$1,509.27	\$1,260.26	\$249.01	\$41,427.09
55	\$1,509.27	\$1,267.61	\$241.66	\$40,159.48
56	\$1,509.27	\$1,275.00	\$234.26	\$38,884.48
57	\$1,509.27	\$1,282.44	\$226.83	\$37,602.04
58	\$1,509.27	\$1,289.92	\$219.35	\$36,312.11
59	\$1,509.27	\$1,297.45	\$211.82	\$35,014.67
60	\$1,509.27	\$1,305.02	\$204.25	\$33,709.65
61	\$1,509.27	\$1,312.63	\$196.64	\$32,397.02
62	\$1,509.27	\$1,320.29	\$188.98	\$31,076.74
63	\$1,509.27	\$1,327.99	\$181.28	\$29,748.75
64	\$1,509.27	\$1,335.73	\$173.53	\$28,413.02
65	\$1,509.27	\$1,343.53	\$165.74	\$27,069.49
66	\$1,509.27	\$1,351.36	\$157.91	\$25,718.13
67	\$1,509.27	\$1,359.25	\$150.02	\$24,358.88
68	\$1,509.27	\$1,367.17	\$142.09	\$22,991.71
69	\$1,509.27	\$1,375.15	\$134.12	\$21,616.56
70	\$1,509.27	\$1,383.17	\$126.10	\$20,233.39
71	\$1,509.27	\$1,391.24	\$118.03	\$18,842.15
72	\$1,509.27	\$1,399.36	\$109.91	\$17,442.79
73	\$1,509.27	\$1,407.52	\$101.75	\$16,035.27
74	\$1,509.27	\$1,415.73	\$93.54	\$14,619.54
75	\$1,509.27	\$1,423.99	\$85.28	\$13,195.56
76	\$1,509.27	\$1,432.29	\$76.97	\$11,763.26
77	\$1,509.27	\$1,440.65	\$68.62	\$10,322.61
78	\$1,509.27	\$1,449.05	\$60.22	\$8,873.56
79	\$1,509.27	\$1,457.51	\$51.76	\$7,416.06
80	\$1,509.27	\$1,466.01	\$43.26	\$5,950.05
81	\$1,509.27	\$1,474.56	\$34.71	\$4,475.49
82	\$1,509.27	\$1,483.16	\$26.11	\$2,992.33
83	\$1,509.27	\$1,491.81	\$17.46	\$1,500.51
84	\$1,509.27	\$1,500.51	\$8.75	\$0.00