

SAMPLE SALES COMPANY
Income Statement Projections

| | | YEAR 1 | | | | | | | | | | | | Total | | |
|--|--|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|
| | | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | | | |
| SALES DRIVERS | Sales People | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 4 | 4 | 4 | | | |
| | Driver Factor | 1 | 1 | 2 | 4 | 7 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | | | |
| | Net Increase Factors/Day | 2 | 2 | 4 | 8 | 14 | 20 | 30 | 30 | 30 | 40 | 40 | 40 | | | |
| | Net Increase/Mo @20 Days/Mo | 40 | 40 | 80 | 160 | 280 | 400 | 600 | 600 | 600 | 800 | 800 | 800 | | | |
| | Cumulative | 40 | 80 | 160 | 320 | 600 | 1,000 | 1,600 | 2,200 | 2,800 | 3,600 | 4,400 | 5,200 | | | |
| | Average Size | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | | | |
| | Net Increase | \$ 6,000,000 | \$ 6,000,000 | \$ 12,000,000 | \$ 24,000,000 | \$ 42,000,000 | \$ 60,000,000 | \$ 90,000,000 | \$ 90,000,000 | \$ 90,000,000 | \$ 120,000,000 | \$ 120,000,000 | \$ 120,000,000 | | | |
| | Cumulative | \$ 6,000,000 | \$ 12,000,000 | \$ 24,000,000 | \$ 48,000,000 | \$ 90,000,000 | \$ 150,000,000 | \$ 240,000,000 | \$ 330,000,000 | \$ 420,000,000 | \$ 540,000,000 | \$ 660,000,000 | \$ 780,000,000 | | | |
| | GROSS FEE REVENUES (based on monthly average) | | 1.50% | \$ 7,500 | \$ 15,000 | \$ 30,000 | \$ 60,000 | \$ 112,500 | \$ 187,500 | \$ 300,000 | \$ 412,500 | \$ 525,000 | \$ 675,000 | \$ 825,000 | \$ 975,000 | \$ 4,125,000 |
| | Quarterly | | | | \$ 52,500 | | | \$ 360,000 | | | \$ 1,237,500 | | | \$ 2,475,000 | \$ 4,125,000 | |
| COST OF SALES (based on monthly average) | | | | | | | | | | | | | | | | |
| Expense | 0.50% | \$ 2,500 | \$ 5,000 | \$ 10,000 | \$ 20,000 | \$ 37,500 | \$ 62,500 | \$ 100,000 | \$ 137,500 | \$ 175,000 | \$ 225,000 | \$ 275,000 | \$ 325,000 | \$ 1,375,000 | | |
| Charges | 0.25% | 1,250 | 2,500 | 5,000 | 10,000 | 18,750 | 31,250 | 50,000 | 68,750 | 87,500 | 112,500 | 137,500 | 162,500 | 687,500 | | |
| Other Fee | 0.40% | 2,000 | 4,000 | 8,000 | 16,000 | 30,000 | 50,000 | 80,000 | 110,000 | 140,000 | 180,000 | 220,000 | 260,000 | 1,100,000 | | |
| Total COS | 1.15% | \$ 5,750 | \$ 11,500 | \$ 23,000 | \$ 46,000 | \$ 86,250 | \$ 143,750 | \$ 230,000 | \$ 316,250 | \$ 402,500 | \$ 517,500 | \$ 632,500 | \$ 747,500 | \$ 3,162,500 | | |
| Quarterly COS | | | \$ 40,250 | | | \$ 276,000 | | \$ 948,750 | | | \$ 1,897,500 | | \$ 3,162,500 | | | |
| GROSS PROFIT (based on monthly average) | 0.35% | \$ 1,750 | \$ 3,500 | \$ 7,000 | \$ 14,000 | \$ 26,250 | \$ 43,750 | \$ 70,000 | \$ 96,250 | \$ 122,500 | \$ 157,500 | \$ 192,500 | \$ 227,500 | \$ 962,500 | | |
| Quarterly Gross Profit | | | \$ 12,250 | | | \$ 84,000 | | \$ 288,750 | | | \$ 577,500 | | \$ 962,500 | | | |
| EXPENSES | | | | | | | | | | | | | | | | |
| Marketing | | | | | | | | | | | | | | | | |
| VP Marketing | TBD | \$ 125,000 | \$ - | \$ - | \$ - | \$ - | \$ 10,417 | \$ 10,417 | \$ 10,417 | \$ 10,417 | \$ 10,417 | \$ 10,417 | \$ 10,417 | \$ 10,417 | \$ 72,917 | |
| Director Sales | TBD | 36,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 36,000 | |
| Director Business Development | TBD | 28,000 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 28,000 | |
| Marketing Support | TBD | 28,000 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 28,000 | |
