



Trucking Technology

1.0 Executive Summary

1.1 COMPANY

Haul-IT is an online management tool for independent truckers as well as an online marketplace to match truck load suppliers with truckers for backhauling opportunities and route optimization. Haul-IT is a subsidiary startup of Idaho based Trucking Technology, Inc.

1.2 PRODUCTS & SERVICE

Through a monthly subscription members will be given access to an online marketplace which matches empty load truckers with suppliers needing deliveries. Focused on independent truckers, the service eliminates the need for a load broker, and increases revenues for the trucker, eliminating routes which typically resulting in an empty load on the return trip.

1.3 MARKET ANALYSIS

The target market of trucking companies with 20 or fewer trucks represents 93% of the trucking industry and includes over 500,000 companies and over 26 million trucks. Haul-IT targets all companies in the United States, but will initially launch in the Pacific Northwest. As reliance on rail freight has decreased the trucking industry has seen a steady growth over the last decade.

1.4 STRATEGY & IMPLEMENTATION

Development of the service is underway and small trucking companies have begun being contacted for a free membership. By Quarter 2 of 2009, 500 users will be active on the marketplace, and load posters will begin posting loads for auction. This is being streamlined with strategic alliances with major load posters and development partners.

1.5 MANAGEMENT

A strong management team with over 25 years of combined experience in development, marketing, sales, finance, and the trucking industry has been secured to ensure success. Personnel for the first 5 years of operations have also been secured.

1.6 FINANCIAL PLAN

Haul-it has a strong business model of recurring revenues through subscriptions, along with commissions taken from completed auctions. It is estimated that 428 monthly customers will achieve break-even for the company, which is reached early in Year 4. By Year 5, sales are estimate at over \$3 million a year, with a profit of over 40%.

1.7 SOURCES & USE OF FUNDS

Haul-IT seeks to raise \$600,000 over 2 rounds of angel investment funding, in exchange for approximately 42.7% equity. It is projected after 5 years the company will be worth \$10 million, which will lead to a 10x return for investors. Funds will be used to cover operating expenses, marketing and advertising, and development for the first three years.



2.0 COMPANY

2.1 COMPANY & INDUSTRY

Haul-IT is an online management tool for independent truckers as well as an online marketplace to match truck load suppliers with truckers for backhauling opportunities and route optimization.

2.2 LEGAL ENTITY & OWNERSHIP

Haul-IT is a subsidiary of Trucking Technology, Inc, a C-corporation organized under the Idaho Corporation Act. The company is headquartered in Boise, Idaho, and is currently 100% owned by Trucking Technology, Inc.

2.3 COMPANY HISTORY

Haul-IT is a startup company that is currently in the product development phase. It was started as the management team of Trucking Technology, Inc. noticed a severe need for such a service through the company's daily interaction with its customers.

2.4 FACILITIES & LOCATION

Haul-IT operates out of the facilities of its parent corporation in Boise, Idaho, where it has negotiated lease terms that are beneficial to the startup. All utilities, including high-speed internet, is included in the lease. Office equipment utilization is also part of the agreement.

2.5 KEY ASSETS

Haul-IT has intellectual property in the form of copyrights over all software and firmware code. The company also has applied for patent protection for the end-user hardware units. Additionally, Haul-IT's parent company has given Haul-IT complete access to its customers to encourage early sales. In the near future, system infrastructure will need to be update to keep current with technology advancement and company expansion.

3.0 Products and Services

3.1 PRODUCT DESCRIPTION

Given today's rising price of fuel and pressure on the transportation industry, operational efficiency and cost reductions are becoming more important in the long and short haul trucking industry. Average operating cost for full time truckers is \$0.66 per mile (based on 10,000 miles per month) and one of the biggest sources of waste in the industry is delivering a load to a destination and driving home empty. Not only does this waste fuel but also a trucker's time. Finding backhaul opportunities has always been a concern and small trucking companies struggle to find them.

