



RVC Fine Furniture Business Plan

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RVC Fine Furniture Business Plan

Executive Summary

Business Description

Quality craftsmanship is a dying art. As people become aware of the difference between high quality furniture and cheap throw away, they realize that if they are to have a legacy to pass on to their children like some of the fine pieces of furniture their grandparents left them, they need to purchase well-made, quality furniture. There is nothing like owning furniture pieces that have been handed down through the generations. “Built to last” not only describes our furniture, but also the memories created recalling the history of each piece as it is passed on from generation to generation.

RVC Fine Furniture is nestled in the valley between two mighty rivers, in the first settlement of the Northwest Territory. We will have a very specialized furniture store where we hand craft all the pieces. We will take specialty orders. Customers can give us their ideas, designs, or needs and we will craft a unique piece of furniture to fit their specifications. Each product is unique since skilled craftsmen who have spent years learning the trade make it. Our furniture will not be mass-produced.

Having built furniture for our own home and family members, we have been asked to build for others. People fall in love with our work once the craftsmanship and high quality materials are seen and experienced. RVC will employ local craftsmen who have plied their trade for decades. By using only the finest hardwoods available, our craftsmen ensure that our furniture will last for generations to come.

We craft wood furniture of all types: living room, dining room, breakfast room, family room, den, office, and bedroom furniture as well as custom design work.

Furniture will be available in oak, cherry, maple, mahogany, wormy chestnut, cedar, or the wood of your choice. We will craft furnishings in cedar, redwood or black locust for outdoor use.

We provide each of our customers with a specialist and a unique database, which provides access to their clients’ acquisition history, which includes photo inventory and certified appraisal. This information will assist in matching future pieces with existing décor and market new additions to the line.

Business Objectives

RVC is committed to the following objectives:

- ◆ Establish relationships with quality wholesale suppliers of lumber and hardware
- ◆ Establish our name and image in the community as a manufacturer of high quality furnishings within the next three years
- ◆ Establish our name and image in the community as a specialty manufacturer of custom designed furnishings within the next three years

- ◆ Establish our name and image in the furniture manufacturing industry as a manufacturer of high quality furnishings and specialty manufacturing of custom designed furniture within the next five years
- ◆ Establish relationships with quality craftsmen to supply customers' custom design needs
- ◆ Establish relationships with designers of unique, fine furniture
- ◆ Hire quality craftsmen to create custom furniture in-house within the next five years

Mission Statement

RVC Fine Furniture is the manufacturer of the finest hardwood and custom created furniture with Olde World quality craftsmanship. Customers' furniture will be specially crafted to their specifications or crafted from our catalog of quality designs. Personalized customer service is the cornerstone of our business. We pride ourselves in providing customers with a personal specialist who will assist with all their needs. We will maintain a database of customers and their purchases to enable delivery of targeted market materials. "Memories are forever – fine family heirlooms" is our motto. You become one of the family when you order from RVC. RVC – **R**efined - **V**ery special - **C**rafted

Keys to Success

RVC will employ local craftsmen who have plied their trade for decades. By using only the finest hardwoods available, our craftsmen ensure that our furniture will last for generations to come.

We provide each of our customers with a personal specialist and a unique database which provides access to their acquisition history, including photo inventory and certified appraisals. This information will assist in matching future pieces with existing décor and market new additions to the line.

Company Overview

Company Ownership

RVC Fine Furniture is a family operation. It is intended that the business will become a corporation with sub chapter S status, hopefully employee owned.

It is hoped that by establishing as a corporation and applying for S corporation status it will help simplify our tax reporting. This will allow us to provide benefits to our employees and be able to deduct them as a business expense. It will also protect our personal property as much as possible. We hope that employee ownership will add to our personalized image and enhance our reputation for quality work.

The current family owners are Reginald and Victoria Chippendale. Reginald has been building furniture for the past thirty years as a hobby and by commission. He will be the primary crafter and designer. Victoria has extensive experience in the manufacturing world and will be in charge of the daily operations and management functions. We will employ part-time crafters and hobbyists as needed and will establish an apprenticeship program with the area vocational schools.

Company Locations and Facilities

RVC Fine Furniture will be located in a renovated shopping center in a small historic city with a community college and a county career center. It is off main thoroughfares and easily accessible to main routes and major cities by interstate highways. The facility is approximately thirty years old.

The manufacturing facility will have 5,000 square feet of manufacturing space and 10,000 square feet of warehouse space. The office space will be at the one end of the manufacturing plant and we will have ample parking in the parking lot of the shopping center. A storefront will be next to the office space to accommodate walk-in customers and will also serve as our showroom.

Products and Services

RVC Fine Furniture will offer the highest quality of furniture available. We will be expanding into the custom design furniture market with the intent on becoming one of the premier furniture manufacturers in the United States.

We craft wood furniture of all types: living room, dining room, breakfast room, family room, den, office, and bedroom furniture as well as custom design work. The products will include: sofa, coffee and end tables; dining room tables, chairs, hutches, and buffets; desks, chairs, bookcases and wall units; entertainment centers; armoires, dressers, chests of drawers, lingerie cabinets, head and foot boards, and nightstands, as well as custom design pieces.

We will start with basic stocks and styles, and introduce new products each year as our business expands. Since our designs fit into office and industrial settings, that will be a natural expansion of our business line and more emphasis will be placed in that direction within the next five years.

Furniture will be available in oak, cherry, maple, mahogany, wormy chestnut, cedar, or the wood of your choice. We will craft furnishings in cedar, redwood and black locust for outdoor use.

We provide each of our customers with a specialist and a unique database which provides access to their clients' acquisition history, which includes photo inventory and certified appraisal. This information will assist in matching future pieces with existing décor and market new additions to the line.

Features and Benefits

We use the finest lumber and employ skilled craftsmen to create high quality furniture. Our craftsmanship reflects the quality and attention to detail present in fine furniture. Our attention to detail is apparent in things like our dovetailed joints and our unique designs tailored to customer specifications.

The workforce in the Appalachian area is known for their dedication and quality work. Their parents and grandparents taught many of the older generation when they were very young. As the economy boomed, many young people moved to bigger cities and lost touch with their homespun roots thinking

they were ordinary and unsophisticated. Today they are realizing that the big cities do not offer the practical, down-to-earth lifestyle they in which they want to rear their children so they are returning to their rural roots. By developing an apprentice program under master craftsmen, we will be providing a continuation of a dying art and creating cherished furnishings for generations to come while doing our part as a corporate citizen to improve the economic development of the area.

We will have an internet presence which will educate the consumer, provide an opportunity for factory-direct ordering, and allow our clientele to track the production and shipment of their purchases. This will allow us to develop a closer relationship with them. We will also establish a working relationship with the local vocational schools, community colleges, and high schools to find our apprentices and journeymen.

Turn-around time will depend upon the size and complexity of the piece. Normal production time for our standard line of furniture pieces is ten days, with in-stock lumber and hardware.

Market Comparison

Business Analysis

Industry Overview

The furniture market as a whole and the wood furniture sector specifically, is projected to increase in the year 2002 and 2003 according to the American Furniture Manufacturers Association. This projection of 4.3% increase in industry shipments for the residential market equates to \$23.943 billion. It is forecasted that the increase will be greater in 2003, rising to 5.2%, or \$25.192 billion.

Sales in the first quarter of 2002 were higher than anticipated. This may be attributed to the decline in sales the previous years. A key indicator for furniture sales is the housing market and it is forecasted to gain this year, although moderately.

