

The Hand Truck Company, LLC
Business Plan
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**THIS BUSINESS PLAN DOES NOT CONSTITUTE AN
OFFERING OF SECURITIES IN ANY JURISDICTION.**

EXECUTIVE SUMMARY

The Hand Truck Company, LLC, located in Pueblo, Colorado, develops innovative hand trucks and straps primarily for commercial use.

Problem

An individual cannot handle and move oversized material (over four feet in length) such as plywood, mattresses, furniture, and other building material efficiently, safely, and effectively. A person delivering/handling product wastes time maneuvering products in tight spots.

Hand truck 360 Solution

The Hand Truck 360, designed and patented by Richard Cortese, allows push/pull and left/right movement via independent operation of each wheel with hand levers. It allows movement of products in tight areas and through regular-sized doorways. No other hand truck available in the market allows steering and easy movement of product.

The Attachit Stabilizing Strap with a retractable or non-retractable ratchet, provides a solution to securely strapping objects onto the hand truck. It can be sized for use on the Hand Truck 360 as well as other manufacturers' hand trucks. There is a provisional patent on this product.

Ownership

Judith Kochevar is sole owner of The Hand Truck Company, an "S" corporation.

Funding

Richard Cortese used his personal funds to secure the original patent. Judith Kochevar has used her personal funds for the provisional patent application on the Attachit Strap, the engineering and manufacturing costs for the hand truck, strap prototypes, and demos. She has also used her funds for any additional start-up expenses.

Cash flow based on product orders will primarily finance the company's growth.

Kochevar expects to maximize the company's attractiveness to an established manufacturer of hand trucks via product licensing or sale of company/patents. These companies will be approached once The Hand Truck Company's regional customers' applications and sales are established.

Sources and Uses of Funds

The owner will provide \$5,000 for initial expenses and cash flow will be used to pay insurance, manufacturing, and marketing costs.

2014

Use of Funds

Product Liability Insurance--start-up	\$10,000/year
Legal Fees--Patent Expenses for strap	\$4,000 additional
Accounting--setup and bookkeeping	\$1,500
Marketing--start-up <ul style="list-style-type: none">• Video• Promotional Material• Website• Sales Travel• Trade show	\$9,100

COMPANY DESCRIPTION

The Hand Truck Company, Inc., distributes innovative hand trucks to move products and increase productivity within various commercial industries. The company worked closely with Krage Manufacturing of Pueblo, Colorado to manufacture its prototypes and demos. The Hand Truck Company contracts with Industrial Manufacturing & Machine in Commerce City, Colorado, to make its initial manufacturing runs of the hand truck.

The Attachit Strap will be available for attachment to the Hand Truck 360 as well as other companies' hand trucks. Its initial runs will be made in Pueblo, Colorado, by local manufacturers.

The Hand Truck Company is home-based.

Development to Date

Richard Cortese designed and patented the multi-directional hand truck. He assigned the patent in August, 2010, to Judith Kochevar, owner of The Hand Truck Company.

The Hand Truck 360 is ready for limited distribution.

Legal Status and Ownership

The Hand Truck Company is wholly owned by Judith Kochevar. She will pay Richard Cortese a royalty of \$5 per unit sold and \$3 per strap sold.

In the event of the patent, products, or company being sold, Cortese and Kochevar have the right to negotiate their own terms.

Business Model

The company business model is based on:

- using a contract manufacturer to manufacture and assemble the hand truck
- selling directly to commercial customers (any business that distributes products—restoration companies, furniture companies, movers, etc.)
- using distributors to sell the hand trucks and straps to their customer base
- customizing the product according to the needs of each distributor or high-volume customer
- using only contract employees
- offering add-on products to increase product flexibility for customers and for increased revenue

Products

There are three versions of the Hand Truck 360. The initial product offered is the Hand Truck 360 Middle Man Edition. Other products will be made available later upon demand.

The patent is for the turning device that can be tailored to most existing hand trucks. Once The Hand Truck Company determines the most viable markets and generates sales in these markets, the turning devices will be made available to interested existing hand truck companies for sales or licensing.

The Attachit Strap will be attached to the Hand Truck 360 with potential sales to existing manufacturers for their hand truck models.

Please refer to pictures of the product on the following page. The products to be sold are:

Product	Wheel Diameter	Capacity
Hand Truck 360 Home Edition	8"	200 lbs.
Hand Truck 360 Middle Man	8"	400 lbs. New design of plate will allow for more weight
Hand Truck 360 Industrial	10" (with pneumatic wheels)	600 lbs.

Patents

Patent # 7,464,947B2 was granted to Richard Cortese for the mechanism on the Slider-D hand truck (now Hand Truck 360) in December 2008. It will expire in December, 2028.

The provisional patent application for the Attachit Strap was made in August, 2013. If sales are promising, a utility patent application will be made by May, 2014. The provisional patent protects the design for one year.

Direct Distribution of Products

The company owners created the business model primarily to market directly to the commercial customer, providing greater profit margins. Distributors will be used as warranted.

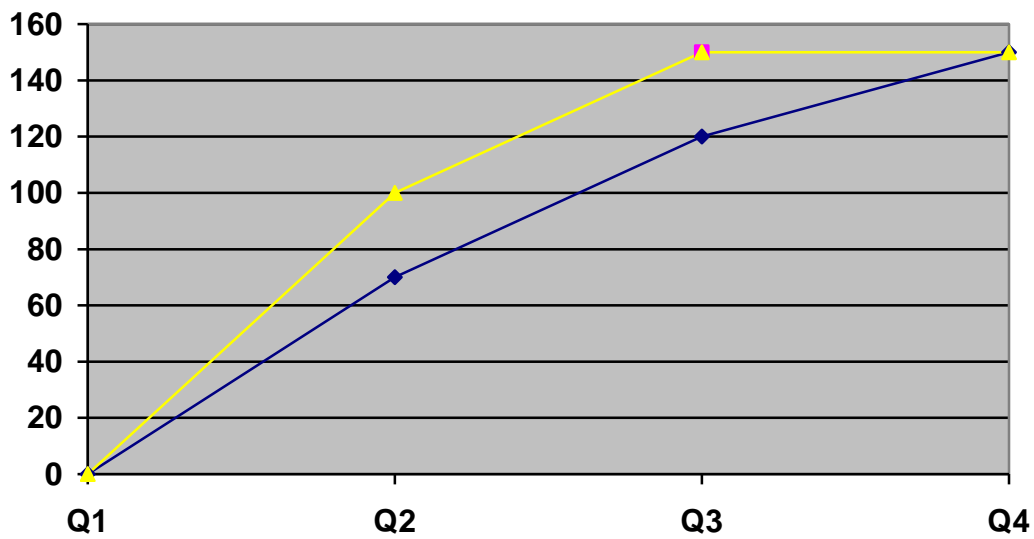


Revenue Stream

Revenue will be generated from direct sales. Keeping operating expenses to a minimum will provide a higher return on sales.

In 2014, revenue is projected at \$176,000 with a profit expected in the third quarter.

Break Even Analysis



Based on an average selling price of the hand truck/14" strap at \$460 per unit and the \$49 selling price of the 10" straps and Year 1 costs, it is anticipated that the break even point will occur at sales of approximately 130 hand trucks and 130, 10" straps.

