

GETTING A LOAN

PURPOSE:

- To become familiar with sources of funding for small businesses
- To understand the requirements of various loan programs

MATERIALS:

- Copies of handouts (1 or 2 for each group)
 - "Questions to Consider"
 - "First National Bank" information sheet
 - "SBA Micro-Loan Program" information sheet
 - Similar summary of a local microenterprise or revolving loan fund (OPTIONAL)
 - "Calvin's Cabinet Shop" loan package
 - "Victoria's Movies & Games" loan package
- NOTE: Each loan package includes business plan highlights, credit report, personal financial statement, and cash flow projections.
- Chart paper (or board) and markers

TIME: 60-90 minutes

EXPERIENCE:

1. Divide the class into groups of 3-5 people, and give each group a set of handouts. Each group should receive the loan package for only one of the businesses.
2. Ask participants to locate the information sheets for the 2 (or 3) loan programs available. Go over them together. On chart paper or the board, write the highlights of each program, including:
 - Applicable interest rate
 - Equity requirements
 - Collateral requirements
 - Maximum loan amount
3. Distribute the "Questions to Consider" sheets. Ask groups to analyze their loan package using the questions (20-30 minutes) and to be prepared to share their answers. Following are some notes you may use to guide discussion of each business/loan.

Victoria's Movies & Games

- Easily qualifies for the First National Bank loan
- Excellent credit - doesn't really need to get a bank loan, could get a home equity loan at a lower interest rate or finance the business with available cash and proceeds from selling stock
- Victoria could also keep job (paying \$48,000) instead of taking an owner's draw of \$18,000

Calvin's Cabinet Shop

- Possible candidate for SBA Micro-Loan Program or other microenterprise loan.
 - Suspect credit - judgment from hospital (\$1,800) and numerous credit inquiries (suggesting a need for cash)
 - Did not note judgment or a loan from Wachovia on personal financial statement (Why?)
 - Calvin could possibly keep his full-time job and operate the cabinet shop part-time if necessary.
4. When groups are ready to report, have the groups that were assigned to the same business take turns answering the questions. Other groups may add to their answers if they wish.

REFLECTION:

Allow time after the exercise to discuss these and other questions:

- What were your impressions of Calvin and Victoria while reviewing their loan packages?
- Are there parts of the loan package that you do not understand?
- What else could have been included in the loan packages to improve them?
- How did you decide which loan to apply for?
- How could you use this experience as you plan your own proposed business?

EXPANSION & APPLICATION:

- Recommend that participants assemble information for their own loan package, including personal financial statement, credit report, business plan, résumé, etc.
- Use this activity as an opportunity to expose participants to other potential sources of loan capital in your community.
- Invite a banker or other small business lender (possibly from your Community Support Team) to participate in this activity or to supplement it with information about his/her institution's lending requirements and the importance of developing a positive credit history.

QUESTIONS TO CONSIDER

Put yourself in the shoes of the prospective business owner (Calvin or Victoria) and **answer the following questions based on the information in the loan package:**

1. What type of business do you plan to start?
2. How much total capital will you need to start the business?
3. How much do you need to borrow?
4. How will you use the funds?
5. How much equity will you contribute to the start-up?
6. What collateral can you offer?
7. What is your credit history?
8. To which loan program will you apply? Why?

FIRST NATIONAL BANK

Business start-up loans will be considered by FNB, based on the following qualifications:

- The borrower's equity investment is at least 25% of the total start-up capital.
- The management is competent, reliable, and experienced; and the business appears feasible.
- There is a comprehensive business plan, including detailed cash flow projections showing how the loan will be repaid.
- Personal guarantees, personal financial statements, and credit reports are provided.

Preference is given to those with a long-standing relationship with FNB and those with a good history of repaying loans in a timely manner.

The interest rate charged is usually 1 to 2 percent over the prime rate, and the loan term varies with the collateral offered for the loan.