With consumer furniture demand rising an expected 2.9% to \$65.987 billion, the wood furniture shipments are forecast to be up 5% from the previous year to \$11.410 billion. (*See addendum*) With electronics and computers continuing to dominate the markets, the need for furniture to house them will continue to grow.

Product Segments

In the U.S., the furniture and related product manufacturing industry is broken down into three major sectors: wood kitchen cabinet & counter top (38%), household furniture (36%), and office furniture, institutional furniture, custom architectural woodwork & millwork, showcase, partition, shelving, & locker (26%).

Of the 36% in the household furniture sector, nonupholstered wood comprised 19% of that market, with upholstered 8%, metal 2%, household (except wood & metal) 1%, and mattress, blind & shade manufacturing 6%.

This provides a significant market in which to operate. Our products will also flow into the office and institutional sectors which will add to market potential.

Market Segments

There are 3,847 nonupholstered wood household furniture manufacturers in the US, with 357, or 9.3%, are located in the Ohio, Pennsylvania, Kentucky and West Virginia area. These manufacturers supply the 6,697 furniture wholesalers in the US. Of these wholesalers, 568, or 8.5%, are located in the Ohio, Pennsylvania, Kentucky, and West Virginia area.

In addition, there are 29,461 furniture stores in the U.S., with 3,078 (10.5%) of them in this four-state area. This market can be targeted on either a wholesale level, supplying directly to them or as competition for our direct-sale outlet.

The target area of Ohio, Pennsylvania, Kentucky and West Virginia was selected because it is within a one-day delivery radius from the Mid-Ohio Valley area where we are located.

Target Market

As a manufacturer supplying to distributors, our target market would be furniture distributors of high quality pieces. The income level of the average client seeking high quality furniture pieces will be in the middle and upper class range. Marital status will not make a difference. Education level will be college graduates, professionals, and some skilled trades. Many of these customers are returning to the Mid-Ohio Valley area after living elsewhere and yearn for a simpler life for their family. Many others are transferees with large corporations, having come from more expensive living areas of the country. Therefore we feel we can target this niche for our direct sales outlet.

As we expand into the office and industrial furniture markets, we will target corporations, hospitals, and businesses of all sizes.

The end user for our product will be those who appreciate fine workmanship, durability, quality craftsmanship and fine wood; the discriminating buyer who is selective and does not want a typical, mass-produced product. Our customers will not hesitate to pay for top quality and workmanship that will last for decades, even centuries that will become heirlooms.

Our direct sales clients buy when they find the right piece or have the design in mind. They will travel to locate just the right piece and purchase additional pieces as the need arises or to complete sets.

Our initial primary market will be small independent furniture retailers within a 250 mile radius of the Mid Ohio Valley, which will include such major markets as Cincinnati, Columbus, Cleveland, Pittsburgh, Charleston, and Huntington. The region has several independent retailers. We will target them until we are able to craft enough quality furniture to distribute to larger furniture chains.

Niche Market

Our niche market is rural roots families with the desire to escape the city and return to safer, peaceful communities. They will be consumers and can also be a source for the skilled craftsmen and apprentices as they will not have to leave to do something they love. Many grew up watching their father and grandfather work with wood and want an opportunity to remain in the area.

Our niche market families build expensive homes in the rolling hills and valleys and want to furnish them with exquisite furnishings. Being able to build a more expensive home in a rural area and have additional money to furnish it properly, they will purchase their furniture from people they know, who have been in the business for generations, and have the local store up the road. Chances are they went to school with the owner who has now taken over the family’s furniture business.

Competition Analysis

The charts below list our competitors and how we did our comparison. By emphasizing our quality products with local roots and appealing to the desire to pass on a legacy to our descendants, leaving heirlooms from our past, we should be able to meet our objectives.

Competitor #1	
Business Name	Royal Furniture
Location	Kingston, Ohio
Product Range/Services Offered	Furniture – Living Room, Dining Room, Bedroom, all factory made
Prices	Mid to high range (sofa range \$700 – \$3,500)
Strengths	Family operated, locally owned, decades in same area
Weaknesses	In a small community away from traffic
How can you beat them?	By being in a more accessible, higher traffic location and hand crafted, custom work

Competitor #2	
Business Name	Recliners Unlimited
Location	Mason, Ohio
Product Range/Services Offered	Furniture – Living Room, Dining Room, Bedroom, all factory made
Prices	Mid to high range (Sofa \$500 - \$3,000)
Strengths	Chain store, name recognition, high traffic area
Weaknesses	Chain store, name associated with recliners
How can you beat them?	Emphasize local roots, hand craft, personal service, custom work

Competitor #3	
Business Name	Ye Olde World Shoppe
Location	Mason, Ohio
Product Range/Services Offered	Dining Room, Bedroom, Miscellaneous
Prices	Mid to high range (Sofa \$600 - \$3,200)
Strengths	Reputation for quality, high traffic area
Weaknesses	Limited selection
How can you beat them?	Emphasize local roots, personal service, custom work

Marketing

Marketing Strategy

Positioning Strategy

RVC Fine Furniture handcrafts furniture from selected and custom designs. By doing custom design work, we have the ability to meet any special requirements of customers be it design, wood, color or type of construction. Our personalized service provides our customers with their own personal specialist. Our personal specialist will maintain a database of their clients valuable information such as client name, personal likes and dislikes, wish list information, past purchases including dates, price, and style, serial numbers and warranty information, and any other data which will assist our customer in target their marketing efforts. We also keep a photo inventory for insurance purposes as a part of our customer service. Many of our customers have returned to a smaller community and have purchased expensive homes and wish to furnish them with exquisite furnishings which they can pass on to their children, family and friends. They have a higher education background and are employed by large companies. They use the internet frequently and appreciate the convenience of having access to shopping and personal records online. Most of our other customer base comes from simple backgrounds rooted in tradition and self-sustaining principles. They value and appreciate furnishings, which will not only last their lifetime but their children's. They may already have some pieces passed down from their parents or grandparents.

Our business will be located at our home with plans to relocate our plant and a storefront in a major shopping area off a main thoroughfare in a nearby small historic city. It will be a single-story, street level shop with adequate parking in the shopping center lot. By locating in a renovated "strip center"

we will be able to keep our costs down and yet still have street traffic as the newer shopping area has moved down the main road. This will sandwich our location between the historic downtown area known for its antique shops and the major shopping area. It is also just off the interstate highway.

We will have wholesale and retail sectors targeting specific markets in each.

The region has several independent furniture retailers. We will target them for our wholesale business until we are able to craft enough quality furniture to distribute to the larger furniture stores.

Our main retail competitor, a cultural furniture store, is located in Mason, 25 minutes away. We plan to beat this competition by offering more variety and having a personal service. Our other competition is from chain stores, some of which we plan to supply as a wholesaler.

Research has shown that our retail customers have definite ideas about what furnishings they want. Our customized and personal service, craftsmanship, and local roots will cater to their desires. They build a relationship with craftsmen and we will build on that relationship by having open houses, inviting them to see the progress of their orders and contacting them regularly about additional complementary lines to what they already own. We will also provide them with an updated insurance summary on an annual basis and include a brochure with our latest designs. We will offer our services through the internet as well.

Unique Selling Proposition:

“Memories are forever – the finest in family heirlooms”

Price

Wholesale

Our pricing will be comparable to our competitors and we will offer credit terms to qualified buyers of 90 days same as cash, a flashback to older times and simpler days. We will use the Gross Margin Pricing method and allow for a 20% profit in that calculation.