PRODUCT DESCRIPTION

Background

While working on a home improvement project, Richard Cortese had to transfer 4'X 8' sheets of plywood from the garage into the storage shed in the back yard. Using a hand truck, Cortese tried to move the plywood by himself out of the garage and through the gate on the side of the house. Because of obstructions within the garage and the fact that the gate wasn't wide enough for the plywood to get through on his basic hand truck, Cortese had to hand-carry each individual sheet of plywood out of the garage, through the gate, along the side of the house, and finally into the storage shed.

After this ordeal, Cortese, an industrial engineer, wondered if there was a hand truck/dolly on the market that would allow someone to move the plywood singlehandedly. After checking in hardware and home improvement stores and researching on the Internet, Cortese found that there was no such hand truck with a two-wheel right/left configuration available.

Product Comparisons

The current hand truck manufacturers do not provide similar products. The majority of products from these manufacturers are differentiated by material, wheel type, handles, attachments, etc., but not by direction of movement. An Australian company, Rotacaster, has made inroads into the multi-directional hand truck market by using wheels that move in different directions. They introduced their products into the United States in 2012.

Price Comparisons

There are no competitors with like products, so any price comparisons are not accurate. A specialty hand truck able to move up to at least 400 pounds ranges in price from approximately \$135 to over \$500 depending upon construction, type of wheels, and projected use.

Test Market/Product Benefits

The Hand Truck 360 was test-marketed for three years by a ServiceMaster franchisee in Las Vegas, Nevada. The company owner, Randy Roberts, and his employees continue to use it on a daily basis to move furniture, appliances, sheet rock, etc. The owner suggested modifications to the body of the hand truck that enhanced its usefulness to his business. These changes have been incorporated into the Hand Truck 360. In addition, Roberts provided the following observations on the use of the Hand Truck 360 versus a standard hand truck:

- increased productivity (example: saves approximately 25% of labor)
- increased flexibility/mobility in handling (mattresses or sheets of plywood can be handled by one person)
- two-in-one design/multi-purpose operator movability (no need to have any other basic hand truck)
- reduced possibility of physical injury to employees
- just makes the job easier

Roberts suggested some type of strapping device for the Hand Truck 360, so Richard Cortese made a prototype that is now called the Attachit Strap. It is metal rectangular aluminum tube that is adjustable, spring-loaded, and attachable/detachable. A ratchet with a strap is attached to the tubing. Please refer to the picture on the following page.

Attachit Strap

Hand Truck Retractable Strap

Safely Secure Your Load

- *Attachable (works on many types of hand trucks)
- *Removable
- *Stabilizing
- *Spring loaded
- *Securable
- *Saves time and effort
- *Easy to use



- *Reversible (secure your load vertically or horizontally)
- *Safe (made with steel)

Future Products

If the current owner keeps control of the company, it is anticipated that various product designs and add-ons will address the needs of building contractors, movers, delivery personnel, and warehouse owners/managers. If the product is licensed, hand truck manufacturers would adapt the turning device and strap to their products.

Quality Control

Area manufacturing and assembly by an established engineering company assures that each product is properly inspected for quality. Richard Cortese works closely with the manufacturer.

To assure customer satisfaction, The Hand Truck Company, LLC, offers the following for its customers:

- A one-year limited warranty for its hand trucks and attachments (for products that have not been altered or abused)
- Outstanding customer service
- Product liability insurance in the amount of \$1 million per incident

Legal Considerations

Judith Kochevar holds U.S. patent # 7,464,947B2 (for additional patent information, please refer to the Appendix). A patent attorney is available to protect the patent from infringement.

OPERATIONS PLAN

The Hand Truck Company, LLC, operates as a low-cost, low-overhead company that will be positioned well for doing business in the 21st century. The benefits of a low-overhead company are:

- A lower cost operation with no employees (no benefits, government paperwork, workman's comp, etc.)
- Minimal inventory with a just-in-time inventory at the manufacturer's location
- Initial contracting of operations functions (accounting, bookkeeping, sales and marketing, engineering).
- Higher profit margin
- Direct sales to end users
- Distributors used as necessary
- Focus on key players in key industries with opportunity to build long-term relationships

MARKETING PLAN

Competition

There is no direct competition to the Hand Truck 360 or the Attachit Strap. Five large manufacturers of hand trucks in the United States dominate sales. The large manufacturers are:

- Harper Trucks, LLC (Ruffin Companies)
- Magline LLC (specializes in route distribution solutions)
- Milwaukee Hand Trucks (Gleason Corporation)
- Valley Craft (Liberty Diversified Industries/provides customized solutions)
- WESCO Industrial Products LLC

There are also several regional hand truck manufacturers (Dutro, B&P) throughout the United States. Most of these are niche players specializing in particular industries such as food or beverage distribution.

Each of the above-mentioned companies is:

- privately owned
- established, with most of the companies over forty years old
- part of a larger corporation or conglomerate
- an American company with some products manufactured in the United States

Harper Trucks is the largest hand truck manufacturer in the world. The company makes one of every three hand trucks sold in the United States, achieving a twenty percent annual growth. ***Harpertrucks.com website 2/14/13***

Product Comparisons

Company	2:1 Functions	Side Movement	Limited- Space Movement (ability to steer)	Hand-level Change of Wheel Direction	Price
Harper					\$125- \$400
Milwaukee					\$100- \$400
Magline					\$148- \$564
Wesco					\$100- \$350
Vestil	X	X		X	\$112
Rotacaster*	X	X	X		\$285- \$416
The Hand Truck Company	X	X	X	X	\$475 with strap

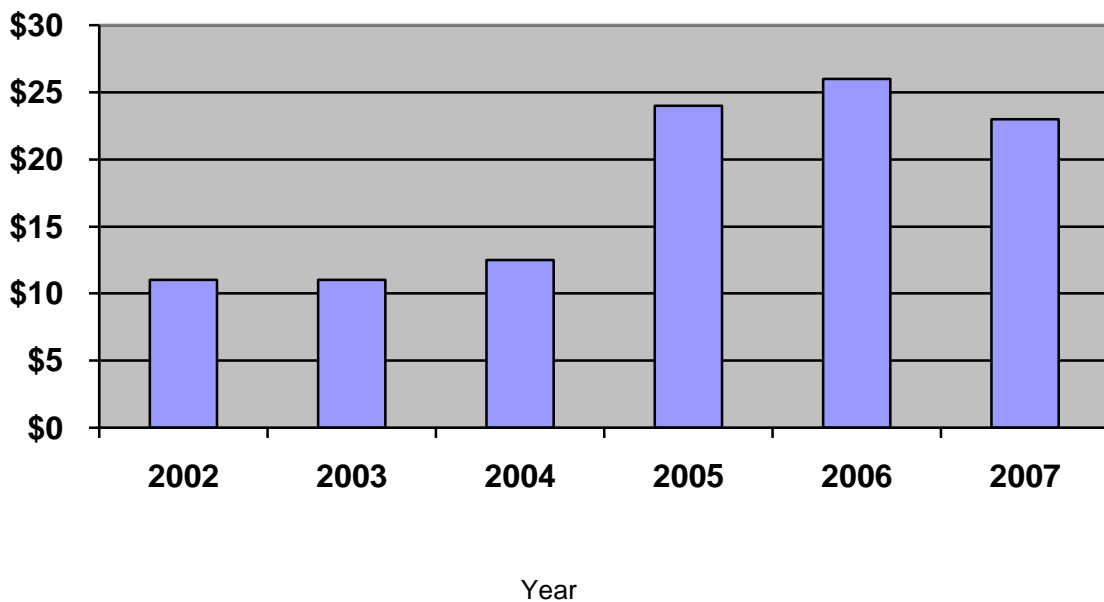
*Australian company in the U.S. since 2012. Hand Trucks are attached to multi-directional wheels.