The loan must be fully collateralized, based on the following guidelines:

<u>Business assets</u>	<u>Credit capacity</u>
Inventory	40-60% depending on obsolescence risk
Equipment	70-80% of market value, less if the equipment is specialized
<u>Personal assets</u>	<u>Credit capacity</u>
Land	
Automobiles	usually 50-75%, based on fair market value
Houses	
Other	

SBA MICRO-LOAN PROGRAM

The Micro-loan Program provides very small loans to start-up, newly established, or growing small business concerns. Under this program, SBA makes funds available to nonprofit community based lenders (intermediaries), which, in turn, make loans to eligible borrowers in amounts up to a maximum of \$35,000. The average loan size is about \$13,000. Applications are submitted to the local intermediary and all credit decisions are made on the local level.

Terms, Interest Rates, and Fees

The maximum term allowed for a micro-loan is six years. However, loan terms vary according to the size of the loan, the planned use of funds, the requirements of the intermediary lender, and the needs of the small business borrower. The maximum loan amount is \$35,000, however, the average loan amount is around \$13,000. Interest rates vary, depending upon the intermediary lender and costs to the intermediary from the U.S. Treasury. Generally these rates will be between 8 and 13 percent.

Collateral

Each intermediary lender has its own lending and credit requirements. However, business owners contemplating application for a microloan should be aware that intermediaries will generally require some type of collateral, and the personal guarantee of the business owner.

Technical Assistance

Each intermediary is required to provide business based training and technical assistance to its micro-borrowers. Individuals and small businesses applying for micro-loan financing may be required to fulfill training and/or planning requirements before a loan application is considered.

How to Apply

Small businesses that are interested in applying for a microloan should contact a micro-lender in their area. The www.sba.gov website contains a state-by-state list of all SBA participating Micro-lending Intermediaries and their areas of operation.

CALVIN'S CABINET SHOP

Business Plan Highlights

Executive Summary

Calvin's Cabinet Shop is being formed to manufacture kitchen cabinets for the home market. Calvin Wood is seeking a loan of \$27,000 to start the business.

Source and Use of Funds		
Source of Funds		
	Owner's Investment	\$ 3,000
	Loan	\$27,000
Total		\$30,000
Use of Funds		
	Tools and Equipment	\$10,000
	Inventory	\$10,000
	Working Capital	\$10,000
Total		\$30,000

Products and Services

Calvin's Cabinet Shop will build custom kitchen cabinets to the customer's specifications.

Marketing

Calvin's Cabinet Shop will advertise in the Home section of the newspaper. Calvin's will also seek referrals from local homebuilders. The business location will feature a small cabinet showroom.

Operations

The business will employ two cabinetmakers, one full-time and one part-time. The business will be open Monday through Friday from 8:00 a.m. until 5:00 p.m. daily, and on weekends as needed. The business will deliver the cabinets to houses and will install them for an extra fee.

Financial Assumptions

Calvin's Cabinet Shop will purchase \$10,000 of carpentry and woodworking tools, and \$10,000 of lumber. The interest rate requested for the loan will be 13% for three years.

CREDIT REPORT (CALVIN WOOD)

1. BEACON SCORE: 640
NOT ALL ACCOUNTS PAID AS AGREED

2. REAL CREDIT INFORMATION SERVICES

3. CALVIN WOOD SINCE 04/16/93 FAD 09/31/XX

4. ADDRESS(ES) 100 FORREST LANE, ALBEMARLE, NC

5. DATE OF BIRTH 02/13/73 SSS#: 111-11-1113

6. 01 ES-HOUSE CARPENTER TYSON CONSTRUCTION
02 EF-FINISHER LEXINGTON FURNITURE INDUSTRIES

7. SUM 11/93 – 9/XX ACCTS 2

8. *PUBLIC RECORD WOULD BE LISTED HERE*
06/03 COLL 01/03 STANLY COUNTY HOSPITAL
AMOUNT: 2400 BALANCE 1800

9. INQUIRIES VISA 11/05/XX BB&T 06/04/XX
 1ST FIN 12/03/XX MBNA 04/21/XX
 CRED. PLS 05/24/XX CITICORP 12/27/XX
 HOME FIN 03/10/XX