Retail

Our pricing for our storefront will offer credit terms to qualified buyers of 90 days same as cash, a flashback to older times and simpler days. We will use the Gross Margin Pricing method and allow for a 20% profit in that calculation. We will also add a 20% mark up to that cost so that we don't alienate our wholesale customers in the area.

Place

Our business will be located at our home with plans to relocate our plant and a storefront off a main thoroughfare in a nearby small historic city. It will be a single-story, street level shop with adequate parking in the shopping center lot. By locating in a renovated “strip center” we will be able to keep our costs down and yet still have street traffic as the newer shopping area has moved down the main road. This will sandwich our location between the downtown area and the major shopping area. It is also just off the interstate highway.

Packaging

In designing our company’s image, we wanted to emphasize family heritage and the higher quality of our products. To this end, our name combines our family initials with the words fine furniture to represent the handcrafted heirloom quality of our product. Our logo (far right) reflects this with wood and a “plaque” shape which implies award winning, quality work. The wood tone fits naturally with our product. We will have our logo “stamped” onto each of our pieces with a wood burner. Each of our pieces will be signed by the craftsman also be numbered and cataloged to give our own personal touch to our work.



Logo

Our location, nestled in the valley between two might rivers, in the first settlement of the Northwest Territory, also implies longevity, strength and endurance.

Promotion

We will be contacting our customers directly. An agent normally charges 5 – 7% commission and we will save that cost and also provide a personal touch. By keeping this in-house, this builds our relationship and personal touch with our customer, one of our trademarks and strengths.

We will have a catalog to showcase our products and also provide actual wood samples. We will recycle our wood trimmings to create our actual samples so customers can see how the finished piece will look and feel.

Wholesale

We will run ads in specialized magazines and have a booth at all the major trade shows. We will visit the local furniture dealers and leave literature (brochures, catalogues, business cards) and have a personal specialist follow up with regular calls.

Retail

We will run monthly ads in the local newspapers advertising our special services. In keeping with our rural roots, we will also advertise on the back of church bulletins and at the public libraries. We will have a booth at the local craft shows.

Internet

Many of our customers are internet savvy and use computers in their everyday lives. We will establish an online presence which will provide them access to our printed materials, a video and sound clip of our handcrafting process, a catalog of stock and special order items, as well as our design services, and online ordering from a secured area. In addition to our online ordering, our secured area will provide them with access to their personal account which will provide dates, item serial numbers, purchase price, insurance information, photographs, and links to other pieces in the series. This will also be a valuable service for our wholesale customers.

Management Summary

We are a family owned company operated by Reginald and Victoria Chippendale, husband and wife, to be organized as a Subchapter S corporation. Reginald is the master craftsman and designer of our products. Victoria is the manager of the company. As our company grows, we hope to be able to become an employee owned corporation.

We have two full time owner operators, two craftsmen and three apprentice craftsmen. Additional part-time craftsmen and apprentices are employed as the work load demands. Many of our craftsmen and apprentices are retired or do woodworking as a hobby or wish to earn additional money on the side.

Management Team

Reginald Chippendale, master craftsman and designer, is responsible for product design and crafting of our furniture.

Victoria Chippendale is in charge of the overall business operation. She is responsible for marketing, finance, and sales.

Reginald and Victoria jointly do long-term planning and develop the business strategy.

Financial Reports

Important Assumptions

- Our raw material needs have a 10% scrap allowance calculated in the total board feet needed.
- Our special orders will take approximately 115 board feet of our most expensive materials to construct (our largest piece plus 10% scrap allowance).
- Our pricing is calculated using the Gross Margin Pricing method based upon projected sales for Year One. Projected sales for Year One were calculated using the full cost of production plus 50% profit for items in order to determine a base projected sales figure.
- Our utilities have a 10% increase built in.

- If the owners take half a salary (\$35,000 total), the projected five-year income statement would show a positive balance in year 4.

Start Up Costs

One-Time Costs

Licenses	\$	150.00
Permits	\$	100.00
Legal Fees	\$	5,000.00
Deposits with Public Utilities	\$	1,200.00
Installation of Equipment	\$	7,500.00
Remodeling	\$	1,200.00
Capital Equipment & Start Up Supply List *	\$	50,050.00
Cash (6 mos monthly operating)	\$	138,700.80
Subtotal	\$	203,900.80

Monthly Expenses

Rent	\$	2,450.00
Owners' Salaries	\$	5,833.33
Advertising & Marketing	\$	100.00
Utilities	\$	3,000.00
Insurance (health, payroll taxes)	\$	2,333.33
Shipping and Delivery	\$	200.00
Annual Licenses and Permits	\$	250.00
Legal & Professional Fees	\$	250.00
Loan Payment	\$	8,066.80
Office Supplies	\$	100.00
Travel Expenses	\$	333.33
Vehicle Maintenance	\$	100.00
Taxes, misc	\$	100.00
Subtotal	\$	23,116.80

* See Capital Equipment List & Start Up Supply List

Capital Equipment List and Start Up Supply List

Manufacturing:

Scroll Saw	\$	400.00
Cabinet Saw	\$	3,400.00
Jointer	\$	1,900.00
Planer	\$	2,400.00
Shaper	\$	2,500.00
Band Saw	\$	1,400.00
Drill Press	\$	500.00
Mortise	\$	1,000.00
Lathe	\$	700.00
Sander	\$	400.00
Surface Sander	\$	1,200.00
Spindle Sander	\$	200.00
Dust Collection	\$	
System w/Fittings		1,500.00
Compressor	\$	1,400.00
Spray Booth	\$	2,500.00
Air Tools	\$	500.00
Spraying	\$	250.00
Subtotal	\$	22,150.00

Office:

Copy Machine	\$	5,000.00
Fax Machine	\$	500.00
Computers (2)	\$	2,500.00
Printer	\$	1,200.00
Desks (3)	\$	3,000.00
Telephones (5)	\$	500.00
Desk Chairs (3)	\$	300.00
Conference Table	\$	500.00
Conference Chairs	\$	
(4)		400.00
Filing Cabinets (2 - 4	\$	
drawer)		225.00
Subtotal	\$	14,125.00

Other:

Delivery Truck	\$	40,000.00
Subtotal	\$	40,000.00

Manufacturing:

Lumber	\$	11,200.00
Stains	\$	400.00
Polyurethane	\$	600.00
Hardware	\$	300.00
Nails, Screws,	\$	
Adhesives		325.00
Miscellaneous	\$	200.00
Subtotal	\$	13,025.00

Office Supplies:

Letterhead &	\$	
Envelopes		500.00
Second Sheets &	\$	
Plain Envelopes		200.00
Copier Paper	\$	30.00
Miscellaneous	\$	750.00
Subtotal	\$	15,330.00

Grand Total **\$ 50,050.00**

Depreciation Schedule

5 year depreciation: autos, trucks, computers & peripherals, office equip

7 year depreciation: office furniture & fixtures, agricultural equip

39 year depreciation: nonresidential real estate, including home offices - not including land value