Market Analysis

The chart below represents most recent sales figures for the work/hand truck market.

Work Trucks Without a Lift, Not Self Propelled

Material Handling Industry of America & the U.S. Department of Commerce
NAICS 3339242556 (www.mhia.org)
(in millions)



Due to changes with the sub-set of the NAICS code, data for this category is no longer available. The general NAICS code of 333924 shows growth the last two years (mhia.org) after a steep decline in 2008-2010.

Product Positioning/Use of Demos

The figures posted above give only a glimpse of the market size and do not reflect how a totally new product concept would affect the sales of hand trucks. The Hand Truck Company has several demonstration models for potential customers to use for a few days. The sales personnel will provide initial training to the users of the product.

Positioning Statement

The Hand Truck 360 “new concept” hand trucks increase productivity and flexibility because the hand trucks with their innovative, attachable strap have the ability to steer forward, backward, sideways, and in in circles.

Seasonality

Sales will be influenced by the seasons. Potential customers such as construction companies and movers see an increase of business in the spring and summer. Sales will also be affected by a company’s budgetary constraints in the direct market. We will know more about this constraint after the first three months of operation.

Marketing Network

Initial sales are being handled by Judith Kochevar. The firm’s key sales advisor has experience in national product introductions/rollouts and will become involved as warranted.

Initial sales will be made to small businesses/local manufacturing outlets in Colorado, followed by corporate offices such as Denver Mattress and Mattress Firm, and Two Men and a Truck franchises.

Future Sales

After sales are established and product uses are further defined, hand truck manufacturers will be contacted about using the patented turning device and Attachit Straps as add-ons to their hand trucks.

The product rollout will continue throughout 2014.

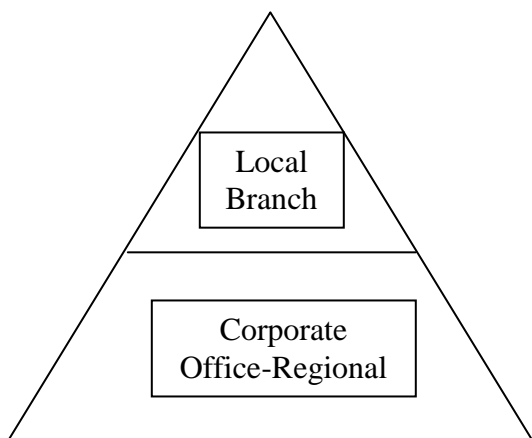
Compensation

A ten-percent commission per gross sale will be given to any broker or sales person. Currently, a distributor will pay \$360 and sell the hand truck for \$475.

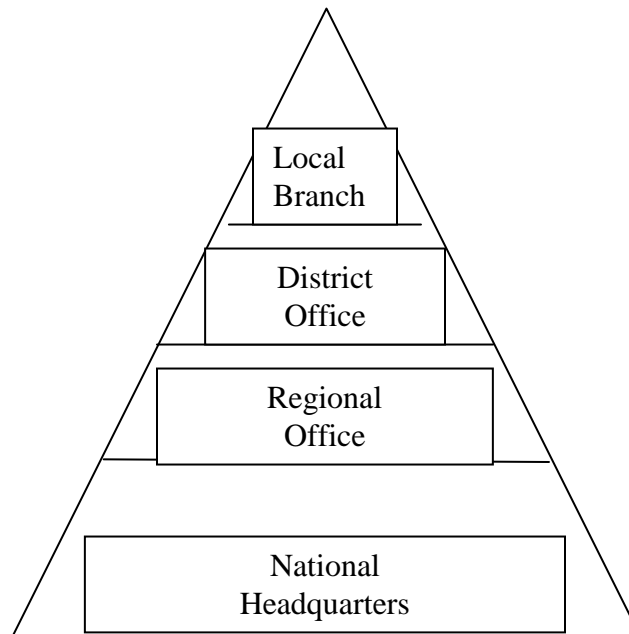
Distribution Strategies

To maximize sales, The Hand Truck Company will employ the following sales strategies:

- Initially sell small quantities directly to the end user and distributors
- Provide excellent customer service
- Make personal sales calls in Colorado/Rocky Mountain Region
- Contact regional companies with a local presence in each market
- Give the potential customer a demo model to use in its business for a week or so
- Work with the local/regional business to gain access to its corporate offices.



- Contact the local branches of national companies to use the same strategy but continue marketing from local branch to national distribution



- Contact hand truck manufacturers in the second and third quarters

Target Markets

Any company that handles products is a potential customer. The disparate and wide-ranging applications of the existing product and the anticipated products require a structured marketing program. For the first few months of operation, The Hand Truck Company will contact companies to determine:

- what industries have the most potential
- what is the most efficient or required way to contact and sell to a particular company
- when are industries most apt to make purchases (time of the year)
- what requirements each company/industry has from a supplier

Target markets for the Hand Truck 360 products include but are not limited to:

- Professional moving companies
- Convenience stores
- Retail furniture outlets
- Product distribution companies (food, non-perishables)
- Truck rental companies
- Restoration companies
- Warehouses/shipping and receiving
- Tool rental businesses
- Government entities
- Government contractors
- Furniture rental companies
- Hotels

Product Introduction

Professional Moving/Distribution Companies

Professional moving companies will benefit from the Hand Truck 360 Middle Man. This hand truck easily handles 400 pounds. With a re-design of the base, the Hand Truck 360 should handle at least 500 pounds. In the event that a company requires that the hand truck be OSHA approved (example, Lowes), the company has made the initial contact with Underwriters Lab for this designation.

Each of the following companies has a different company policy as to how product is disseminated to their movers. A marketing strategy that approaches both the agent as well as the corporate purchasers will be employed.

The following are some of the companies that companies will be approached at the corporate level referencing success stories from local movers and truckers:

Moving Company	Number of Trucks
United/Mayflower	500 agents (# of trucks NA)
Atlas	500 agents (# of trucks NA)
Graebel	NA (privately owned)
Old Dominion	5058 trucks
Two Men and a Truck	117 franchises

Convenience Stores

According to the National Association of Convenience Stores, there are over 144,000 stores in the United States (NACS website). Most of these companies have a vendor trade show in which we hope to participate.