10. RPTD OPND LIMIT BALANCE
 MASTERCARD 08/20/XX 06/12/96 1500 1426
 WACHOVIA 08/16/XX 05/12/91 7500 6578

11. END OF REPORT

PERSONAL FINANCIAL STATEMENT (CALVIN WOOD)

Personal Financial Statement as of

June 4, 1996

CHECK ONE: INDIVIDUAL STATEMENT JOINT STATEMENT

First Name CALVIN	Middle Initial	Last WOOD	Social Security Number 111-11-1113
Street Address 100 FORREST LANE			Home Telephone Number 704-555-9876
City ALBEMARLE	State NC	ZIP Code 28001	Date of Birth 02-13-53
Business Name CALVIN'S CABINET SHOP			
Business Address 24 FURNITURE STRIP, ALBEMARLE, NC 28002			Business Telephone Number 704/555/0087

The undersigned affirm(s) under the penalties of perjury that the information on this personal financial statement and on any accompanying statements is true, complete, and correct. The undersigned agree(s) to notify the MHP Fund of any material changes in the information shown on this statement or on any accompanying statements.

Signature: _____

Date: _____

ASSETS

CASH from Schedule 1	5,000
MARKETABLE SECURITIES from Schedule 2	
NON-MARKETABLE SECURITIES from Schedule 3	
REAL ESTATE PERSONAL USE from Schedule 5	
REAL ESTATE INVESTMENTS from Schedule 6	
ACCOUNTS/NOTES RECEIVABLE from Schedule 8	
CASH VALUE LIFE INSURANCE from Schedule 10	
TAX SHELTER INVESTMENTS from Schedule 11	
PRIVATELY OWNED BUSINESSES from Schedule 12	
PERSONAL EFFECTS from Schedule 14	7,000
OTHER ASSETS from Schedule 15	
TOTAL ASSETS	12,000

LIABILITIES

BANK LOANS from Schedule 1	
MARGIN LOANS from Schedule 2	
CONSUMER DEBT from Schedule 4	
MORTGAGES ON PERSONAL REAL ESTATE from Schedule 5	
MORTGAGES ON REAL ESTATE INVESTMENTS from Schedule 6	
ACCOUNTS/NOTES/TAXES PAYABLE from Schedule 9	
LOANS AGAINST LIFE INSURANCE from Schedule 10	
TAX SHELTER NOTES PAYABLE from Schedule 11	
OTHER LIABILITIES from Schedule 13	1,500
TOTAL LIABILITIES	1,500
NET WORTH (Total Assets - Total Liabilities)	10,500
TOTAL LIABILITIES + NET WORTH	12,000

SCHEDULE 1 - Cash

Name of Bank/Money Market Fund	Deposit Balances	Loan Balance	Is Loan Secured?	Ownership (Filer, Joint Filer, or Joint With Third Party)
REAL National Bank	3,500			
TOTAL:	3,500			

SCHEDULE 5 - Real Estate for Personal Use

Property Address	Legal Owner	Purchase Year	Purchase Price	Market Value	Present Loan Balance	Loan Maturity Date	Lender
TOTAL:							

SCHEDULE 10 - Life Insurance (For Additional Space Use Insert Sheet)

Insurance Company	Face Amount of Policy	Type of Policy	Beneficiary	Cash Surrender Value	Amount Borrowed	Ownership
TOTAL:						

SCHEDULE 13 - Other Liabilities (including lines of credit)

Item	Amount Due	Date Due	Identify Security, if any	Ownership
MasterCard	1,500			
TOTAL:	1,500			