Haul-IT is an online market place and trucking management tool. For small independent trucking companies, membership to the web-based tool tracks the company's jobs in a calendar application and queue, allows them to network with other truckers, provides the latest industry information and trends and, most importantly, allows them to search and bid on backhaul jobs. These services are free to members but they can also elect to subscribe to Haul-IT Premium which gives them an in-vehicle GPS unit that integrates with Haul-IT's route optimization software to sync with jobs in a trucker's queue. This GPS unit will not only provide directions but also weather alerts, forecasted traffic patterns, identified route limitations (low bridge, illegal streets, load limits, etc) and interstate travel tracking for DOT compliance. The Haul-IT Premium service includes the GPS unit free of charge, provided the subscriber agrees to a 3 year commitment of \$20 per month.

For suppliers of loads, Haul-IT allows them to find the lowest cost trucker who is willing to deliver their



goods. As a trucker returns to their point of origin, they are more likely to accept a lower price per mile to backhaul loads as opposed to returning with no load (known as dead heading). This not only allows the trucker to receive additional revenue, but also allows the load supplier to experience lower transportation costs as the auction model creates a marketplace economy with lower bids for lower demand routes.

3.2 COMPETITION

Those companies who are posting load opportunities include freightfinder.com and 123loadboard.com. While Haul-IT and careersingear.com are free to truckers, 123loadboard.com charges customers to access the postings each month. Neither of these competitors are automated transaction sites and both require truckers to contact providers directly rather than bid and complete transactions online. Haul-IT will attribute a buyer-seller generated rating system, similar to e-Bay, to ensure the credibility of the trucking company for the suppliers.

The most important reason a trucker will utilize a tool like Haul-IT is if it provides them with consistent job and backhaul opportunities. This will require a substantial base of postings from load providers. In order to post numerous hauling opportunities, Haul-IT must provide a substantial base of truckers who can consistently accept bids and reduce transportation costs over the alternatives, which include hiring a broker or direct solicitation of companies. Due to the bidding nature of the process, the cost reduction will be quickly realized.

Indirect competition for Haul-IT comes from load brokers. These individuals make between 15% to 30% of a load payment - much higher than the auction fee of Haul-IT at just 10%, giving the company a significant cost and value advantage over the indirect competition.

3.3 COMPETITIVE ADVANTAGE & BARRIERS TO ENTRY

Haul-IT's competitive advantage is that it is a free resource and revenue generating service for truckers. Additionally, the company provides load providers reduced transportation costs. Upon building a network of truckers and providers, the sustainable competitive advantage for Haul-IT is its user base.

4.0 MARKET ANALYSIS SUMMARY

4.1 TARGET CUSTOMER

Haul-IT is focused on independent trucking companies with 20 or fewer trucks. This market can be segmented further by size, region, industry specialization (grocery, agriculture, automotive, etc) and carrying abilities (flat beds, low boys, refrigerators, car haulers, hazard ratings, etc).

The load providers are segmented by industry, size, and business type (manufacturer, distributor, etc). The most appropriate segmentation method is by industry group and region in order to focus the initial sales effort.

Haul-IT will target the food service industry initially due to familiarity and connections from within the company and its board. This will include regional companies who provide perishable and non-perishable grocery goods to distribution centers. Therefore we will seek the refrigerated and non-refrigerated independent trucking companies in the area who service this industry.

Some of the initial target load providing companies in the Boise area include: J Will Food Service, Sysco Foods, Albertsons, Ore-Ida, Heinz, Food Services of America, Tri-City Meats, Kraft, Amalgamated Sugar, and Simplot Foods.

4.2 MARKET SIZE

If truck traffic were stopped, grocery stores would be out of perishable food items in two to four days and clean drinking water would run dry in three to four weeks. The trucking industry is the country's economic foundation.

The trucking industry is comprised of two segments: Less than truckload (LTL) and truckload (TL). The



difference between the two segments is that an LTL hauls multiple products for multiple companies in a single load. The freight size ranges from 100lbs to 15,000lbs. TL shipments are greater than 15,000lbs or a filled truck with a single company's products. In the United States alone, the trucking industry is comprised of 26 million trucks hauling over 10 billion tons of freight. Trucking transportation represents 70% of total freight volume in the transportation industry. This industry is primarily made up of small, independent truckers with 93% (over 500,000 companies) operating 20 or fewer trucks.