Examples of companies that will be targeted initially include:

Company	Number of Locations
7-11	6850
Kroger/Loaf & Jug	684
White Hen (Chicago)	215
Love's	200
Plaid Pony (Portland)	100

Source: companies' web sites/10K reports

Retail Furniture Stores

The Hand Truck Company will market the Hand truck 360 to furniture chains. The following regional chains will be targeted initially:

Furniture Companies	Number of Locations
American Furniture Warehouse	14
Denver Mattress	250 (nationwide)
Mattress King (Colorado)	35
Kacey Fine Furniture (Colorado)	16
Mattress Firm	700 (nationwide) 44 in CO and NM

Product Distribution Companies

Companies such as delivery and distribution companies will be contacted via district offices. An industry broker will be employed to call on these contacts. Examples of companies that will be contacted include:

Company	Number of Vehicles
FEDEX	31,000 trailers
UPS	21,246 trailers
Swift Distribution	17,000 trailers
YRCW	79,159 tractors and trailers
Old Dominion	5,058 trailers

Source: companies' web sites/10K reports

Truck Rental Companies

Truck rental companies that rent to individuals will be approached with the advantages of the attachable strap. Brokers will contact purchasing departments from each of the following corporations. Some of the companies make a profit by selling to its franchisees (U-Haul) and others buy products and give them to their local operators (Ryder/Budget, Penske).

Company	Number of Locations
U-Haul	15,400
Ryder/Budget	3,000
Penske	750

Source: web sites

Restoration Companies

Restoration companies will be contacted primarily via company vendor fairs.

Company Name	Number of Locations
Service Master	3,225 franchises
Belfor	64 offices/3500 restoration specialists
Steamatic	400 franchises
Servpro	1400 franchises

Vendor Fairs

Most large companies hold vendor fairs each year to meet with preferred vendors. Service Master and Two Men and a Truck are examples of companies that sponsor vendor fairs.

Government Entities

The Hand Truck Company is approved as a supplier to the federal government as both a woman-owned business and a business located in a HUB zone. The company has been working with PTAC (Procurement Technical Assistance Center) for further education in government purchasing and attends “meet and greet” events that feature buyers from the major government entities in the Colorado Springs area.

State and local entities will be contacted in the second quarter of 2014.

Future Markets

The following markets will be approached later in 2014:

- Manufacturing entities
- School districts
- Local/regional rental companies

There are thousands of manufacturing firms in the United States. Each type of manufacturer has a trade association, and that trade association has a trade show. It will be determined what trade shows to attend by researching membership numbers. Distributors will also be used to provide the products to various target markets.

Marketing Strategies

To build a market within an established marketplace, the company has devised the following strategies:

- Create a ***new marketing niche*** for those potential users of the Hand Truck 360 by emphasizing its benefits of :
 - ✓ higher productivity
 - ✓ two-in-one design (also acts as a regular hand truck)
 - ✓ limited-area movement (ability to steer)
 - ✓ rounded tires (easier turning/no flats)
 - ✓ ease-of-use
 - ✓ increased flexibility
- Have the potential customers “test” a product before they buy
- Emphasize the “Made in America” label because each major competitor has the same label
- Work with customers’ district and regional offices to sell a higher quantity of products
- Sell directly to end users as much as possible
- Build sales based on word-of-mouth, testimonials, and reputation
- Use blogs to let the customers talk about the product and its uses
- Provide “semi-custom” products for different industries (example, accessories have been designed to change the hand truck into a cart)
- Sell the Attachit Strap and other accessories on the company’s internet site as they become available
- Provide a one-year limited warranty on the products

Marketing Tactics

Both standard marketing tactics and tactics new to the hand-truck industry will be used to introduce and sustain sales of the Hand Truck 360 system:

- Make personal sales calls
- Attend appropriate trade shows
- Contact hand-truck manufacturers when appropriate
- Develop sales materials to include:
 - ✓ Brochures (product features and benefits)
 - ✓ Product videos
 - ✓ Product features and specifications sheet
 - ✓ Company background
 - ✓ Testimonials
- Create an internet site page for:
 - ✓ Potential customers
 - ✓ Government customers
 - ✓ Current individual customers
 - ✓ Current wholesale customers
 - ✓ Product listings/pictures
 - ✓ Ordering capabilities for accessories

Sales Projections

Sales projections are based on the:

- Number of potential customers
- Increased number of sales representatives throughout the U.S.
- Use of distributors in the U.S.
- Customer satisfaction with products

Projected Sales-2014

Type	Average Cost	# of Units	Sales Price	Sales
Direct with 14" strap	\$245	340	\$475	\$142,500
10" Strap	\$26	400	\$49	\$19,600
Total		740 units		\$162,100

Projected Sales-2015

Type	Average Cost	# of Units	Sales Price	Sales
Direct with 14" strap	\$200	500	\$475	\$237,500
10" strap	\$23	700	\$49	\$16,100
Total		1200 units		\$253,600

*cost will lower due to economies of scale

Projected Sales-2016

Type	Average Cost	# of Units	Sales Price	Sales
Direct	\$210	700	\$495	\$346,500
10" strap	\$23	1,000	\$54	54,000
Total		1,700 units		\$400,500

* Possibility of increase in the cost of materials has been factored into the cost

HAND TRUCK 360

QUANTITY	10	20	50
Base per unit	\$262.00	\$231.00	\$194.00
Wheels	23.00	23.00	23.00
14" Strap	34.00	32.50	32.50
Cost of Goods Sold/Unit	\$319.00	\$287.00	\$250.00
List Price	\$525.00	\$525.00	\$525.00
Sales Discount	(50.00)	(50.00)	(50.00)
Net Price	\$475.00	\$475.00	\$475.00
Cost of Goods Sold	\$319.00	\$287.00	\$250.00
Gross Profit	\$156.00	\$188.00	\$225.00
Gross Margin	33%	40%	47%
Other Operating Expenses @ 70% of GP*	109.00	132.00	\$158.00
Net Income	\$47.00	\$56.00	\$92.00

*Based on recommendation of our CPA/financial advisor

10" Attachit Strap

QUANTITY	100	200	1,000
Base per unit	\$15.80	\$15.20	\$14.45
Retractable Ratchet	\$6.50	\$6.50	\$6.00
Hardware	\$2.00	\$2.00	\$2.00
Assembly	\$2.00	\$2.00	\$2.00
Base per unit	\$26.30	\$25.70	\$24.45
List Price	\$49.00	\$49.00	\$49.00
Cost of Goods Sold	\$26.30	\$25.70	\$24.45
Gross Profit	\$22.70	\$23.30	\$24.55
Gross Margin	46%	48%	\$50%
Other Operating Expenses @ 70% of GP	\$15.89	\$16.31	\$17.19
Net Income	\$6.81	\$6.99	\$7.36

14" Attachit Strap

QUANTITY	100	200	1,000
Base per unit	\$15.80	\$15.20	\$14.45
Retractable Ratchet	\$6.50	\$6.50	\$6.00
Hardware	\$2.00	\$2.00	\$2.00
Assembly	\$2.00	\$2.00	\$2.00
Base per unit	\$26.30	\$25.70	\$24.45
List Price	\$49.00	\$49.00	\$49.00
Cost of Goods Sold	\$26.30	\$25.70	\$24.45
Gross Profit	\$22.70	\$23.30	\$24.55
Gross Margin	46%	48%	\$50%
Other Operating Expenses @ 70% of GP	\$15.89	\$16.31	\$17.19
Net Income	\$6.81	\$6.99	\$7.36

10" Attachit Strap

QUANTITY	100	200	1,000
Base per unit	\$15.80	\$15.20	\$14.45
Retractable Ratchet	\$6.50	\$6.50	\$6.00
Hardware	\$2.00	\$2.00	\$2.00
Assembly	\$2.00	\$2.00	\$2.00
Base per unit	\$26.30	\$25.70	\$24.45
List Price	\$49.00	\$49.00	\$49.00
Cost of Goods Sold	\$26.30	\$25.70	\$24.45
Gross Profit	\$22.70	\$23.30	\$24.55
Gross Margin	46%	48%	\$50%
Other Operating Expenses @ 70% of GP	\$15.89	\$16.31	\$17.19
Net Income	\$6.81	\$6.99	\$7.36

MANAGEMENT

Backgrounds/Responsibilities

Owner, The Hand Truck Company

Judith Kochevar—Kochevar has worked with Richard Cortese in many facets (financial, manufacturing, product procurement, company set-up, etc.) of this start-up company. She was a sales representative for a Fortune 500 company before earning an MBA with an emphasis in marketing from Arizona State University. She completed an intensive twelve-month training program with Conoco (now ConocoPhillips) where she worked in budgeting, cost analysis, and project management. Kochevar also was a marketing consultant with Intel Corporation. For several years, she has worked with start-up companies to develop their business and marketing strategies.