Item	Purchase Date	Purchase Cost	Monthly Depreciation	Total Depreciation Year 1
Manufacturing:				
Scroll Saw	12/1/2002	\$ 400.00	\$ 4.76	\$ 57.14
Cabinet Saw	12/1/2002	\$ 3,400.00	\$ 40.48	\$ 485.71
Jointer	12/1/2002	\$ 1,900.00	\$ 22.62	\$ 271.43
Planer	12/1/2002	\$ 2,400.00	\$ 28.57	\$ 342.86
Shaper	12/1/2002	\$ 2,500.00	\$ 29.76	\$ 357.14
Band Saw	12/1/2002	\$ 1,400.00	\$ 16.67	\$ 200.00
Drill Press	12/1/2002	\$ 500.00	\$ 5.95	\$ 71.43
Mortise	12/1/2002	\$ 1,000.00	\$ 11.90	\$ 142.86
Lathe	12/1/2002	\$ 700.00	\$ 8.33	\$ 100.00
Sander	12/1/2002	\$ 400.00	\$ 4.76	\$ 57.14
Surface Sander	12/1/2002	\$ 1,200.00	\$ 14.29	\$ 171.43
Spindle Sander	12/1/2002	\$ 200.00	\$ 2.38	\$ 28.57
Dust Collection System w/Fittings	12/1/2002	\$ 1,500.00	\$ 17.86	\$ 214.29
Compressor	12/1/2002	\$ 1,400.00	\$ 16.67	\$ 200.00
Spray Booth	12/1/2002	\$ 2,500.00	\$ 29.76	\$ 357.14
Air Tools	12/1/2002	\$ 500.00	\$ 5.95	\$ 71.43
Spraying	12/1/2002	\$ 250.00	\$ 2.98	\$ 35.71
Subtotal		\$ 22,150.00	\$ 263.69	\$ 3,164.29
Office:				
Copy Machine	12/1/2002	\$ 5,000.00	\$ 59.52	\$ 714.29
Fax Machine	12/1/2002	\$ 500.00	\$ 5.95	\$ 71.43
Computers (2)	12/1/2002	\$ 2,500.00	\$ 29.76	\$ 357.14
Printer	12/1/2002	\$ 1,200.00	\$ 14.29	\$ 171.43
Desks (3)	12/1/2002	\$ 3,000.00	\$ 35.71	\$ 428.57
Telephones (5)	12/1/2002	\$ 500.00	\$ 5.95	\$ 71.43
Desk Chairs (3)	12/1/2002	\$ 300.00	\$ 3.57	\$ 42.86
Conference Table	12/1/2002	\$ 500.00	\$ 5.95	\$ 71.43
Conference Chairs (4)	12/1/2002	\$ 400.00	\$ 4.76	\$ 57.14
Filing Cabinets (2 - 4 drawer)	12/1/2002	\$ 225.00	\$ 2.68	\$ 32.14
Subtotal		\$ 14,125.00	\$ 168.15	\$ 2,017.86
Other:				
Delivery Truck	12/1/2002	\$ 40,000.00	\$ 666.67	\$ 8,000.00
Subtotal		\$ 40,000.00	\$ 666.67	\$ 8,000.00
Total		\$ 76,275.00	\$ 1,098.51	\$13,182.14

**Projected Balance Sheet
For Year Ended December 31, 2008**

ASSETS		LIABILITIES	
CURRENT ASSETS		CURRENT LIABILITIES	
Cash	\$ 250,000.00	Accounts Payable	\$ 301,490.01
Accounts Receivable	\$ 581,792.97	Current Portion Long-term Debt	
Inventory		Accrued Expenses	
Prepaid Expenses		Notes Payable	
Total Current Assets	<u>\$ 831,792.97</u>	Total Current Liabilities	<u>\$ 301,490.01</u>
FIXED ASSETS		LONG-TERM LIABILITIES	
Fixtures & Leasehold Improvements		Bank Loan	\$ 250,000.00
Building		Total Long-Term Liabilities	<u>\$ 250,000.00</u>
Trucks	\$ 40,000.00	TOTAL LIABILITIES	<u>\$ 551,490.01</u>
Machinery & Equipment	\$ 36,275.00		
Depreciation	\$ (13,182.14)	EQUITY	
Total Fixed Assets	<u>\$ 63,092.86</u>	Total Equity	\$ 343,395.82
TOTAL ASSETS	<u><u>\$ 894,885.83</u></u>	TOTAL LIABILITIES AND EQUITY	<u><u>\$ 894,885.83</u></u>

Projected Income Statement
For the Period January 1, 2008 through December 31, 2009

	Jan	Feb	Mar	Apr	May	Jun	Jan-Jun Total
SALES							
Chests, Blanket, Cedar, Hall	\$ 8,320.80	\$ 10,401.00	\$ 10,401.00	\$ 4,160.40	\$ 4,160.40	\$ 6,240.60	\$ 43,684.20
Buffet, Entertainment Center	\$ 43,212.31	\$ 21,606.15	\$ 17,284.92	\$ 8,642.46	\$ 8,642.46	\$ 8,642.46	\$108,030.77
Single Door Pie Cabinet, Antique Ice Box, Bar, Plant Stand, TV Table	\$ 22,906.67	\$ 13,744.00	\$ 9,162.67	\$ 4,581.33	\$ 9,162.67	\$ 9,162.67	\$ 68,720.00
Double Door Pie Cabinet, Cabinet, Storage, Game, Toy	\$ 19,066.67	\$ 11,440.00	\$ 9,533.33	\$ 5,720.00	\$ 1,906.67	\$ 1,906.67	\$ 49,573.33
Special Orders*	\$ 4,321.23	\$ 4,321.23	\$ 4,321.23	\$ 4,321.23	\$ 4,321.23	\$ 4,321.23	\$ 25,927.38
Total Sales	\$ 97,827.67	\$ 61,512.38	\$ 50,703.15	\$ 27,425.43	\$ 28,193.43	\$ 30,273.63	\$295,935.69
Cost of Goods Sold							
Craftsman Labor	\$ 17,060.00	\$ 8,400.00	\$ 8,060.00	\$ 8,460.00	\$ 8,060.00	\$ 8,060.00	\$ 58,100.00
Apprentice Labor	\$ 1,764.00	\$ 864.00	\$ 876.00	\$ 828.00	\$ 828.00	\$ 828.00	\$ 5,988.00
Lumber	\$ 2,563.00	\$ 1,552.10	\$ 1,290.30	\$ 730.40	\$ 613.80	\$ 645.70	\$ 7,395.30
Hardware	\$ 600.00	\$ 400.00	\$ 330.00	\$ 170.00	\$ 190.00	\$ 210.00	\$ 1,900.00
Stain & Polyurethane	\$ 405.00	\$ 260.00	\$ 215.00	\$ 115.00	\$ 115.00	\$ 125.00	\$ 1,235.00
Nails, Screws, Adhesives	\$ 200.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 700.00
Miscellaneous Supplies	\$ 50.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 175.00
Insurance and Taxes for Labor	\$ 7,529.60	\$ 3,705.60	\$ 3,574.40	\$ 3,715.20	\$ 3,555.20	\$ 3,555.20	\$ 25,635.20
Total Cost of Goods Sold	\$ 30,171.60	\$ 15,306.70	\$ 14,470.70	\$ 14,143.60	\$ 13,487.00	\$ 13,548.90	\$101,128.50
Gross Margin	\$ 67,656.07	\$ 46,205.68	\$ 36,232.45	\$ 13,281.83	\$ 14,706.43	\$ 16,724.73	\$194,807.19
EXPENSES							
Operating Expenses							
<u>Utilities:</u>							
Gas	\$ 1,888.74	\$ 958.20	\$ 905.87	\$ 885.39	\$ 844.29	\$ 848.16	\$ 6,330.64
Water	\$ 953.42	\$ 483.69	\$ 457.27	\$ 446.94	\$ 426.19	\$ 428.15	\$ 3,195.66
Electric	\$ 2,290.02	\$ 1,161.78	\$ 1,098.33	\$ 1,073.50	\$ 1,023.66	\$ 1,028.36	\$ 7,675.65
Internet	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 360.00
Telephone	\$ 190.08	\$ 96.43	\$ 91.17	\$ 89.10	\$ 84.97	\$ 85.36	\$ 637.11
Cell Phone	\$ 286.63	\$ 145.41	\$ 137.47	\$ 134.36	\$ 128.13	\$ 128.71	\$ 960.72
<u>Other Operating Expenses:</u>							
Rent	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 14,700.00
Advertising & Marketing	\$ 195.00	\$ 95.00	\$ 90.00	\$ 90.00	\$ 85.00	\$ 85.00	\$ 640.00
Insurance (health, payroll taxes)	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 14,000.00
Shipping and Delivery	\$ 377.15	\$ 191.33	\$ 180.88	\$ 176.80	\$ 168.59	\$ 169.36	\$ 1,264.11
Annual Licenses and Permits	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 1,500.00
Legal & Professional Fees	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 1,500.00
Office Supplies	\$ 190.00	\$ 95.00	\$ 90.00	\$ 89.00	\$ 85.00	\$ 85.00	\$ 634.00
Travel Expenses	\$ 333.33	\$ 333.33	\$ 333.33	\$ 333.33	\$ 333.33	\$ 333.33	\$ 2,000.00
Vehicle Maintenance	\$ 200.00	\$ 95.00	\$ 92.00	\$ 90.00	\$ 85.00	\$ 85.00	\$ 647.00
Taxes, misc	\$ 190.08	\$ 96.43	\$ 91.17	\$ 89.10	\$ 84.97	\$ 85.36	\$ 637.11
Depreciation	\$ 1,098.51	\$ 1,098.51	\$ 1,098.51	\$ 1,098.51	\$ 1,098.51	\$ 1,098.51	\$ 6,591.07
Total Operating Expenses	\$ 13,536.31	\$ 10,193.46	\$ 10,009.33	\$ 9,939.37	\$ 9,790.97	\$ 9,803.64	\$ 63,273.08