4.3 TRENDS

With the increase in fuel prices, truckers have recognized the need to save costs and increase revenues as much as possible. This also holds true for the load suppliers that depend on the trucker's services. It is so imperative that truckers be able to eliminate dead heading by finding backhauling opportunities, that they are willing to pay brokers and intermediaries 30-50% commissions on these opportunities. Load suppliers have also recognized the need to reduce transportation costs, which through Haul-IT's online marketplace can easily be done.

5.0 Strategy & Implementation

5.1 PHILOSOPHY

The mission of Haul-IT is to provide the transportation industry with the most efficient tools to increase revenues and reduce costs through greater hauling and routing efficiencies. Additionally, we seek to reduce transportation costs to suppliers by matching them up with the lowest cost transporter through an online auction service for their deliveries.

5.2 PRODUCT DEVELOPMENT

Development of the Haul-IT network is currently underway and is being headed by the company's Director of Technology, Matt Carr. Development is on schedule to be completed and ready for the initial users by January 2009, with first auction transactions taking place by June 2009. Two engineers are currently working with Mr. Carr on the development of the service. A dedicated server is being hosted by a partner company to ensure that the service is available and backed up.

The GPS service and hardware is being provided in conjunction with our strategic partners. The units are estimated to cost \$200, which will be recouped through the monthly service fee for the Haul-IT Premium service. Our gross margin is approximately 90%, which is comparable to other online service providers, and is attributed to sales commission costs and GPS hardware costs.

5.3 MARKETING STRATEGY

The initial target market includes small independent trucking companies who transport food products as well as the load providers of food products. The company will be positioned as the leader in transportation knowledge and trends to provide cost cutting solutions to businesses and revenue-generating opportunities for truckers. We are the only online auction for backhauling opportunities and GPS route optimization for trucks. The marketing messaging must sell independent truckers on the ability to network and find jobs.

The first step of marketing involves generating a substantial user base of small truckers. We will rely on both online and offline marketing tactics as well as an aggressive referral program to do this. Haul-IT will create partnerships with various truck stops to inform and promote the membership program and incentivize members to refer other members. The primary vehicles for promoting the brand and services will be online banner advertising, online search, direct email and mail, onsite advertising at truck stops, trade publication advertising and public relations.

Acquiring load providers will require Haul-IT to employ a direct sales force dedicated to signing up regional food brokers, manufacturers and grocers.



5.4 SALES STRATEGY

The initial sales efforts will involve obtaining lists of interested load posters and aggressive solicitation of small independent trucking companies to sign up for accounts. Once the trucker user base reaches 500, the Haul-IT sales force will begin direct solicitation of the load posters. A professional direct sales force will call on the load providers, while advertising and other non-sales efforts will be made to increase trucker sign ups. Sales people will be compensated on a base plus 5% commission on customer load postings.

Haul-IT will be released in January 2009, at which time truckers will begin being offered the network for free. Once 500 truckers have signed up and suppliers have committed to using the system, the auction transactions will begin taking place, and will grow rather rapidly once the truckers realize the additional revenue opportunities for their company. Transactions are expected to reach 19,000 by year 5. Haul-IT also includes a fleet card to all subscribers, which provides a 3-6% discount on fueling charges and other trucking related expenses. This fleet card will help stimulate subscriptions early on.

5.5 STRATEGIC ALLIANCES

Haul-IT has formed strategic partnerships to ensure success. INRIX and OPIS are technology providers that will streamline development of the GPS services. Wright Express provides a Haul-IT branded fuel card, and Jackson's Food Stores has offered discounts to truckers utilizing the network. We will continue to seek other trucking related services to offer additional discounts for our subscribers.

5.6 OPERATIONS

Haul-IT has been able to build a strong management team and advisory board that has secured the resources required to complete the development of this project. Sales reps will be hired to begin recruitment of load suppliers into the network. The management team has provided all technology and hardware to the company to ensure that development will be completed on time with little amount of initial capital as possible.

5.7 GOALS

Haul-IT seeks to generate a substantial user base of 5,000 truck drivers and 250 truck load suppliers by 2012. Given this user base, we estimate a total of 19,000 transactions generating nearly \$3 million in revenue.

5.8 EXIT STRATEGY

Haul-IT anticipates a 5 year harvest strategy through an acquisition by a larger trucking company or fleet management provider, such as CISCO or Qualcomm.