Inventor/Engineer

Richard Cortese—Richard is an industrial designer, having been the Director of Research and Development for Suttrak and the Senior Designer for Neoplan USA. Both positions were based in Lamar, Colorado. Cortese has international experience with both corporations.

Cortese has an undergraduate degree in Industrial Design from Adams State College and a Master's degree in Education Administration from the University of Northern Colorado.

His responsibilities, based on his extensive engineering experience, will include:

- Facilitator of product manufacturing and quality assurance
- Advisor to contract manufacturer

Financial Advisor

Ken Martz, CPA, is a partner in Martz & Wilson Accounting in St. Louis, Missouri. He has over twenty-five years' experience as a managerial accountant/business advisor. He has advised and will continue to advise The Hand truck Company on accounting, tax, and other financial matters and will prepare all quarterly and year-end financial statement

Company Timeline

2014	Task
January-March	1) Have 20 hand trucks manufactured 2) Make list of contacts of potential customers 3) Set up accounting 4) Re-brand company 5) Prepare fact sheet 6) Sign contract with manufacturer 7) Re-do web page 8) Take product photos 9) Make product videos 10) Begin product shipments
February-March	1) Meet with furniture/ mattress stores 2) Contact commercial moving companies 3) Contact companies that distribute products 4) Test market sales strategies in Colorado
April-May	1) Determine best sales and marketing strategies 2) Decide where to grow the distribution 3) Attend National Hardware Trade Show 4) Contact brokers
May-December	1) Continue to contact potential customers 2) Contact medium-sized hand truck manufacturers about licensing or selling the stabilizing strap as a product add-on

FINANCIALS

BALANCE SHEET

	AT START-UP		2014		2015	
		Percent		Percent		Percent
ASSETS						
Current Assets:						
Cash on hand & in bank(s)	5,000	38.6%	39,870	93.3%	154,125	98.2%
Accounts Receivable	0					
LESS Doubtful Accounts	0					
Net Value Accts. Receivable	0	0.0%	0	0.0%	0	0.0%
Inventory	5,000	38.6%	0	0.0%	0	0.0%
Other Current Assets	2,700	20.9%	2,700	6.3%	2,700	1.7%
Total Current Assets	12,700	98.1%	42,570	99.6%	156,825	99.9%
Fixed Assets:						
Equipment	0		0		0	
LESS: Accumulated Depreciation	0		0		0	
Total Fixed Assets	0	0.0%	0	0.0%	0	0.0%
Intangible Assets						
Start-up & Organization Costs	300	2.3%	300	0.7%	300	0.2%
LESS: Accumulated Amort.	60		120		180	
Total Intangible Assets	240	1.9%	180	0.4%	120	0.1%
All Other Non-Current Assets		0.0%	0	0.0%	0	0.0%
TOTAL ASSETS	12,940	100.0%	42,750	100.0%	156,945	100.0%

LIABILITIES & EQUITY					
Current Liabilities:					
Trade Payables		0.0%		0.0%	0.0%
All Other Current	0	0.0%		0.0%	0.0%
Total Current Liabilities	0	0.0%	0	0.0%	0 0.0%
Long Term Liabilities:					
Loan(s) Payable (over 1 yr)	0		0		0
Total Long Term Liabilities	0	0.0%	0	0.0%	0 0.0%
All Other Non-Current Liabilities		0.0%	0	0.0%	0.0%
TOTAL LIABILITIES	0	0.0%	0	0.0%	0 0.0%
Owner(s) Equity	12,940	100.0%	42,750	100.0%	156,945 100.0%
TOTAL LIABILITIES & EQUITY	12,940	100.0%	42,750	100.0%	156,945 100.0%

QUARTERLY INCOME STATEMENT**2014**

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year 1
NET SALES	\$0	\$37,100	\$62,550	\$76,350	\$176,000
Cost of Sales	0	21,440	35,260	42,550	99,250
GROSS PROFIT	\$0	\$15,660	\$27,290	\$33,800	\$76,750
GENERAL & ADMIN. Expenses	1,170	16,680	11,475	12,555	41,880
Depreciation			60	60	120
OPERATING INCOME (loss)	-\$1,170	-\$1,020	\$15,755	\$21,185	\$34,750
Other Income less Other Expenses					0
INCOME BEFORE Taxes	-\$1,170	-\$1,020	\$15,755	\$21,185	\$34,750
State & Federal Taxes					
NET INCOME (Loss)	-\$1,170	-\$1,020	\$15,755	\$21,185	\$34,750

**Product Sales
2014**

	Unit Price	1	2	3	4	5	6	7	8	9	10	11	12	Total	% of Product Sales
Direct Sales HT	415.00	0	0	0	8,300	10,375	10,375	12,450	16,600	20,750	20,750	20,750	20,750	\$141,100	80.2%
					20	25	25	30	40	50	50	50	50		
Strap 14"	45.00	0	0	0	900	1,125	1,125	1,350	1,800	2,250	2,250	2,250	2,250	\$15,300	8.7%
# of Sales				0	20	25	25	30	40	50	50	50	50		
Strap 10"	49.00	0	0	0	980	1,960	1,960	2,450	2,450	2,450	2,450	2,450	2,450	\$19,600	11.1%
# of Sales				0	20	40	40	50	50	50	50	50	50		
TOTAL PRODUCT SALES		0	0	0	10,180	13,460	13,460	16,250	20,850	25,450	25,450	25,450	25,450	\$176,000	

**Merchandise Purchases
2014**

	Unit Price	1	2	3	4	5	6	7	8	9	10	11	12	Total	% of Product Sales
Direct-HT	230.00	0	0	0	4,600	5,750	5,750	6,900	9,200	11,500	11,500	11,500	11,500	\$78,200	44.4%
# of Units		0	0		20	25	25	30	40	50	50	50	50		
Strap	32.50	0	0	0	650	813	813	100	1,300	1,625		1,625	1,625	\$8,550	4.9%
# of Units		0	0		20	25	25	30	40	50	50	50	50		
Strap 10"	26.00		0	0	520	1,040	1,040	1,300	1,300	1,300	1,300	1,300	1,300	\$10,400	5.9%
# of Units			0	0	20	40	40	50	50	50	50	50	50		
TOTAL MERCHANDISE PURCHASES		0	0	0	5,770	7,603	7,603	8,300	11,800	14,425	12,800	14,425	14,425	\$97,150	55.2%