SCHEDULE 14 - Personal Effects

Item	Cost	Estimated Present Value	Ownership
1996 Chevy Pickup Truck (acquired in 2002)	9,000	7,000	
TOTAL:		7,000	

SCHEDULE 18 - Income

Last Year's Actual Income	Filer	Joint Filer	Combined
Salary and/or Net Professional Income	20,000		
Bonus and Commissions			
Interest and Dividends			
Net Real Estate Income			
Capital Gains (Losses)			
Other Income (Describe)			
TOTAL:	20,000		
This Year's Estimated Income	Filer	Joint Filer	Combined
Salary and/or Net Professional Income			
Bonus and Commissions			
Interest and Dividends			
Net Real Estate Income			
Capital Gains (Losses)			
Other Income (Describe)			
TOTAL:			

This is a true and accurate statement of my financial condition. Should my financial condition change at any time while I am under obligation to the MHP Fund, I will promptly notify the MHP Fund in writing of this change. While under such obligation, I will continue to provide annually an updated financial statement.

Signature _____ Date _____

Joint Filer Signature _____ Date _____

CASH FLOW STATEMENT (CALVIN'S CABINETS)

	A	B	C	D	E	F	G	H	I
1	Company Name:								
	Calvin's Cabinet Shop Start-Up								
			1	2	3	4	5	6	Subtotal
3	BEGINNING CASH		9,850	6,510	3,171	2,431	1,691	3,551	
4	CASH IN:								
5	SALES (LINE 42 x 43)		6,000	6,000	9,000	9,000	12,000	12,000	\$ 54,000
6	Loan	27,000							\$ 27,000
7	Equity	3,000							\$ 3,000
8	Other								\$ -
9									\$ -
10	TOTAL CASH IN	30,000	6,000	6,000	9,000	9,000	12,000	12,000	\$ 84,000
11	(SUM 5 thru 9)								
12									
13	CASH OUT:								
14	Startup Costs:								
15	Equipment	10,000							\$ 10,000
16	Fees\Permits	150							\$ 150
17	Initial Inventory	10,000							\$ 10,000
18									\$ -
19									\$ -
20									\$ -
21	Operating Expenses:								
22	Office supplies		25	25	25	25	25	25	\$ 150
23	Rent		1,000	1,000	1,000	1,000	1,000	1,000	\$ 6,000
24	Advertising		250	250	250	250	250	250	\$ 1,500
25	Insurance		250	250	250	250	250	250	\$ 1,500
26	Telephone		175	175	175	175	175	175	\$ 1,050
27	Electricity		400	400	400	400	400	400	\$ 2,400
28	Water & Sewer		30	30	30	30	30	30	\$ 180
29	Salaries		3,000	3,000	3,000	3,000	3,000	3,000	\$ 18,000
30	Payroll taxes		300	300	300	300	300	300	\$ 1,800
31	Inventory Purchase		1,200	1,200	1,600	1,600	2,000	2,000	\$ 9,600
32									\$ -
33	Owner's draw		1,800	1,800	1,800	1,800	1,800	1,800	\$ 10,800
34									\$ -
35									\$ -
36									\$ -
37	Monthly Loan Payment		910	910	910	910	910	910	\$ 5,458
38	TOTAL CASH OUT	20,150	9,340	9,340	9,740	9,740	10,140	10,140	\$ 78,588
39	(SUM 14 thru 37)								
40	CASH FLOW (10 minus 38)	9,850	-3,340	-3,340	-740	-740	1,860	1,860	\$ 5,412
41	ENDING CASH (3 plus 40)	9,850	6,510	3,171	2,431	1,691	3,551	5,412	
42	Avg sale/customer		\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	
43	Customers/month		2	2	3	3	4	4	18
44	Loan interest rate	13.00%							
45	Monthly Periods	36							
46	Loan Repayment	910							

CASH FLOW STATEMENT, p. 2 (CALVIN'S CABINETS)