6.0 Management Summary

6.1 ORGANIZATIONAL STRUCTURE

Our CEP will directly oversee the CFO, Vice President of Marketing and Director of Technology. The VP or Marketing will be responsible for all Sales Representatives, and the Director of Technology will be in charge of all Engineers.

6.2 LEADERSHIP

Mike Gill is the CEO of Trucking Technology, Inc. and has over five years experience of managing an information management software company in the transportation industry.

Bill Lacey, the CFO, brings 8 years of accounting and financial experience to the company, along with experience working as a buyer in the food distribution industry.

Vice President of Marketing, Mary Jennings, brings expertise and 5 years experience in sales and marketing. Mike Carr, the Director of Technology, has over 10 years experience in programming, web applications, and



system integrations.

6.3 STAFF MEMBERS

Haul-IT has already secured personnel to fill all positions for the first 5 years, with the exception of the sales reps, which will be hired in 2009. The initial executive management team is in place, as are the engineers who are developing the network.

6.4 BOARD MEMBERS & ADVISORS

Haul-IT has a strong advisory board consisting of several industry experts. John Glade, former CEO of Ore-Ida Foods sits on the board. Haul-IT also has several advisors from Albertsons, LLC, Tyson Foods, Frito-Lay, Tri-City Meets, and trucking professionals.

7.0 Financial Plan

7.1 REQUIREMENTS

The proposed investment schedule is for \$200,000 in the middle of year one and \$400,000 in the first quarter of year two to support development and marketing of Haul-IT. This \$600,000 gives 30% equity in year one and 20% equity in year two. By year three, this equity is 42.72%. Haul-IT expects to be acquired by year 5. Although term sheets are still in development, Haul-IT intends to offer preferred equity conversion with accrued interest and convertible notes.

By year five, the average valuation, based on earnings-based and sales-based valuations is \$10 million, leading to a 10x return for our investors.

7.2 USE OF FUNDS

The majority of funds will be used to cover operating expenses as outlined in the Income Statement for Years 1-3. These expenses include rent, purchase of equipment and office furnishings, insurance, utilities, etc. Marketing expenses are also included, which escalate throughout the year as product launch nears. Modest wages for the executive team and office workers make up the smallest portion of use of funds, as once the company turns profitable wages will increase. Finally the largest use of funds is devoted to development and marketing. This includes salaries for engineers and software programmers. Following Year 4, sales revenue should be adequate to fund all further expenses.

7.3 INCOME STATEMENT PROJECTIONS

With modest growth projections and a slim cost structure, losses are minimized in the first three years of operation. Year four is the first profitable year due primarily to the increased use of the Haul-IT network as user ratings are established and the model proves to decrease costs and realize more revenue for the truckers and suppliers. The company's growth will continue, posting a \$310,000 and \$1.2 million net profit in years four and five, respectively. Year five boasts a \$2.9 million gross profit.

Over the five year period ending 2012, Haul-IT needs to average 428 auction transactions per month, with an average commission of \$155, to reach our break-even point. This is recognized in February 2011 when the company first becomes cash flow positive.

7.4 CASH FLOW PROJECTIONS

Through the investments in year one and two, cash balance and net cash flow stay positive enabling continued operations for Haul-IT. Year one's \$200,000 mid-year investments provides capital to develop and market the Haul-IT online network. It is projected that a first round of funding of \$400,000 will be required following the launch of the Haul-IT Network. Haul-IT will be cash flow positive by year 4, with a cash balance of \$1.6 million in 2012.



7.5 BALANCE SHEET

With increasing cash balances and assets, Haul-IT will have the money to provide stockholders with a sizable ROI. Net worth is also increasing annually from \$110,000 to nearly \$1.6 million.