	Jan	Feb	Mar	Apr	May	Jun	Jan-Jun Total
Other Expenses							
Owners' Salaries	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 35,000.00
Start Up Loan Payment	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 48,400.80
Vehicle Loan	\$ 912.44	\$ 912.44	\$ 912.44	\$ 912.44	\$ 912.44	\$ 912.44	\$ 5,474.64
Total Other Expenses	\$ 14,812.57	\$ 14,812.57	\$ 14,812.57	\$ 14,812.57	\$ 14,812.57	\$ 14,812.57	\$ 88,875.44
Total Expenses	\$ 28,348.88	\$ 25,006.03	\$ 24,821.90	\$ 24,751.95	\$ 24,603.54	\$ 24,616.21	\$152,148.52
Net Profit Pretax	\$ 39,307.19	\$ 21,199.65	\$ 11,410.55	\$ (11,470.12)	\$ (9,897.12)	\$ (7,891.49)	\$ 42,658.67

	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
SALES							
Chests, Blanket, Cedar, Hall	\$ 2,080.20	\$ 2,080.20	\$ 4,160.40	\$ 10,401.00	\$ 20,802.00	\$ 20,802.00	\$104,010.00
Buffet, Entertainment Center	\$ 4,321.23	\$ 4,321.23	\$ 21,606.15	\$ 17,284.92	\$ 17,284.92	\$ 43,212.31	\$216,061.54
Single Door Pie Cabinet, Antique Ice Box, Bar, Plant Stand, TV Table	\$ 4,581.33	\$ 4,581.33	\$ 6,872.00	\$ 9,162.67	\$ 9,162.67	\$ 11,453.33	\$114,533.33
Double Door Pie Cabinet, Cabinet, Storage, Game, Toy	\$ 1,906.67	\$ 1,906.67	\$ 5,720.00	\$ 7,626.67	\$ 11,440.00	\$ 17,160.00	\$ 95,333.33
Special Orders*	\$ 4,321.23	\$ 4,321.23	\$ 4,321.23	\$ 4,321.23	\$ 4,321.23	\$ 4,321.23	\$ 51,854.77
Total Sales	\$ 17,210.66	\$ 17,210.66	\$ 42,679.78	\$ 48,796.49	\$ 63,010.82	\$ 96,948.87	\$581,792.97
Cost of Goods Sold							
Craftsman Labor	\$ 8,060.00	\$ 8,060.00	\$ 8,760.00	\$ 8,400.00	\$ 8,460.00	\$ 8,460.00	\$ 108,300.00
Apprentice Labor	\$ 828.00	\$ 828.00	\$ 888.00	\$ 864.00	\$ 876.00	\$ 876.00	\$ 11,148.00
Lumber	\$ 408.10	\$ 408.10	\$ 1,103.30	\$ 1,202.30	\$ 1,537.80	\$ 2,517.90	\$ 14,572.80
Hardware	\$ 110.00	\$ 110.00	\$ 250.00	\$ 320.00	\$ 440.00	\$ 610.00	\$ 3,740.00
Stain & Polyurethane	\$ 70.00	\$ 70.00	\$ 170.00	\$ 205.00	\$ 275.00	\$ 405.00	\$ 2,430.00
Nails, Screws, Adhesives	\$ 100.00	\$ 90.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 200.00	\$ 1,390.00
Miscellaneous Supplies	\$ 25.00	\$ 100.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 50.00	\$ 425.00
Insurance and Taxes for Labor	\$ 3,555.20	\$ 3,555.20	\$ 3,859.20	\$ 3,705.60	\$ 3,734.40	\$ 3,734.40	\$ 47,779.20
Total Cost of Goods Sold	\$ 13,156.30	\$ 13,221.30	\$ 15,155.50	\$ 14,821.90	\$ 15,448.20	\$ 16,853.30	\$ 189,785.00
Gross Margin	\$ 4,054.36	\$ 3,989.36	\$ 27,524.28	\$ 33,974.59	\$ 7,562.62	\$ 80,095.57	\$ 392,007.97

EXPENSES

Operating Expenses

Utilities:

Gas	\$ 823.58	\$ 827.65	\$ 948.73	\$ 927.85	\$ 967.06	\$ 1,055.02	\$ 11,880.54
Water	\$ 415.74	\$ 417.79	\$ 478.91	\$ 468.37	\$ 488.16	\$ 532.56	\$ 5,997.21
Electric	\$ 998.56	\$ 1,003.50	\$ 1,150.30	\$ 1,124.98	\$ 1,172.52	\$ 1,279.17	\$ 4,404.68
Internet	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 720.00
Telephone	\$ 82.88	\$ 83.29	\$ 95.48	\$ 93.38	\$ 97.32	\$ 106.18	\$ 1,195.65
Cell Phone	\$ 124.98	\$ 125.60	\$ 143.98	\$ 140.81	\$ 146.76	\$ 160.11	\$ 1,802.96