	J	K	L	M	N	O	P	Q
1	Company Name:							
	Calvin's Cabinet Shop	7	8	9	10	11	12	1st YR
3	BEGINNING CASH	5,412	6,872	8,332	9,792	11,252	15,312	
4	CASH IN:							
5	SALES (LINE 42 x 43)	12,000	12,000	12,000	12,000	15,000	15,000	\$ 130,000
6	Loan							\$ 27,000
7	Equity							\$ 3,000
8	Other							\$ -
9								\$ -
10	TOTAL CASH IN	12,000	12,000	12,000	12,000	15,000	15,000	\$ 160,000
11	(SUM 5 thru 9)							
12								
13	CASH OUT:							
14	Startup Costs:							
15	Equipment							\$ 10,000
16	Fixtures							\$ 150
17	Fees\Permits							\$ 10,000
18	Initial inventory							\$ -
19								\$ -
20								\$ -
21	Operating Expenses:							
22	Office supplies	25	25	25	25	25	25	\$ 300
23	Rent	1,000	1,000	1,000	1,000	1,000	1,000	\$ 12,000
24	Advertising	250	250	250	250	250	250	\$ 3,000
25	Insurance	250	250	250	250	250	250	\$ 3,000
26	Telephone	175	175	175	175	175	175	\$ 2,100
27	Electricity	400	400	400	400	400	400	\$ 4,800
28	Water & Sewer	30	30	30	30	30	30	\$ 360
29	Salaries	3,000	3,000	3,000	3,000	3,000	3,000	\$ 36,000
30	Payroll taxes	300	300	300	300	300	300	\$ 3,600
31	Inventory repurchase	2,400	2,400	2,400	2,400	2,800	2,800	\$ 24,800
32								\$ -
33	Owner's draw	1,800	1,800	1,800	1,800	1,800	1,800	\$ 21,600
34								\$ -
35								\$ -
36								\$ -
37	Monthly Loan Payment	910	910	910	910	910	910	\$ 10,920
38	TOTAL CASH OUT	10,540	10,540	10,540	10,540	10,940	10,940	\$ 142,630
39	(SUM 14 thru 37)							
40	CASH FLOW (10 minus 38)	1,460	1,460	1,460	1,460	4,060	4,060	\$ 17,370
41	ENDING CASH (3 plus 40)	6,872	8,332	9,792	11,252	15,312	19,372	
42	Avg sale/customer	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	
43	Customers/month	4	4	4	4	5	5	44
44								
45								
46								

VICTORIA'S MOVIES & GAMES

Business Plan Highlights

Executive Summary

Victoria's Movies & Games, a sole proprietorship, is being formed for the purpose of renting new, popular, and classic DVDs and games. Victoria English, the owner of the business, is seeking \$75,000 to start the business.

Source and Use of Funds		
Source of Funds		
	Owner's Investment	\$25,000
	Loan	\$75,000
Total		\$100,000
Use of Funds		
	Equipment (computer system)	\$ 5,000
	Fixtures	\$ 2,500
	Inventory	\$75,000
	Working Capital	\$17,500
Total		\$100,000

Products and Services

Victoria's Videos/DVDs will offer new, popular, and classic DVDs and games.

Marketing

Victoria's Movies & Games' market will be all households within a 10-mile radius of the store. A sign in the front of the building will inform drive-by traffic of the latest DVDs for rent and any special offers.

Operations

The business will be open from 10:00 a.m. until 11:00 p.m. seven days per week. Victoria will hire two part-time assistants to help her serve customers.

Financial Assumptions

A computer system with bar code capability will be purchased for \$5,000. A sign and video/DVD shelf fixture will be purchased for \$2,500. The initial inventory of DVDs and games will consist of 2,000 at a cost of \$75,000. The interest rate requested is 9% for 5 years.