7.6 ASSUMPTIONS

- Haul-IT network becomes available January 2009. 500 Truckers sign up for free membership by June 2009 when first transactions begin.
- Average trip is estimated at 774 miles with a \$2/mile average bid. Auction commission is 10% of final accepted bid
- Auction transactions grow at 20%/month during 2010, and 10%/month thereafter
- Haul-IT Premium membership grows at 5%/month
- Fleet Card Expenditure revenue is 1% of gross charges. Fuel expenses equal \$0.50/mile, calculated on a 774 mile average trip.
- GPS Hardware is given for free with Haul-IT Premium membership and 3 year commitment
- Modest salaries are offered for the first years of operations, gradually increasing. These salaries are offset by the ESOP program to retain high performing efficient employees.
- 5% sales commissions go to sales reps
- Angel funding of \$200,000 received in June of 2008, with another \$400,000 received in March 2009 when 250 Truckers have signed up.



8.0 Business Plan Financials

8.1 Income Statement Month-to- Month Year 1

Pro Forma Profit and Loss												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Direct Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Costs of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenses												
Payroll	\$0	\$0	\$0	\$0	\$0	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500
Marketing/Promotion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500	\$2,500	\$2,500	\$2,500
Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes 15%	\$0	\$0	\$0	\$0	\$0	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275
Professional Services 15%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Insourced Support 15%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Collocated Server Expense 15%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200	\$200	\$200	\$200	\$200
Internet Services 15%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telephone 15%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100	\$100	\$100	\$300
Office Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$200	\$50	\$50	\$50	\$50	\$50
Total Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$9,775	\$9,975	\$12,025	\$14,625	\$14,625	\$14,625	\$14,825
Profit Before Interest and Taxes	\$0	\$0	\$0	\$0	\$0	(\$9,775)	(\$9,975)	(\$12,025)	(\$14,625)	(\$14,625)	(\$14,625)	(\$14,825)
EBITDA	\$0	\$0	\$0	\$0	\$0	(\$9,775)	(\$9,975)	(\$12,025)	(\$14,625)	(\$14,625)	(\$14,625)	(\$14,825)
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	\$0	\$0	\$0	\$0	\$0	(\$9,775)	(\$9,975)	(\$12,025)	(\$14,625)	(\$14,625)	(\$14,625)	(\$14,825)
Net Profit/Sales	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



8.2 Income Statement Summary Year 2-5

Pro Forma Profit and Loss										
	2009	Qtr 1	Qtr 2	Qtr 3	Qtr 4	2010	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Sales		\$0	\$1,687	\$10,624	\$19,388		\$31,918	\$53,875	\$90,915	\$154,390
Direct Cost of Sales		\$0	\$1,000	\$4,200	\$6,000		\$3,400	\$4,800	\$6,600	\$8,600
Other Cost of Sales		\$0	\$84	\$531	\$969		\$1,596	\$2,694	\$4,546	\$7,719
Total Cost of Sales		\$0	\$1,084	\$4,731	\$6,969		\$4,996	\$7,494	\$11,146	\$16,319
Gross Margin		\$0	\$603	\$5,893	\$12,418		\$26,922	\$46,381	\$79,769	\$138,070
Gross Margin %		0.00%	35.74%	55.47%	64.05%		84.35%	86.09%	87.74%	89.43%
Expenses										
Payroll		\$34,500	\$34,500	\$34,500	\$34,500		\$60,000	\$65,000	\$75,000	\$75,000
Marketing/Promotion		\$15,000	\$15,000	\$15,000	\$15,000		\$150	\$150	\$150	\$150
Rent		\$1,500	\$1,500	\$1,500	\$1,500		\$25,500	\$25,500	\$25,500	\$25,500
Utilities		\$600	\$600	\$600	\$600		\$0	\$1,245	\$3,735	\$3,735
Insurance		\$2,500	\$0	\$0	\$0		\$600	\$600	\$600	\$600
Payroll Taxes	15%	\$6,210	\$6,210	\$6,210	\$6,210		\$9,000	\$9,000	\$9,000	\$9,000
Professional Services	15%	\$1,500	\$1,500	\$1,500	\$1,500		\$600	\$600	\$600	\$600
Insourced Support	15%	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Collocated Server Expense	15%	\$600	\$600	\$600	\$600		\$9,000	\$9,000	\$9,000	\$9,000
Internet Services	15%	\$150	\$150	\$150	\$150		\$14,040	\$14,940	\$16,740	\$16,740
Telephone	15%	\$450	\$450	\$450	\$450		\$1,500	\$1,500	\$1,500	\$1,500
Office Supplies		\$300	\$300	\$300	\$300		\$600	\$600	\$600	\$600
Total Operating		\$63,310	\$60,810	\$60,810	\$60,810		\$450	\$450	\$450	\$450
Profit Before Interest and Taxes		-\$63,310.00	-\$60,207.00	-\$54,917.00	-\$48,392.00		\$1,500	\$1,500	\$1,500	\$1,500
EBITDA		-\$63,310.00	-\$60,207.00	-\$54,917.00	-\$48,392.00		\$1,500	\$1,500	\$1,500	\$1,500
Interest Expense		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Taxes Incurred		-\$22,159.00	-\$21,072.00	-\$19,221.00	-\$16,937.00		\$0	\$0	\$0	\$0
Net Profit		-\$41,152.00	-\$39,135.00	-\$35,696.00	-\$31,455.00		-\$96,168.00	-\$83,854.00	-\$64,756.00	-\$6,455.00
Net Profit/Sales		0.00%	-2319.21%	-335.98%	-162.24%		-301.29%	-155.65%	-71.23%	-4.18%