	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Other Operating Expenses:							
Rent	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 29,400.00
Advertising & Marketing	\$ 80.00	\$ 80.00	\$ 95.00	\$ 95.00	\$ 100.00	\$ 105.00	\$ 1,195.00
Insurance (health, payroll taxes)	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 28,000.00
Shipping and Delivery	\$ 164.45	\$ 165.27	\$ 189.44	\$ 185.27	\$ 193.10	\$ 210.67	\$ 2,372.31
Annual Licenses and Permits	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 3,000.00
Legal & Professional Fees	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 3,000.00
Office Supplies	\$ 82.00	\$ 83.00	\$ 95.00	\$ 93.00	\$ 97.00	\$ 106.00	\$ 1,190.00
Travel Expenses	\$ 333.33	\$ 333.33	\$ 333.33	\$ 333.33	\$ 333.33	\$ 333.33	\$ 4,000.00
Vehicle Maintenance	\$ 83.00	\$ 83.00	\$ 95.00	\$ 90.00	\$ 100.00	\$ 105.00	\$ 1,203.00
Taxes, misc	\$ 82.88	\$ 83.29	\$ 95.48	\$ 93.38	\$ 97.32	\$ 106.18	\$ 1,195.65
Depreciation	\$ 1,098.51	\$ 1,098.51	\$ 1,098.51	\$ 1,098.51	\$ 1,098.51	\$ 1,098.51	\$ 13,182.14
Total Operating Expenses	\$ 9,713.27	\$ 9,727.58	\$ 10,162.51	\$ 10,087.22	\$ 10,234.43	\$ 10,541.05	\$123,739.13
Other Expenses							
Owners' Salaries	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 70,000.00
Start Up Loan Payment	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 96,801.60
Vehicle Loan	\$ 912.44	\$ 912.44	\$ 912.44	\$ 912.44	\$ 912.44	\$ 912.44	\$ 10,949.28
Total Other Expenses	\$ 14,812.57	\$ 14,812.57	\$ 14,812.57	\$ 14,812.57	\$ 4,812.57	\$ 14,812.57	\$ 77,750.88
Total Expenses	\$ 24,525.85	\$ 24,540.15	\$ 24,975.08	\$ 24,899.79	\$ 25,047.00	\$ 25,353.62	\$301,490.01
Net Profit Pretax	\$ (20,471.48)	\$ (20,550.79)	\$ 2,549.20	\$ 9,074.79	\$ 22,515.62	\$ 54,741.95	\$ 90,517.96

Projected Income Statement
For the Period January 1, 2002 through December 31, 2006

	2002	2003	2004	2005	2006
SALES					
Chests, Blanket, Cedar, Hall	\$ 42,950.00	\$ 47,245.00	\$ 56,694.00	\$ 56,694.00	\$ 74,836.08
Buffet, Entertainment Center	\$ 99,000.00	\$ 108,900.00	\$ 130,680.00	\$ 130,680.00	\$ 172,497.60
Single Door Pie Cabinet, Antique Ice Box, Bar, Plant Stand, TV Table	\$ 47,450.00	\$ 52,195.00	\$ 62,634.00	\$ 62,634.00	\$ 82,676.88
Double Door Pie Cabinet, Cabinet, Storage, Game, Toy	\$ 51,450.00	\$ 56,595.00	\$ 67,914.00	\$ 67,914.00	\$ 89,646.48
Special Orders	\$ 30,000.00	\$ 35,000.00	\$ 46,750.00	\$ 52,500.00	\$ 75,625.00
Total Sales	\$ 270,850.00	\$ 299,935.00	\$ 364,672.00	\$ 370,422.00	\$ 495,282.04
Craftsman Labor	\$ 108,300.00	\$ 111,000.00	\$ 122,300.00	\$ 136,140.00	\$ 149,980.00
Apprentice Labor	\$ 11,148.00	\$ 11,400.00	\$ 12,540.00	\$ 13,932.00	\$ 15,324.00
Lumber	\$ 14,572.80	\$ 16,030.08	\$ 17,633.09	\$ 19,396.40	\$ 21,336.04
Hardware	\$ 3,740.00	\$ 4,114.00	\$ 4,525.40	\$ 4,977.94	\$ 5,475.73
Stain & Polyurethane	\$ 2,430.00	\$ 2,673.00	\$ 2,940.30	\$ 3,234.33	\$ 3,557.76
Nails, Screws, Adhesives	\$ 2,112.50	\$ 2,323.75	\$ 2,556.13	\$ 2,811.74	\$ 3,092.91
Miscellaneous Supplies	\$ 1,300.00	\$ 1,430.00	\$ 1,573.00	\$ 1,730.30	\$ 1,903.33
Insurance and Taxes for Labor	\$ 47,779.20	\$ 48,960.00	\$ 53,936.00	\$ 60,028.80	\$ 66,121.60
Cost of Goods Sold	\$ 191,382.50	\$ 197,930.83	\$ 218,003.91	\$ 242,251.50	\$ 266,791.37
Gross Margin	\$ 79,467.50	\$ 102,004.17	\$ 146,668.09	\$ 128,170.50	\$ 228,490.67
EXPENSES					
Operating Expenses					
<u>Utilities:</u>					
Gas	\$ 11,880.00	\$ 13,068.00	\$ 14,374.80	\$ 15,812.28	\$ 17,393.51
Water	\$ 6,000.00	\$ 6,600.00	\$ 7,260.00	\$ 7,986.00	\$ 8,784.60
Electric	\$ 14,400.00	\$ 15,840.00	\$ 17,424.00	\$ 19,166.40	\$ 21,083.04
Internet	\$ 720.00	\$ 792.00	\$ 871.20	\$ 958.32	\$ 1,054.15
Telephone	\$ 1,200.00	\$ 1,320.00	\$ 1,452.00	\$ 1,597.20	\$ 1,756.92
Cell Phone	\$ 1,800.00	\$ 1,980.00	\$ 2,178.00	\$ 2,395.80	\$ 2,635.38
<u>Other Operating Expenses:</u>					
Rent	\$ 29,400.00	\$ 32,340.00	\$ 35,574.00	\$ 39,131.40	\$ 43,044.54
Advertising & Marketing	\$ 1,200.00	\$ 1,320.00	\$ 1,452.00	\$ 1,597.20	\$ 1,756.92
Insurance (health, payroll taxes)	\$ 28,000.00	\$ 30,800.00	\$ 33,880.00	\$ 37,268.00	\$ 40,994.80
Shipping and Delivery	\$ 2,400.00	\$ 2,640.00	\$ 2,904.00	\$ 3,194.40	\$ 3,513.84
Annual Licenses and Permits	\$ 3,000.00	\$ 3,300.00	\$ 3,630.00	\$ 3,993.00	\$ 4,392.30
Legal & Professional Fees	\$ 3,000.00	\$ 3,300.00	\$ 3,630.00	\$ 3,993.00	\$ 4,392.30
Office Supplies	\$ 1,200.00	\$ 1,320.00	\$ 1,452.00	\$ 1,597.20	\$ 1,756.92
Travel Expenses	\$ 4,000.00	\$ 4,400.00	\$ 4,840.00	\$ 5,324.00	\$ 5,856.40
Vehicle Maintenance	\$ 1,200.00	\$ 1,320.00	\$ 1,452.00	\$ 1,597.20	\$ 1,756.92
Taxes, misc					
Depreciation					
Total Operating Expenses	\$ 109,400.00	\$ 120,340.00	\$ 132,374.00	\$ 145,611.40	\$ 160,172.54

	2002	2003	2004	2005	2006
Other Expenses					
Owners' Salaries	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00
Start Up Loan Payment	\$ 96,801.60	\$ 96,801.60	\$ 96,801.60	0	0
				\$	\$
Vehicle Loan	\$ 10,949.28	\$ 10,949.28	\$ 10,949.28	10,949.28	10,949.28
				\$	\$
Total Other Expenses	\$ 177,750.88	\$ 177,750.88	\$ 177,750.88	80,949.28	80,949.28
Total Expenses	\$ 287,150.88	\$ 298,090.88	\$ 310,124.88	\$ 226,560.68	\$ 241,121.82
Net Profit Pretax	\$ (207,683.38)	\$ (196,086.71)	\$ (163,456.79)	\$ (98,390.18)	\$ (12,631.15)

Break-even Analysis

The break-even in sales for the first year, based on the following formula, yields a break-even of \$491,275.01 in sales for the first year.