CREDIT REPORT (VICTORIA ENGLISH)

1. BEACON SCORE: 769

ALL ACOUNTS PAID AS AGREED

2. REAL CREDIT INFORMATION SERVICES

3. VICTORIA ENGLISH SINCE 11/16/80 FAD 09/31/XX

9. ADDRESS(ES) 222 HOLLYWOOD LANE, WILMINGTON, NC

10. DATE OF BIRTH 02/13/61 SSS#: 111-11-1114

11. 01 ES-MGR. BLOCKBUSTER VIDEO
 02 EF-ASSISTANT MGR. CIRCUIT CITY

12. SUM 11/78 – 9/XX ACCTS 4

13. *PUBLIC RECORD WOULD BE LISTED HERE*

14. INQUIRIES FIRST UNION 11/05/XX AMEX 06/08/XX

15.	RPTD	OPND	LIMIT	BALANCE
MASTERCARD	08/25/XX	06/12/91	7500	499
FIRST UNION	08/16/XX	05/12/83	85000	0
BELK	08/01/XX	303/23/81	2000	0
SEARS	08/04/XX	03/02/85	1200	0

16. END OF REPORT

PERSONAL FINANCIAL STATEMENT (VICTORIA ENGLISH)

Personal Financial Statement as of

May 30, 2003

CHECK ONE: INDIVIDUAL STATEMENT JOINT STATEMENT

First Name VICTORIA	Middle Initial ENGLISH	Last ENGLISH	Social Security Number 111-11-1114
Street Address 222 HOLLYWOOD LANE		Home Telephone Number 704-555-3321	
City WILMINGTON	State NC	ZIP Code 28532	Date of Birth 02-13-51
Business Name VICTORIA'S MOVIES & GAMES			
Business Address 114 STAR LANE, WIMLMINGTON, NC 28532		Business Telephone Number 704/555/1233	

The undersigned affirm(s) under the penalties of perjury that the information on this personal financial statement and on any accompanying statements is true, complete, and correct. The undersigned agree(s) to notify the MHP Fund of any material changes in the information shown on this statement or on any accompanying statements.

Signature: _____ Date: _____

ASSETS

CASH from Schedule 1	40,000
MARKETABLE SECURITIES from Schedule 2	25,000
NON-MARKETABLE SECURITIES from Schedule 3	
REAL ESTATE PERSONAL USE from Schedule 5	298,000
REAL ESTATE INVESTMENTS from Schedule 6	
ACCOUNTS/NOTES RECEIVABLE from Schedule 8	
CASH VALUE LIFE INSURANCE from Schedule 10	15,000
TAX SHELTER INVESTMENTS from Schedule 11	
PRIVATELY OWNED BUSINESSES from Schedule 12	
PERSONAL EFFECTS from Schedule 14	20,000
OTHER ASSETS from Schedule 15	
TOTAL ASSETS	398,000

LIABILITIES

BANK LOANS from Schedule 1	
MARGIN LOANS from Schedule 2	
CONSUMER DEBT from Schedule 4	
MORTGAGES ON PERSONAL REAL ESTATE from Schedule 5	
MORTGAGES ON REAL ESTATE INVESTMENTS from Schedule 6	
ACCOUNTS/NOTES/TAXES PAYABLE from Schedule 9	
LOANS AGAINST LIFE INSURANCE from Schedule 10	
TAX SHELTER NOTES PAYABLE from Schedule 11	
OTHER LIABILITIES from Schedule 13	499
TOTAL LIABILITIES	499
NET WORTH (Total Assets - Total Liabilities)	397,501
TOTAL LIABILITIES + NET WORTH	398,000

SCHEDULE 1 - Cash

Name of Bank/Money Market Fund	Deposit Balances	Loan Balance	Is Loan Secured?	Ownership (Filer, Joint Filer, or Joint With Third Party)
REAL National Bank	35,000			
REAL National Bank - Savings	5,000			
TOTAL:	40,000			