		1	2	3	4	5	6	7	8	9	10	11	12	1-12 TOTAL
1.	Cash on Hand (BOM)	5,000	4,810	4,120	3,830	2,842	3,834	2,810	6,370	11,755	18,625	26,190	33,030	
2.a)	Hand Truck Sales	0	0	0	8,300	10,375	10,375	12,450	16,600	20,750	20,750	20,750	20,750	\$141,100
b)	14" Strap Sales	0	0	0	900	1,125	1,125	1,350	1,800	2,250	2,250	2,250	2,250	\$15,300
c)	10" Strap Sales	0	0	0	980	1,960	1,960	2,450	2,450	2,450	2,450	2,450	2,450	\$19,600
	TOTAL CASH ADDED [2.a+b+c]	0	0	0	10,180	13,460	13,460	16,250	20,850	25,450	25,450	25,450	25,450	\$176,000
3.	TAL CASH AVAILABLE [1. + 3.]	5,000	4,810	4,120	14,010	16,302	17,294	19,060	27,220	37,205	44,075	51,640	58,480	
4.	Royalties-HT				50	100	125	125	150	200	250	250	250	\$1,500
a)	Royalties-Strap				90	180	195	225	240	270	300	300	300	\$2,100
b)	Merchandise Purchases	0	0	0	5,770	7,603	7,603	8,300	11,800	14,425	12,800	14,425	14,425	\$97,150
	TOTAL COST OF SALES	0	0	0	5,860	7,783	7,798	8,525	12,040	14,695	13,100	14,725	14,725	\$99,250
5.	Operating Expenses													
a)	Accounting				500			500			500			\$1,500
b)	Advertising & Promotion		600	200	200	200	200	200	200	200	200	200	200	\$2,600
c)	Legal-Patent					2,000	2,000							\$4,000
d)	Insurance				2,500	750	750	750	750	750	750	750	750	\$8,500
e)	Internet Access	40	40	40	40	40	40	40	40	40	40	40	40	\$440
f)	Office & Cleaning Supplies							0						\$0
g)	Outside Services				1,018	1,346	1,346	1,625	2,085	2,545	2,545	2,545	2,545	\$17,600
h)	Rent/Lease (real estate)							0	0	0	0	0	0	\$0
i)	Engineering													\$0
j)	Taxes & Licenses	100												\$100
k)	Telephone	50	50	50	50	50	50	50	50	50	50	50	50	\$550
l)	Travel	0	0		1,000	300	300	1,000	300	300	700	300	300	\$4,500
m)	Utilities							0	0	0	0	0	0	\$0
n)	Wages / Salaries	0	0	0	0									\$0
o)	Payroll Expenses (FICA,FUT) 14%	0	0	0	0	0	0	0	0	0	0	0	0	\$0
p)	Miscellaneous Expenses													\$0
q)	Association Dues													\$0
r)	Trade Shows						2,000		0					\$2,000
s)	Interest, First Long Term Loan	0	0	0	0	0	0	0	0	0	0	0	0	\$0
	Interest, Second Long Term Loan	0	0	0	0	0	0	0	0	0	0	0	0	\$0
	Interest, Short Term Loan	0	0	0	0	0	0	0	0	0	0	0	0	\$0
	TOTAL OPERATING EXPENSES	190	690	290	5,308	4,686	6,686	4,165	3,425	3,885	4,785	3,885	3,885	\$41,880
6.	Non-Operating Uses of Funds													
a)	Loan Principal Payment, First LT Loan	0	0	0	0	0	0	0	0	0	0	0	0	\$0
	Loan Principal Payment, Second LT Loan	0	0	0	0	0	0	0	0	0	0	0	0	\$0
	Loan Principal Payment, ST Loan	0	0	0	0	0	0	0	0	0	0	0	0	\$0
b)	Owner Draw			0	0	0	0	0	0	0	0	0	0	\$0
	Income tax													\$0
c)	Computer Equipment													\$0
d)	Building Improvements													\$0
	TOTAL NON-OPERATING USES	0	0	0	0	0	0	0	0	0	0	0	0	-
7.	TOTAL SALES	0	0	0	10,180	13,460	13,460	16,250	20,850	25,450	25,450	25,450	25,450	\$176,000
8.	TOTAL CASH PAID OUT [4. + 5. + 6.]	190	690	290	11,168	12,469	14,484	12,690	15,465	18,580	17,885	18,610	18,610	\$141,130
9.	Profit (Loss)	-190	-690	-290	-988	992	-1,024	3,560	5,385	6,870	7,565	6,840	6,840	\$34,870

Year 1 Cash Flow Notes

Product Sales Hand Truck 360 with 14” strap--Based on the approximate average from the manufacturer. The per-unit price will decline as the number produced increases. The pricing of the commodities used in the manufacturing process (steel, paint rubber) will vary.

Product Sales 10” Attachit Strap—Based on potential sales to businesses with existing hand trucks.

Product	# of Units	Sales Price	Sales
Hand Truck w/ Strap	340	\$460	\$156,400
10” Strap	400	\$49	\$19,600
Total	740 units		\$176,000

Merchandise purchase—This figure includes the total costs associated with the manufacturing, painting (powder coating), and assemblage of the hand trucks. The cost per hand truck will decrease as the quantity manufactured increases.

Product	Average Cost	# of Units	Cost
Hand Truck w/ Strap	\$262.50	340	\$86,750
10” Strap	26.00	400	\$10,400
Total		400 units	\$97,150

Total Cash Available—\$5,000 from owner

Accounting & Legal—Accounting costs will include bookkeeping, preparation of quarterly and annual reports, and financial consulting fees.

Advertising & Promotion—Includes pictures, product brochures, a product video, web page, and logo

Insurance—General and product liability insurance will be obtained once the sales volume increases. The product liability insurance will enhance the manufacturer’s product insurance.

Outside services—Company will use contractors exclusively in its first year of business. Payment of 10% of gross sales will be paid to any sales representatives.

Rent/Lease—Business will be home-based. Products will be made on a just-in-time basis and shipped from the contract engineering plant.

Travel—Sales travel will be used to potential customers, distributors, trade shows, annual meeting.

Owner Draw—Owner will be compensated as a sales rep during the first year.