| Advertising and PR | TBD | 65,000 | 65,000 | 65,000 | 108,333 | 108,333 | 108,333 | 211,667 | 211,667 | 211,667 | 250,000 | 250,000 | 250,000 | \$ 1,905,000 | | |
| Subtotal Marketing | | \$ 72,667 | \$ 72,667 | \$ 72,667 | \$ 116,000 | \$ 116,000 | \$ 126,417 | \$ 229,750 | \$ 229,750 | \$ 229,750 | \$ 268,083 | \$ 268,083 | \$ 268,083 | \$ 2,069,917 | | |
| Quarterly Advertising/PR only | | | \$ 195,000 | | | \$ 325,000 | | \$ 635,000 | | | \$ 750,000 | | \$ 1,905,000 | | | |
| Sales | | | | | | | | | | | | | | | | |
| Supervisor | TBD | 36,000 | - | - | - | - | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 21,000 | |
| Processor | See top line | 32,000 | 5,333 | 5,333 | 5,333 | 5,333 | 5,333 | 8,000 | 8,000 | 8,000 | 10,667 | 10,667 | 10,667 | 88,000 | | |
| Customer Service | TBD: avg 1/3 processors | 32,000 | 2,667 | 2,667 | 2,667 | 2,667 | 2,667 | 2,667 | 2,667 | 2,667 | 5,333 | 5,333 | 5,333 | 40,000 | | |
| Subtotal Sales | | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 11,000 | \$ 13,667 | \$ 13,667 | \$ 13,667 | \$ 19,000 | \$ 19,000 | \$ 19,000 | \$ 149,000 | | |
| Web Development & Support | | | | | | | | | | | | | | | | |
| CTO | TBD | 175,000 | 14,583 | 14,583 | 14,583 | 14,583 | 14,583 | 14,583 | 14,583 | 14,583 | 14,583 | 14,583 | 14,583 | 175,000 | | |
| Director | TBD | 75,000 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 6,250 | 75,000 | | |
| Director | TBD | 44,000 | 3,667 | 3,667 | 3,667 | 3,667 | 3,667 | 3,667 | 3,667 | 3,667 | 3,667 | 3,667 | 3,667 | 44,000 | | |
| Subtotal Web Dev & Support | | \$ 24,500 | \$ 24,500 | \$ 24,500 | \$ 24,500 | \$ 24,500 | \$ 24,500 | \$ 24,500 | \$ 24,500 | \$ 24,500 | \$ 24,500 | \$ 24,500 | \$ 24,500 | \$ 294,000 | | |
| General & Administrative | | | | | | | | | | | | | | | | |
| CEO | TBD | 139,000 | 11,583 | 11,583 | 11,583 | 11,583 | 11,583 | 11,583 | 11,583 | 11,583 | 11,583 | 11,583 | 11,583 | 139,000 | | |
| CFO | TBD | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Sec/Treasurer | TBD | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Executive Associate | TBD | 28,000 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 2,333 | 28,000 | | |
| HR/Payroll | 2% salaries | Outsource | 2% | 1,082 | 1,082 | 1,082 | 1,082 | 1,350 | 1,403 | 1,403 | 1,403 | 1,510 | 1,510 | 1,510 | \$ 15,498 | |
| Finance/Accounting | TBD | Outsource | 2% | 1,082 | 1,082 | 1,082 | 1,082 | 1,350 | 1,403 | 1,403 | 1,510 | 1,510 | 1,510 | 1,510 | \$ 15,498 | |
| Legal/Professional | TBD | Outsource | | 8,333 | 8,333 | 8,333 | 8,333 | 8,333 | 8,333 | 8,333 | 8,333 | 8,333 | 8,333 | 8,333 | \$ 100,000 | |
| Subtotal G&A | | \$ 24,413 | \$ 24,413 | \$ 24,413 | \$ 24,413 | \$ 24,413 | \$ 24,413 | \$ 24,950 | \$ 25,057 | \$ 25,057 | \$ 25,057 | \$ 25,270 | \$ 25,270 | \$ 297,997 | | |
| Web Hardware/Software/Other | | | | | | | | | | | | | | | | |
| Hosting/Server | | 8,667 | 8,667 | 8,667 | 11,333 | 11,333 | 11,333 | 17,667 | 17,667 | 17,667 | 25,000 | 25,000 | 25,000 | \$ 188,000 | | |
| Subtotal Web Hardware etc | | \$ 8,667 | \$ 8,667 | \$ 8,667 | \$ 11,333 | \$ 11,333 | \$ 11,333 | \$ 17,667 | \$ 17,667 | \$ 17,667 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 188,000 | | |
| Other | | | | | | | | | | | | | | | | |
| Taxes/Benefits (20% salaries) | 20% | 10,817 | 10,817 | 10,817 | 10,817 | 10,817 | 13,500 | 14,033 | 14,033 | 14,033 | 15,100 | 15,100 | 15,100 | \$ 154,983 | | |