SCHEDULE 2 - Marketable Securities

Bonds-Face Value Stock-Number of Shares	Description of Security	Cost	Market Value	Are any securities pledged? If so, to whom, & percentage.	Brokerage Margin Loans	Ownership
2500 Fidelity Select	Purchase 1/10/89	10,000	25,000			
TOTAL:			25,000			

SCHEDULE 5 - Real Estate for Personal Use

Property Address	Legal Owner	Purchase Year	Purchase Price	Market Value	Present Loan Balance	Loan Maturity Date	Lender
222 Hollywood Lane	Victoria English	1998	185,000	298,000			
TOTAL:				298,000			

SCHEDULE 10 - Life Insurance (For Additional Space Use Insert Sheet)

Insurance Company	Face Amount of Policy	Type of Policy	Beneficiary	Cash Surrender Value	Amount Borrowed	Ownership
REALity Life	15,000		Bart English	15,000		
TOTAL:				15,000		

SCHEDULE 13 - Other Liabilities (including lines of credit)

Item	Amount Due	Date Due	Identify Security, if any	Ownership
MasterCard	499			
TOTAL:	499			

SCHEDULE 14 - Personal Effects

Item	Cost	Estimated Present Value	Ownership
2004 Lexus	28,000	20,000	
TOTAL:		20,000	

SCHEDULE 18 - Income

Last Year's Actual Income	Filer	Joint Filer	Combined
Salary and/or Net Professional Income	48,000		
Bonus and Commissions			
Interest and Dividends	5,000		
Net Real Estate Income			
Capital Gains (Losses)			
Other Income (Describe)			
TOTAL:	53,000		
This Year's Estimated Income	Filer	Joint Filer	Combined
Salary and/or Net Professional Income			
Bonus and Commissions			
Interest and Dividends			
Net Real Estate Income			
Capital Gains (Losses)			
Other Income (Describe)			
TOTAL:			

This is a true and accurate statement of my financial condition. Should my financial condition change at any time while I am under obligation to the MHP Fund, I will promptly notify the MHP Fund in writing of this change. While under such obligation, I will continue to provide annually an updated financial statement.

Signature _____ Date _____

Joint Filer Signature _____ Date _____

CASH FLOW STATEMENT (VICTORIA'S MOVIES AND GAMES)

	A	B	C	D	E	F	G	H	I
1	Company Name:								
2	Victoria's' Movies/Games	Start-Up	1	2	3	4	5	6	Subtotal
3	BEGINNING CASH		17,400	13,993	11,586	10,179	9,772	10,366	
4	CASH IN:								
5	SALES (LINE 42 x 43)		5,000	6,000	7,000	8,000	9,000	10,000	\$ 45,000
6	Loan	75,000							\$ 75,000
7	Equity	25,000							\$ 25,000
8	Other								\$ -
9	TOTAL CASH IN	100,000	5,000	6,000	7,000	8,000	9,000	10,000	\$ 145,000
10	(SUM 5 thru 9)								
11									
12	CASH OUT:								
13	Startup Costs:								
14	Equipment (computer system)	5,000							\$ 5,000
15	Fixtures	2,500							\$ 2,500
16	Fees\Permits	100							\$ 100
17	Initial Inventory	75,000							\$ 75,000
18	Delivery van								\$ -
19									\$ -
20	Operating Expenses:								
21	Office supplies		25	25	25	25	25	25	\$ 150
22	Rent		1,100	1,100	1,100	1,100	1,100	1,100	\$ 6,600
23	Advertising		100	100	100	100	100	100	\$ 600
24	Insurance		1,000	1,000	1,000	1,000	1,000	1,000	\$ 6,000
25	Telephone		100	100	100	100	100	100	\$ 600
26	Electricity		300	300	300	300	300	300	\$ 1,800
27	Water & Sewer		25	25	25	25	25	25	\$ 150
28	Salaries		2,000	2,000	2,000	2,000	2,000	2,000	\$ 12,000
29	Payroll taxes		200	200	200	200	200	200	\$ 1,200
30	Inventory Purchases		500	500	500	500	500	500	\$ 3,000
31									\$ -
32	Owner's draw		1,500	1,500	1,500	1,500	1,500	1,500	\$ 9,000
33									\$ -
34									\$ -
35									\$ -
36	Monthly Loan Payment		1,557	1,557	1,557	1,557	1,557	1,557	\$ 9,341
37	TOTAL CASH OUT	82,600	8,407	8,407	8,407	8,407	8,407	8,407	\$ 133,041
38	(SUM 14 thru 37)								
39	CASH FLOW (10 minus 38)	17,400	-3,407	-2,407	-1,407	-407	593	1,593	\$ 11,959
40	ENDING CASH (3 plus 40)	17,400	13,993	11,586	10,179	9,772	10,366	11,959	
41	Avg sale/customer		\$10	\$10	\$10	\$10	\$10	\$10	
42	Customers/month		500	600	700	800	900	1,000	\$ 4,500
43	Loan interest rate	9.00%							
44	Monthly Periods	60							
45	Loan Repayment	1,557							