8.3 Statement of Cash Flow Pro Forma Year 1 Month-to-Month

Pro Forma Cash Flow	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Received												
Cash from Operations												
Cash Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash from Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional Cash Received												
Sales Tax, VAT, HST/GST Received 0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$0	\$0	\$0	\$0	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures												
Expenditures from Operations												
Cash Spending	\$0	\$0	\$0	\$0	\$0	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500
Bill Payments	\$0	\$0	\$0	\$0	\$0	\$43	\$1,282	\$1,543	\$3,612	\$6,125	\$6,125	\$6,132
Subtotal Spent on Operations	\$0	\$0	\$0	\$0	\$0	\$8,543	\$9,782	\$10,043	\$12,112	\$14,625	\$14,625	\$14,632
Additional Cash Spent												
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$0	\$0	\$0	\$0	\$0	\$8,543	\$9,782	\$10,043	\$12,112	\$14,625	\$14,625	\$14,632
Net Cash Flow	\$0	\$0	\$0	\$0	\$0	\$191,458	(\$9,782)	(\$10,043)	(\$12,112)	(\$14,625)	(\$14,625)	(\$14,632)
Cash Balance	\$0	\$0	\$0	\$0	\$0	\$191,458	\$181,676	\$171,633	\$159,521	\$144,896	\$130,271	\$115,639



8.4 Statement of Cash Flow Pro Forma Year 2-5

Pro Forma Cash Flow

Cash Received	2009	Qtr 1	Qtr 2	Qtr 3	Qtr 4	2010	Qtr 1	Qtr 2	Qtr 3	Qtr 4
<i>Cash from Operations</i>										
Cash Sales		\$0	\$1,687	\$10,624	\$19,388		\$31,918	\$53,875	\$90,915	\$154,390
Subtotal Cash from Operations		\$0	\$1,687	\$10,624	\$19,388		\$31,918	\$53,875	\$90,915	\$154,390
<i>Additional Cash Received</i>										
New Current Borrowing		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
New Long-term Liabilities		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Sales of Other Current Assets		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Sales of Long-term Assets		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
New Investment Received		\$400,000	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Subtotal Cash Received		\$400,000	\$1,687	\$10,624	\$19,388		\$31,918	\$53,875	\$90,915	\$154,390
<i>Expenditures</i>										
<i>Expenditures from Operations</i>										
Operating Expenses		\$63,310	\$61,613	\$63,271	\$65,480		\$123,090	\$130,416	\$152,171	\$171,745
Subtotal Spent on Operations		\$63,310	\$61,613	\$63,271	\$65,480		\$123,090	\$130,416	\$152,171	\$171,745
<i>Additional Cash Spent</i>										
Principal Repayment of Current Borrowing		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Purchase Other Current Assets		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Purchase Long-Term Assets		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Dividends		\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
Subtotal Cash Spent		\$63,310	\$61,613	\$63,271	\$65,480		\$123,090	\$130,416	\$152,171	\$171,745
Net Cash Flow		\$336,690	-\$59,926	-\$52,647	-\$46,092		-\$91,172	-\$76,541	-\$61,256	-\$17,355
Cash Balance		\$437,330	\$377,404	\$324,757	\$278,665		\$187,493	\$110,952	\$49,696	\$32,341