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
NET SALES	\$80,750	\$95,000	\$109,250	\$133,000
Cost of Sales	44,540	52,400	60,260	69,360
GROSS PROFIT	\$36,210	\$42,600	\$48,990	\$63,640
GENERAL & ADMIN. Expenses	20,905	25,340	25,870	28,670
Depreciation	-15	-15	-15	-15
OPERATING INCOME (loss)	\$15,320	\$17,275	\$23,135	\$34,985
Other Income less Other Expenses				
INCOME BEFORE Taxes	\$15,320	\$17,275	\$23,135	\$34,985
State & Federal Taxes				
NET INCOME (Loss)	\$15,320	\$17,275	\$23,135	\$34,985

Year 2	% of Sales
\$418,000	100.0%
226,560	0.54201
\$191,440	45.8%
100,785	24.1%
-60	0.0%
\$90,715	21.7%
0	0
\$90,715	21.7%
	0
\$90,715	0.21702

		1	2	3	4	5	6	7	8	9	10	11	12	1-12 TOTAL
1.	Cash on Hand (BOM)	5,000	4,810	4,120	3,830	2,842	3,834	2,810	6,370	11,755	18,625	26,190	33,030	
2.a)	Hand Truck Sales	0	0	0	8,300	10,375	10,375	12,450	16,600	20,750	20,750	20,750	20,750	\$141,100
b)	14" Strap Sales	0	0	0	900	1,125	1,125	1,350	1,800	2,250	2,250	2,250	2,250	\$15,300
c)	10" Strap Sales	0	0	0	980	1,960	1,960	2,450	2,450	2,450	2,450	2,450	2,450	\$19,600
	TOTAL CASH ADDED [2.a+b+c]	0	0	0	10,180	13,460	13,460	16,250	20,850	25,450	25,450	25,450	25,450	\$176,000
3.	TAL CASH AVAILABLE [1. + 3.]	5,000	4,810	4,120	14,010	16,302	17,294	19,060	27,220	37,205	44,075	51,640	58,480	
4.	Royalties-HT				50	100	125	125	150	200	250	250	250	\$1,500
a)	Royalties-Strap				90	180	195	225	240	270	300	300	300	\$2,100
b)	Merchandise Purchases	0	0	0	5,770	7,603	7,603	8,300	11,800	14,425	12,800	14,425	14,425	\$97,150
	TOTAL COST OF SALES	0	0	0	5,860	7,783	7,798	8,525	12,040	14,695	13,100	14,725	14,725	\$99,250
5.	Operating Expenses													
a)	Accounting				500			500			500			\$1,500
b)	Advertising & Promotion		600	200	200	200	200	200	200	200	200	200	200	\$2,600
c)	Legal-Patent					2,000	2,000							\$4,000
d)	Insurance				2,500	750	750	750	750	750	750	750	750	\$8,500
e)	Internet Access	40	40	40	40	40	40	40	40	40	40	40	40	\$440
f)	Office & Cleaning Supplies							0						\$0
g)	Outside Services				1,018	1,346	1,346	1,625	2,085	2,545	2,545	2,545	2,545	\$17,600
h)	Rent/Lease (real estate)							0	0	0	0	0	0	\$0
i)	Engineering													\$0
j)	Taxes & Licenses	100												\$100
k)	Telephone	50	50	50	50	50	50	50	50	50	50	50	50	\$550
l)	Travel	0	0		1,000	300	300	1,000	300	300	700	300	300	\$4,500
m)	Utilities							0	0	0	0	0	0	\$0
n)	Wages / Salaries	0	0	0	0									\$0
o)	Payroll Expenses (FICA,FUT) 14%	0	0	0	0	0	0	0	0	0	0	0	0	\$0
p)	Miscellaneous Expenses													\$0
q)	Association Dues													\$0
r)	Trade Shows						2,000		0					\$2,000
s)	Interest, First Long Term Loan	0	0	0	0	0	0	0	0	0	0	0	0	\$0
	Interest, Second Long Term Loan	0	0	0	0	0	0	0	0	0	0	0	0	\$0
	Interest, Short Term Loan	0	0	0	0	0	0	0	0	0	0	0	0	\$0
	TOTAL OPERATING EXPENSES	190	690	290	5,308	4,686	6,686	4,165	3,425	3,885	4,785	3,885	3,885	\$41,880
6.	Non-Operating Uses of Funds													
a)	Loan Principal Payment, First LT Loan	0	0	0	0	0	0	0	0	0	0	0	0	\$0
	Loan Principal Payment, Second LT Loan	0	0	0	0	0	0	0	0	0	0	0	0	\$0
	Loan Principal Payment, ST Loan	0	0	0	0	0	0	0	0	0	0	0	0	\$0
b)	Owner Draw			0	0	0	0	0	0	0	0	0	0	\$0
	Income tax													\$0
c)	Computer Equipment													\$0
d)	Building Improvements													\$0
	TOTAL NON-OPERATING USES	0	0	0	0	0	0	0	0	0	0	0	0	-
7.	TOTAL SALES	0	0	0	10,180	13,460	13,460	16,250	20,850	25,450	25,450	25,450	25,450	\$176,000
8.	TOTAL CASH PAID OUT [4. + 5. + 6.]	190	690	290	11,168	12,469	14,484	12,690	15,465	18,580	17,885	18,610	18,610	\$141,130
9.	Profit (Loss)	-190	-690	-290	-988	992	-1,024	3,560	5,385	6,870	7,565	6,840	6,840	\$34,870

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Product	Average Cost	# of Units	Cost
Hand Truck w/ Strap	\$262.50	340	\$86,750
10” Strap	26.00	400	\$10,400
Total		400 units	\$97,150

Total Cash Available—\$5,000 from owner

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Insurance—General and product liability insurance will be obtained once the sales volume increases. The product liability insurance will enhance the manufacturer's product insurance.

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Travel—Sales travel will be used to potential customers, distributors, trade shows, annual meeting.

Owner Draw—Owner will be compensated as a sales rep during the first year.

QUARTERLY INCOME STATEMENT					YEAR	2015
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year 2	% of Sales
NET SALES	\$80,750	\$95,000	\$109,250	\$133,000	\$418,000	100.0%
Cost of Sales	44,540	52,400	60,260	69,360	226,560	0.54201
GROSS PROFIT	\$36,210	\$42,600	\$48,990	\$63,640	\$191,440	45.8%
GENERAL & ADMIN. Expenses	20,905	25,340	25,870	28,670	100,785	24.1%
Depreciation	-15	-15	-15	-15	-60	0.0%
OPERATING INCOME (loss)	\$15,320	\$17,275	\$23,135	\$34,985	\$90,715	21.7%
Other Income less Other Expenses					0	0
INCOME BEFORE Taxes	\$15,320	\$17,275	\$23,135	\$34,985	\$90,715	21.7%
State & Federal Taxes					0	0
NET INCOME (Loss)	\$15,320	\$17,275	\$23,135	\$34,985	\$90,715	0.21702

**Product Sales
2015**

	Unit Price	1	2	3	4	5	6	7	8	9	10	11	12
1. Direct Sales H	\$ 425.00	\$ 21,250	\$ 25,500	\$ 25,500	\$ 25,500	\$29,750	\$ 29,750	\$29,750	\$34,000	\$ 34,000	\$ 34,000	\$ 42,500	\$ 42,500
Unit Sales		50	60	60	60	70	70	70	80	80	80	100	100
2. Strap 14"	\$ 50.00	\$ 2,500	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,500	\$ 3,500	\$ 3,500	\$ 4,000	\$ 4,000	\$ 4,000	\$ 5,000	\$ 5,000
# of Sales		50	60	60	60	70	70	70	80	80	80	100	100
3. Strap 10"	\$ 40.00	\$ 2,000	\$ 2,400	\$ 2,400	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 3,200	\$ 3,200	\$ 3,200	\$ 4,000	\$ 4,000
# of Sales		50	60	60	70	70	70	70	80	80	80	100	100
4.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
# of Sales													
5.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
# of Sales													
Discounts													
TOTAL PRODUCT SALES		\$ 25,750	\$ 30,900	\$ 30,900	\$ 31,300	\$36,050	\$ 36,050	\$36,050	\$41,200	\$ 41,200	\$ 41,200	\$ 51,500	\$ 51,500