CASH FLOW STATEMENT, p. 2 (VICTORIA'S MOVIES AND GAMES)

	J	K	L	M	N	O	P
1	Company Name:						
	Victoria's' Movies/Games						
	7	8	9	10	11	12	1st YR
2	BEGINNING CASH	11,959	13,552	15,145	17,738	20,331	23,924
3	CASH IN:						
4	SALES (LINE 42 x 43)	10,000	10,000	11,000	11,000	12,000	12,000 \$ 111,000
5	Loan						\$ 40,000
6	Equity						\$ 25,000
7	Other						\$ -
8							\$ -
9	TOTAL CASH IN	10,000	10,000	11,000	11,000	12,000	12,000 \$ 211,000
10	(SUM 5 thru 9)						
11							
12	CASH OUT:						
13	Startup Costs:						
14	Equipment						\$ 5,000
15	Fixtures						\$ 2,500
16	Fees/Permits						\$ 100
17	Initial inventory						\$ 75,000
18							\$ -
19							\$ -
20	Operating Expenses:						
21	Office supplies	25	25	25	25	25	25 \$ 300
22	Rent	1,100	1,100	1,100	1,100	1,100	1,100 \$ 13,200
23	Advertising	100	100	100	100	100	100 \$ 1,200
24	Insurance	1,000	1,000	1,000	1,000	1,000	1,000 \$ 12,000
25	Telephone	100	100	100	100	100	100 \$ 1,200
26	Electricity	300	300	300	300	300	300 \$ 3,600
27	Water & Sewer	25	25	25	25	25	25 \$ 300
28	Salaries	2,000	2,000	2,000	2,000	2,000	2,000 \$ 24,000
29	Payroll taxes	200	200	200	200	200	200 \$ 2,400
30	Inventory repurchase	500	500	500	500	500	500 \$ 6,000
31							\$ -
32	Owner's draw	1,500	1,500	1,500	1,500	1,500	1,500 \$ 18,000
33							\$ -
34							\$ -
35							\$ -
36	Monthly Loan Payment	1,557	1,557	1,557	1,557	1,557	1,557 \$ 18,683
37	TOTAL CASH OUT	8,407	8,407	8,407	8,407	8,407	8,407 \$ 183,483
38	(SUM 14 thru 37)						
39	CASH FLOW (10 minus 38)	1,593	1,593	2,593	2,593	3,593	3,593 \$ 27,517
40	ENDING CASH (3 plus 40)	13,552	15,145	17,738	20,331	23,924	27,517
41	Avg sale/customer	\$10	\$10	\$10	\$10	\$10	\$10
42	Customers/month	1,000	1,000	1,100	1,100	1,200	1,200 \$ 11,100
43							
44							
45							