Break-even in Sales = Fixed Costs + Variable Costs

\$491,275.01 = \$301,490.01 + \$189,785.00

Pro Forma Cash Flow
For the Period January 1, 2002 through December 31, 2002

	Jan	Feb	Mar	Apr	May	Jun	Jan-Jun Totals
Beginning Cash Balance	\$ 250,000.00	\$ 290,219.63	\$ 312,331.72	\$ 324,654.71	\$ 314,097.03	\$ 305,112.36	
Cash Receipts							
Sales	\$ 97,827.67	\$ 61,512.38	\$ 50,703.15	\$ 27,425.43	\$ 28,193.43	\$ 30,273.63	\$ 295,935.69
Receivables							
Interest Income							
Other							
Sale of Long-term Assets							
Total Cash Available	\$ 347,827.67	\$ 351,732.02	\$ 363,034.88	\$ 352,080.14	\$ 342,290.46	\$ 335,385.98	
Cash Payments							
Cost of Goods Sold							
Craftsman Labor	\$ 17,060.00	\$ 8,400.00	\$ 8,060.00	\$ 8,460.00	\$ 8,060.00	\$ 8,060.00	\$ 58,100.00
Apprentice Labor	\$ 1,764.00	\$ 864.00	\$ 876.00	\$ 828.00	\$ 828.00	\$ 828.00	\$ 5,988.00
Insurance & Taxes, Labor	\$ 7,529.60	\$ 3,705.60	\$ 3,574.40	\$ 3,715.20	\$ 3,555.20	\$ 3,555.20	\$ 25,635.20
Lumber	\$ 2,563.00	\$ 1,552.10	\$ 1,290.30	\$ 730.40	\$ 613.80	\$ 645.70	\$ 7,395.30
Hardware	\$ 600.00	\$ 400.00	\$ 330.00	\$ 170.00	\$ 190.00	\$ 210.00	\$ 1,900.00
Stain & Polyurethane	\$ 405.00	\$ 260.00	\$ 215.00	\$ 115.00	\$ 115.00	\$ 125.00	\$ 1,235.00
Nails, Screws, Adhesives	\$ 200.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 700.00
Miscellaneous Supplies	\$ 50.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 175.00
Total Cost of Goods Sold	\$ 30,171.60	\$ 15,306.70	\$ 14,470.70	\$ 14,143.60	\$ 13,487.00	\$ 13,548.90	\$ 01,128.50
Variable Expenses							
Total Variable Expenses	\$ 30,171.60	\$ 15,306.70	\$ 14,470.70	\$ 14,143.60	\$ 13,487.00	\$ 3,548.90	\$ 101,128.50
Fixed Expenses							
Gas	\$ 1,888.74	\$ 958.20	\$ 905.87	\$ 885.39	\$ 844.29	\$ 848.16	\$ 6,330.64
Water	\$ 953.42	\$ 483.69	\$ 457.27	\$ 446.94	\$ 426.19	\$ 428.15	\$ 3,195.66
Electric	\$ 2,290.02	\$ 1,161.78	\$ 1,098.33	\$ 1,073.50	\$ 1,023.66	\$ 1,028.36	\$ 7,675.65
Internet	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 360.00
Telephone	\$ 190.08	\$ 96.43	\$ 91.17	\$ 89.10	\$ 84.97	\$ 85.36	\$ 637.11
Cell Phone	\$ 286.63	\$ 145.41	\$ 137.47	\$ 134.36	\$ 128.13	\$ 128.71	\$ 960.72
Rent	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 14,700.00
Advertising & Marketing	\$ 195.00	\$ 95.00	\$ 90.00	\$ 90.00	\$ 85.00	\$ 85.00	\$ 640.00
Insurance (health, payroll taxes)	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 14,000.00
Shipping and Delivery	\$ 377.15	\$ 191.33	\$ 180.88	\$ 176.80	\$ 168.59	\$ 169.36	\$ 1,264.11
Annual Licenses and Permits	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 1,500.00
Legal & Professional Fees	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 1,500.00
Office Supplies	\$ 190.00	\$ 95.00	\$ 90.00	\$ 89.00	\$ 85.00	\$ 85.00	\$ 634.00
Travel Expenses	333.33	333.33	333.33	333.33	333.33	333.33	\$ 2,000.00
Vehicle Maintenance	200.00	95.00	92.00	90.00	85.00	85.00	\$ 647.00
Taxes, misc	190.08	96.43	91.17	89.10	84.97	85.36	\$ 637.11
Depreciation	1,098.51	1,098.51	1,098.51	1,098.51	1,098.51	1,098.51	\$ 6,591.07
Total Fixed Expenses	\$ 3,536.31	\$ 10,193.46	\$ 10,009.33	\$ 9,939.37	\$ 9,790.97	\$ 9,803.64	\$ 63,273.08

	Jan	Feb	Mar	Apr	May	Jun	Jan-Jun Totals
Start Up Loan Payment	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 48,400.80
Owners' Salaries	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 35,000.00
Total Cash to be Paid Out	\$ 57,608.04	\$ 39,400.29	\$ 38,380.16	\$ 37,983.11	\$ 37,178.10	\$ 37,252.67	\$ 247,802.38
Cash Balance	\$ 290,219.63	\$ 312,331.72	\$ 324,654.71	\$ 314,097.03	\$ 305,112.36	\$ 298,133.31	
Loans to be Received							
Equity Deposits							
Ending Cash Balance (Gross)	\$ 290,219.63	\$ 312,331.72	\$ 324,654.71	\$ 314,097.03	\$ 305,112.36	\$ 298,133.31	

* net after taxes to be divided equally between cash reserve, capital reserve, and owner's equity