**Merchandise Purchases
Year 2**

	Unit Price	1	2	3	4	5	6	7	8	9	10	11	12
1. Retail/Direct	\$ 200.00	\$ 10,000	\$ 12,000	\$ 12,000	\$ 12,000	\$14,000	\$ 14,000	\$14,000	\$16,000	\$ 16,000	\$ 16,000	\$ 20,000	\$ 16,000
# of Units		50	60	60	60	70	70	70	80	80	80	100	100
2.	\$ 27.00	\$ 1,350	\$ 1,620	\$ 1,620	\$ 1,620	\$ 1,890	\$ 1,890	\$ 1,890	\$ 2,160	\$ 2,160	\$ 2,160	\$ 2,700	\$ 2,700
# of Units		50	60	60	60	70	70	70	80	80	80	100	100
3. Strap 10"	\$ 24.00	\$ 1,200	\$ 1,440	\$ 1,440	\$ 1,440	\$ 1,680	\$ 1,680	\$ 1,680	\$ 1,920	\$ 1,920	\$ 1,920	\$ 2,400	\$ 2,400
# of Units		50	60	60	60	70	70	70	80	80	80	100	100
4.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
# of Units													
5.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
# of Units													
Discounts													
TOTAL MERCHANDISE P		\$ 12,550	\$ 15,060	\$ 15,060	\$ 15,060	\$17,570	\$ 17,570	\$17,570	\$20,080	\$ 20,080	\$ 20,080	\$ 25,100	\$ 21,100

	1	2	3	4	5	6	7	8	9	10	11	12	1-12 TOTAL
1. Cash on Hand (BOM)	39,870	44,895	51,535	58,975	62,575	72,230	81,635	89,315	100,485	110,955	118,225	134,925	
2.a) Hand Truck Sales	21,250	25,500	25,500	25,500	29,750	29,750	29,750	34,000	34,000	34,000	42,500	42,500	\$374,00
b) 14" Strap Sales	2,500	3,000	3,000	3,000	3,500	3,500	3,500	4,000	4,000	4,000	5,000	5,000	\$44,00
c) 10" Strap Sales	2,000	2,400	2,400	2,800	2,800	2,800	2,800	3,200	3,200	3,200	4,000	4,000	\$35,60
SH ADDED [2.a+b+c]	25,750	30,900	30,900	31,300	36,050	36,050	36,050	41,200	41,200	41,200	51,500	51,500	\$453,60
3. AVAILABLE [1. + 3.]	65,620	75,795	82,435	90,275	98,625	108,280	117,685	130,515	141,685	152,155	169,725	186,425	
a) Royalties	550	660	660	660	770	770	770	880	880	880	1,100	1,100	\$9,68
b) Merchandise Purchases	12,550	15,060	15,060	15,060	17,570	17,570	17,570	20,080	20,080	20,080	25,100	21,100	\$216,88
TOTAL COST OF SALES	13,100	15,720	15,720	15,720	18,340	18,340	18,340	20,960	20,960	20,960	26,200	22,200	\$44,00
5. Operating Expenses													
a) Accounting	400	0	700	400	0	700	400	0	700	400	0	1,000	\$4,70
b) Advertising & Promotion	1,000	0	0	0	1,000	0	0	0	1,000	0	0	0	\$3,00
c) Shipping													\$
d) Insurance	800	800	800	800	800	800	800	800	800	800	800	800	\$9,60
e) Internet Access	50	50	50	50	50	50	50	50	50	50	50	50	\$60
f) Office & Cleaning Supplies	100					50							\$15
g) Outside Services	2,575	3,090	3,090	3,130	3,605	3,605	3,605	4,120	4,120	4,120	5,150	5,150	\$45,36
h) Rent/Lease (real estate)	0	0	0	0	0	0	0	0	0	0	0	0	\$
i) Engineering	0						2,000						\$2,00
j) Taxes & Licenses	100												\$10
k) Telephone	100	100	100	100	100	100	100	100	100	100	100	100	\$1,20
l) Travel	1,500	1,500	1,500	3,000	1,500	1,500	1,500	1,500	1,500	3,000	1,500	1,500	\$21,00
m) Utilities		0	0	0	0	0	0	0	0	0	0	0	\$
n) Wages / Salaries	0	0	0	0	0	0	0	0	0	0	0	0	\$
o) Payroll Expense 14%	0	0	0	0	0	0	0	0	0	0	0	0	\$
p) Miscellaneous Expenses			500			500			500			500	\$2,00
q) Association Dues		500					575						\$1,07
r) Trade Shows		1,500		3,500				1,500		3,500			\$10,00
s) Interest, First Long Term Loan	0	0	0	0	0	0	0	0	0	0	0	0	\$
Interest, Second Long Term	0	0	0	0	0	0	0	0	0	0	0	0	\$
Interest, Short Term Loan	0	0	0	0	0	0	0	0	0	0	0	0	\$
OPERATING EXPENSES	6,625	7,540	6,740	10,980	7,055	7,305	9,030	8,070	8,770	11,970	7,600	9,100	\$100,78
6. Non-Operating Uses of Funds													
a) Loan Principal Payment, First	0	0	0	0	0	0	0	0	0	0	0	0	\$
Loan Principal Payment, Second	0	0	0	0	0	0	0	0	0	0	0	0	\$
Loan Principal Payment, Short Term	0	0	0	0	0	0	0	0	0	0	0	0	\$
b) Owner Draw	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	\$12,00
c) Income tax													\$
d) Computer Equipment													\$
Building Improvements													\$
NON-OPERATING USES	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	\$12,00
7. TOTAL SALES	23,750	28,500	28,500	28,500	33,250	33,250	33,250	38,000	38,000	38,000	47,500	47,500	\$418,00
8. TOTAL CASH PAID OUT [4. +	20,725	24,260	23,460	27,700	26,395	26,645	28,370	30,030	30,730	33,930	34,800	32,300	\$339,34
9. Profit (Loss)	3,025	4,240	5,040	800	6,855	6,605	4,880	7,970	7,270	4,070	12,700	15,200	\$78,65

Year 2 Cash Flow Notes

Product Sales— The hand truck with strap will continue to be sold for \$475 and the 10” strap will be sold for \$49.

Merchandise purchase—This includes the total cost of the manufacturing, painting (powder coating), wheels, and assemblage of the hand trucks. In Year 2, it is estimated that the per-unit cost will be \$200.

Accounting & Legal—Accounting costs will include bookkeeping, preparation of quarterly and annual reports, and financial consulting fees.

Advertising & Promotion—Additional product brochures, web page updates, trade show materials, trade show booth/signage, public relations are included in this category.

Insurance--The product liability insurance will enhance the manufacturer’s product insurance.

Outside services—During its second year of business, the company will continue to pay 10% commission. The following contractors will continue to be used on an as-needed basis:

- Bookkeeper (under accounting)

Travel—Travel to locations to meet with distributors and as well as with customers is included in this category. Travel to annual meeting and trade shows is also included.

Wages—An office manager and customer service agent will be employed to handle billing, customer relations, and daily office management.

Owner Draw—The owner will take \$2,000 per month beginning in Month 1.