| Travel/Per Diem (5%AD/PR) | 5% | 3,250 | 3,250 | 3,250 | 5,417 | 5,417 | 5,417 | 10,583 | 10,583 | 10,583 | 12,500 | 12,500 | 12,500 | \$ 95,250 | | |
| Entertainment (2%AD/PR) | 2% | 1,300 | 1,300 | 1,300 | 2,167 | 2,167 | 2,167 | 4,233 | 4,233 | 4,233 | 5,000 | 5,000 | 5,000 | \$ 38,100 | | |
| Rent | Per Robert 10/23/99 | 7,000 | 7,000 | 7,000 | 10,000 | 10,000 | 10,000 | 12,000 | 12,000 | 12,000 | 15,000 | 15,000 | 15,000 | \$ 132,000 | | |
| Phone Bills (avg \$4/acct) | \$4 | 160 | 320 | 640 | 1,280 | 2,400 | 4,000 | 6,400 | 8,800 | 11,200 | 14,400 | 17,600 | 20,800 | \$ 88,000 | | |
| Other Utilities (15% of rent) | 15% | 1,050 | 1,050 | 1,050 | 1,500 | 1,500 | 1,500 | 1,800 | 1,800 | 1,800 | 2,250 | 2,250 | 2,250 | \$ 19,800 | | |
| Office Equipment (2% salaries) | 2% | 1,082 | 1,082 | 1,082 | 1,082 | 1,082 | 1,350 | 1,403 | 1,403 | 1,403 | 1,510 | 1,510 | 1,510 | \$ 15,498 | | |
| Postage (1% salaries) | 1% | 541 | 541 | 541 | 541 | 541 | 675 | 702 | 702 | 702 | 755 | 755 | 755 | \$ 7,749 | | |
| Supplies (1% salaries) | 1% | 541 | 541 | 541 | 541 | 541 | 675 | 702 | 702 | 702 | 755 | 755 | 755 | \$ 7,749 | | |
| Insurance | Y-1 initial Per Robert | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,250 | \$ 17,250 | | |
| Subtotal Other | | \$ 26,740 | \$ 26,900 | \$ 27,220 | \$ 34,343 | \$ 35,463 | \$ 40,283 | \$ 52,857 | \$ 56,257 | \$ 58,657 | \$ 69,270 | \$ 72,470 | \$ 75,920 | \$ 576,380 | | |
| Subtotal | | \$ 164,987 | \$ 165,147 | \$ 165,467 | \$ 218,590 | \$ 219,710 | \$ 238,483 | \$ 363,497 | \$ 366,897 | \$ 369,297 | \$ 431,123 | \$ 434,323 | \$ 437,773 | \$ 3,575,293 | | |
| Adding Subtotals/double check | | \$ 164,987 | \$ 165,147 | \$ 165,467 | \$ 218,590 | \$ 219,710 | \$ 238,483 | \$ 363,497 | \$ 366,897 | \$ 369,297 | \$ 431,123 | \$ 434,323 | \$ 437,773 | \$ 3,575,293 | | |
| Contingent/Misc. | 12% | \$ 19,798 | \$ 19,818 | \$ 19,856 | \$ 26,231 | \$ 26,365 | \$ 28,618 | \$ 43,620 | \$ 44,028 | \$ 44,316 | \$ 51,735 | \$ 52,119 | \$ 52,533 | \$ 429,035 | | |
| Total Expenses | | \$ 184,785 | \$ 184,964 | \$ 185,323 | \$ 244,821 | \$ 246,075 | \$ 267,101 | \$ 407,116 | \$ 410,924 | \$ 413,612 | \$ 482,858 | \$ 486,442 | \$ 490,306 | \$ 4,004,329 | | |
| Net Income/(Loss) | | \$ (183,035) | \$ (181,464) | \$ (178,323) | \$ (230,821) | \$ (219,825) | \$ (223,351) | \$ (337,116) | \$ (314,674) | \$ (291,112) | \$ (325,358) | \$ (293,942) | \$ (326,806) | \$ (3,041,829) | | |
| Cumulative Income/(Loss) | | \$ (183,035) | \$ (364,499) | \$ (542,822) | \$ (773,643) | \$ (993,468) | \$ (1,216,819) | \$ (1,553,936) | \$ (1,868,610) | \$ (2,159,722) | \$ (2,485,080) | \$ (2,779,022) | \$ (3,041,829) | | | |
| Cumulative Income/Loss + 4 mo out (3 month rev. delay+1 mo reserve) | | \$ (993,468) | \$ (1,216,819) | \$ (1,553,936) | \$ (1,868,610) | \$ (2,159,722) | \$ (2,485,080) | \$ (2,779,022) | \$ (3,041,829) | #REF! | #REF! | #REF! | #REF! | | | |
| CASH | | \$ 1,000,000 | \$ 500,000 | \$ 500,000 | \$ - | \$ 500,000 | \$ 500,000 | \$ - | \$ 500,000 | \$ - | \$ - | \$ - | \$ - | \$ 3,500,000 | | |
| Balance: funding less cumulative+4 mo | | \$ 6,532 | \$ 283,181 | \$ 446,064 | \$ 131,390 | \$ 340,278 | \$ 514,920 | \$ 220,978 | \$ 458,171 | #REF! | #REF! | #REF! | #REF! | | | |