	Jul	Aug	Sep	Oct	Nov	Dec	YTD Totals
Beginning Cash Balance	\$ 298,133.31	\$ 278,574.27	\$ 258,935.92	\$ 262,397.56	\$ 272,384.79	\$ 295,812.85	
Cash Receipts							
Sales	\$ 17,210.66	\$ 17,210.66	\$ 42,679.78	\$ 48,796.49	\$ 63,010.82	\$ 96,948.87	\$ 581,792.97
Receivables							
Interest Income							
Other							
Sale of Long-term Assets							
Total Cash Available	\$ 315,343.97	\$ 295,784.93	\$ 301,615.70	\$ 311,194.05	\$ 335,395.61	\$ 392,761.72	
Cash Payments							
Cost of Goods Sold							
Craftsman Labor	\$ 8,060.00	\$ 8,060.00	\$ 8,760.00	\$ 8,400.00	\$ 8,460.00	\$ 8,460.00	\$ 108,300.00
Apprentice Labor	\$ 828.00	\$ 828.00	\$ 888.00	\$ 864.00	\$ 876.00	\$ 876.00	\$ 11,148.00
Insurance & Taxes, Labor	\$ 3,555.20	\$ 3,555.20	\$ 3,859.20	\$ 3,705.60	\$ 3,734.40	\$ 3,734.40	\$ 47,779.20
Lumber	\$ 408.10	\$ 408.10	\$ 1,103.30	\$ 1,202.30	\$ 1,537.80	\$ 2,517.90	\$ 14,572.80
Hardware	\$ 110.00	\$ 110.00	\$ 250.00	\$ 320.00	\$ 440.00	\$ 610.00	\$ 3,740.00
Stain & Polyurethane	\$ 70.00	\$ 70.00	\$ 170.00	\$ 205.00	\$ 275.00	\$ 405.00	\$ 2,430.00
Nails, Screws, Adhesives	\$ 100.00	\$ 90.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 200.00	\$ 1,390.00
Miscellaneous Supplies	\$ 25.00	\$ 100.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 50.00	\$ 425.00
Total Cost of Goods Sold	\$ 13,156.30	\$ 13,221.30	\$ 15,155.50	\$ 4,821.90	\$ 5,448.20	\$ 16,853.30	\$ 89,785.00
Variable Expenses							
Total Variable Expenses	\$ 13,156.30	\$ 13,221.30	\$ 15,155.50	\$ 4,821.90	\$ 5,448.20	\$ 16,853.30	\$ 189,785.00
Fixed Expenses							
Gas	\$ 823.58	\$ 827.65	\$ 948.73	\$ 927.85	\$ 967.06	\$ 1,055.02	\$ 11,880.54
Water	\$ 415.74	\$ 417.79	\$ 478.91	\$ 468.37	\$ 488.16	\$ 532.56	\$ 5,997.21
Electric	\$ 998.56	\$ 1,003.50	\$ 1,150.30	\$ 1,124.98	\$ 1,172.52	\$ 1,279.17	\$ 14,404.68
Internet	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 720.00
Telephone	\$ 82.88	\$ 83.29	\$ 95.48	\$ 93.38	\$ 97.32	\$ 106.18	\$ 1,195.65
Cell Phone	\$ 124.98	\$ 125.60	\$ 143.98	\$ 140.81	\$ 146.76	\$ 160.11	\$ 1,802.96
Rent	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 2,450.00	\$ 29,400.00
Advertising & Marketing	\$ 80.00	\$ 80.00	\$ 95.00	\$ 95.00	\$ 100.00	\$ 105.00	\$ 1,195.00
Insurance (health, payroll taxes)	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 2,333.33	\$ 28,000.00
Shipping and Delivery	\$ 164.45	\$ 165.27	\$ 189.44	\$ 185.27	\$ 193.10	\$ 210.67	\$ 2,372.31
Annual Licenses and Permits	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 3,000.00
Legal & Professional Fees	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 3,000.00
Office Supplies	\$ 82.00	\$ 83.00	\$ 95.00	\$ 93.00	\$ 97.00	\$ 106.00	\$ 1,190.00
Travel Expenses	\$ 333.33	\$ 333.33	\$ 333.33	\$ 333.33	\$ 333.33	\$ 333.33	\$ 4,000.00
Vehicle Maintenance	\$ 83.00	\$ 83.00	\$ 95.00	\$ 90.00	\$ 100.00	\$ 105.00	\$ 1,203.00
Taxes, misc	\$ 82.88	\$ 83.29	\$ 95.48	\$ 93.38	\$ 97.32	\$ 106.18	\$ 1,195.65
Depreciation	\$ 1,098.51	\$ 1,098.51	\$ 1,098.51	\$ 1,098.51	\$ 1,098.51	\$ 1,098.51	\$ 13,182.14
Total Fixed Expenses	\$ 9,713.27	\$ 9,727.58	\$ 10,162.51	\$ 10,087.22	\$ 10,234.43	\$ 10,541.05	\$ 123,739.13

	Jul	Aug	Sep	Oct	Nov	Dec	YTD Totals
Start Up Loan Payment	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 8,066.80	\$ 96,801.60
Owners' Salaries	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 70,000.00
Total Cash to be Paid Out	\$ 36,769.71	\$ 36,849.01	\$ 39,218.14	\$ 38,809.25	\$ 39,582.76	\$ 41,294.48	\$ 480,325.73
Cash Balance	\$ 278,574.27	\$ 258,935.92	\$ 262,397.56	\$ 272,384.79	\$ 295,812.85	\$ 351,467.24	
Loans to be Received							
Equity Deposits							
Ending Cash Balance (Gross)	\$ 278,574.27	\$ 258,935.92	\$ 262,397.56	\$ 272,384.79	\$ 295,812.85	\$ 351,467.24	

Addendum

Spring 2002 Market	FOR IMMEDIATE RELEASE
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New AFMA Forecast Shows Better Days Ahead

Association Predicts 4.3% Increase in Shipments for 2002

HIGH POINT, N.C. (April 17, 2002) – As the spring International Home Furnishings Market gets under way here this week, the furniture industry is more upbeat than it has been in months, and it is looking forward to stronger sales in the months ahead.

Industry shipments of residential furniture are projected to increase 4.3% this year to \$23.943 billion, up from \$22.963 billion last year, according to the American Furniture Manufacturers Association's just released forecast. The recovery is expected to be even stronger in 2003, with an increase of 5.2% to \$25.192 billion, the Association's new forecast shows.

"We are pleased to see these encouraging numbers," said Joseph P. Logan, AFMA's vice president of financial services. "It's no secret that 2001 was a disappointing year for the furniture industry, with shipments declining more than 10%. But we think the worst of the slowdown is behind us. Our manufacturers are reporting healthy sales for the first few months of this year, and, in fact, sales are even stronger than we had anticipated this early in the year. We expect the recovery to build gradual momentum as the year progresses and even more so into 2003."

Logan added that although the recession of 2001 had been short and mild for the nation overall, it was anything but short and mild for furniture manufacturers. "Last year, we saw wood shipments fall 11%, and upholstery was down 9.3%," he said. "Buying furniture simply was not a priority for consumers."

However, the weakness in furniture sales last year could actually contribute to stronger sales this year. "The desire for new furniture never disappeared," Logan noted. "Consumers just postponed purchases of new furniture. Now, with consumer confidence improving and the employment picture stabilizing, we expect to see shoppers returning to furniture stores to make those purchases."

The housing market, a key indicator in furniture sales, is expected to show moderate gains this year, with a slight dip next year. But since many consumers have not yet furnished homes they purchased last year, furniture sales could continue to benefit from the strength of the housing market last year.

According to the new AFMA forecast, consumer furniture demand is expected to be at the \$65.987 billion level this year, up 2.9% from \$64,101 billion in 2001. An increase of 1.2% to \$66.801 billion is projected for next year.

By product sector, wood furniture shipments are expected to increase 5% this year to \$11.410 billion, and 6.2% next year to \$12.122 billion. Upholstery is expected to see a 3.8% increase to \$10.226 billion this year and rise 4.3% next year to \$10.666 billion.

AFMA's latest forecast is more optimistic than its forecast in December because the national outlook has improved since then. Late last year, there were still a number of unknown factors surrounding the events of Sept. 11, noted Saul Hymans, professor of economics at the University of Michigan, director of its Research Seminar in Quantitative Economics and an economic consultant to AFMA. "We didn't know at the time what the ramifications would be, but in a sense, we lucked out. It didn't go from bad to worse," Hymans said. "The look of the economy has changed quite sharply. In purely economic terms, the recovery from the tragic events of 9/11 got under way very quickly, and we are now seeing the results of that recovery."

The AFMA forecast is based on the current outlook for the U.S. economy that is prepared by the Research Seminar in Quantitative Economics at the University of Michigan.

The American Furniture Manufacturers Association is headquartered in High Point, N.C. – the furniture capital of the world – and represents more than 200 leading U.S. furniture manufacturers and 250 suppliers to the industry.