8.5 Balance Sheet Pro Forma Year 1 Month-to-Month

Pro Forma Balance Sheet													
	Starting Balances	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Assets													
Current Assets													
Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$191,458	\$181,676	\$171,633	\$159,521	\$144,896	\$130,271	\$115,639
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$191,458	\$181,676	\$171,633	\$159,521	\$144,896	\$130,271	\$115,639
Long-term Assets													
Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$191,458	\$181,676	\$171,633	\$159,521	\$144,896	\$130,271	\$115,639
Liabilities and Capital													
Current Liabilities													
Accounts Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$1,233	\$1,426	\$3,408	\$5,921	\$5,921	\$5,921	\$6,114
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$1,233	\$1,426	\$3,408	\$5,921	\$5,921	\$5,921	\$6,114
Long-term Liabilities													
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$1,233	\$1,426	\$3,408	\$5,921	\$5,921	\$5,921	\$6,114
Paid-in Capital													
Paid-in Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Retained Earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Earnings	\$0	\$0	\$0	\$0	\$0	\$0	(\$9,775)	(\$19,750)	(\$31,775)	(\$46,400)	(\$61,025)	(\$75,650)	(\$90,475)
Total Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$190,225	\$180,250	\$168,225	\$153,600	\$138,975	\$124,350	\$109,525
Total Liabilities and Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$191,458	\$181,676	\$171,633	\$159,521	\$144,896	\$130,271	\$115,639
Net Worth	\$0	\$0	\$0	\$0	\$0	\$0	\$190,225	\$180,250	\$168,225	\$153,600	\$138,975	\$124,350	\$109,525



8.6 Balance Sheet Pro Forma Year 2-5

Pro Forma Balance Sheet

Assets	2009	Qtr 1	Qtr 2	Qtr 3	Qtr 4	2010	Qtr 1	Qtr 2	Qtr 3	Qtr 4
<i>Current Assets</i>										
Cash	\$437,330	\$377,404	\$324,757	\$278,665		\$187,493	\$110,952	\$49,696	\$32,341	
Other Current Assets	\$15,000	\$15,000	\$15,000	\$15,000		\$15,000	\$15,000	\$15,000	\$15,000	
Total Current Assets	\$452,330	\$392,404	\$339,757	\$293,665		\$202,493	\$125,952	\$64,696	\$47,341	
<i>Long-term Assets</i>										
Long-term Assets	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
Accumulated Depreciation	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
Total Long-term Assets	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
Total Assets	\$452,330	\$392,404	\$339,757	\$293,665		\$202,493	\$125,952	\$64,696	\$47,341	
<i>Liabilities and Capital</i>										
<i>Current Liabilities</i>										
Accounts Payable	\$7,287	\$8,367	\$9,561	\$10,965		\$13,278	\$15,973	\$17,092	\$19,653	
Current Borrowing	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
Other Current Liabilities	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
Subtotal Current Liabilities	\$0	\$8,367	\$9,561	\$10,965		\$13,278	\$15,973	\$17,092	\$19,653	
Long-term Liabilities	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
Total Liabilities	\$0	\$8,367	\$9,561	\$10,965		\$13,278	\$15,973	\$17,092	\$19,653	
Paid-in Capital	\$600,000	\$600,000	\$600,000	\$600,000		\$600,000	\$600,000	\$600,000	\$600,000	
Retained Earnings	-\$90,475	-\$153,785	-\$213,992	-\$268,909		-\$317,300	-\$413,468	-\$497,322	-\$562,078	
	-\$63,310	-\$60,207	-\$54,917	-\$48,392		-\$96,168	-\$83,854	-\$64,756	-\$6,455	
Total Capital	\$446,215	\$386,008	\$331,091	\$282,700		\$186,532	\$102,678	\$37,922	\$31,468	
Total Liabilities and Capital	\$446,215	\$394,375	\$340,652	\$293,665		\$199,810	\$118,651	\$55,014	\$51,121	
Net Worth	\$446,215	\$386,008	\$331,091	\$282,700		\$186,532	\$102,678	\$37,922	\$31,468	