Acme Aquaponics

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Confidentiality Agreement

The undersigned reader acknowledges that the information provided by Acme Aquaponics in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of Acme Aquaponics.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader may cause serious harm or damage to Acme Aquaponics.

Upon request, this document is to be immediately returned to Acme Aquaponics.

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Signature

_____
Name (typed or printed)

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Date

This is a business plan. It does not imply an offering of securities.

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1.0 Executive Summary

Acme Aquaponics is a sole proprietorship wholly owned by Mila Clacker who is the manager/operator of the Business. The Business is located 1/2 mile outside the City limits of Acme, Oregon. The address is 257 S. Berger Rd., Acme, Oregon 90000.
Phone: 555-555-5555; Fax: 555-555-5555; Email: anyone@email.com
Web site: www.Acmeaquaponics.com

Acme Aquaponics is seeking $275,000 in grant funding for the start up of this Business. Acme Aquaponics sells high quality fresh fish and vegetables. Mila Clacker has been focusing on the launch of this business for the past 8 years, actively attending seminars, researching other systems, and traveling to other states to gather hands on experience.

Acme Aquaponics projections include hiring up to 5 employees once full production is in place. Mila Clacker plans to hire employees from the surrounding communities and will pay according to job description and market.

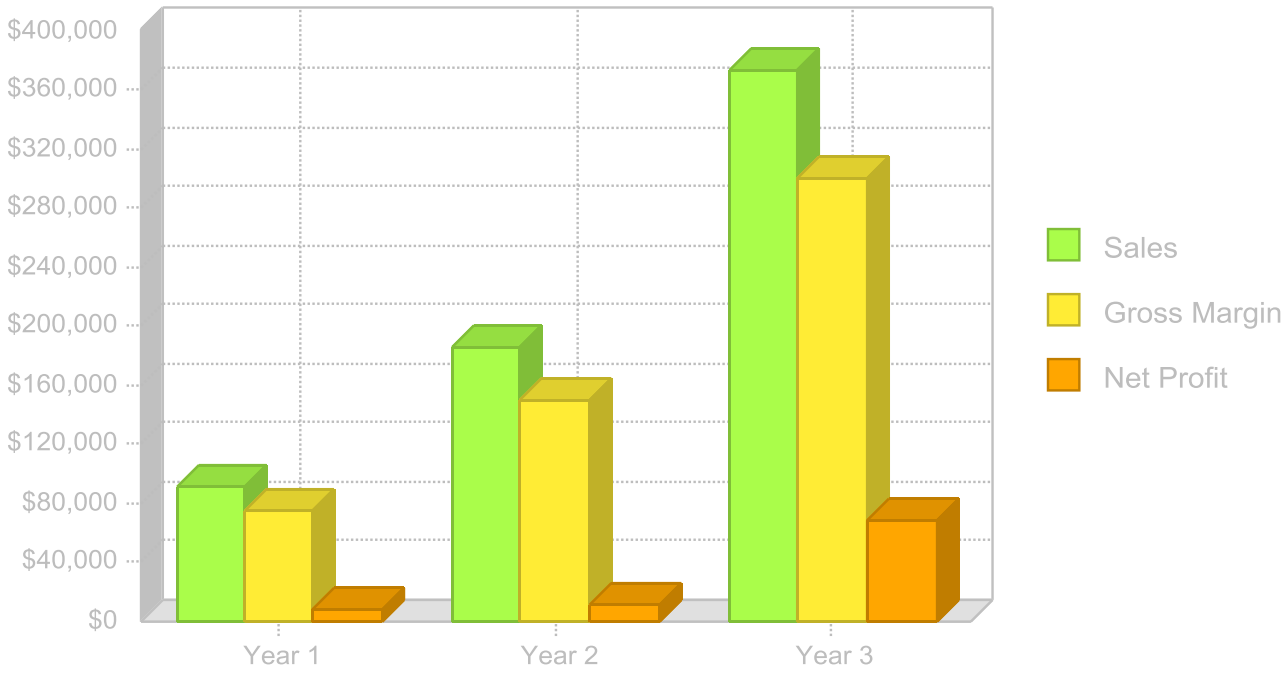
The Competitive Edge that Acme Aquaponics has to make this business successful is in the pursuit of its target market for Tilapia consisting of Hispanics and baby boomers. The majority of the population in Acme and the surrounding area are made up of this market. Marketing studies show that the target markets want "fresh" fish. The business is within 1/2 mile from the City limits where live "fresh fish" will be available. Willamette Valley is an agricultural area and most of the towns have Farmers Markets. There are currently no Tilapia fish farms where fresh fish is available in the state of Oregon.

Very few people are aware of how much of our food will be raised in this fashion in the future, and this system uses only 10% of the water needed for the same amount of crop produced on land. The other detail that still fascinates Mila Clacker is how far America is behind in this area

while other parts of the world have recognized the need and taken action much more quickly than here. I think it is because we have no (fewer) food shortages. Some Aquaponic friends in Australia were explaining how their 7 year old child had never seen it rain in their lifetime so it is not a surprise to see Australia's effort to create these systems. Also, Israel is the leader in the desalination of ocean water that can be used for crops. As water becomes more of an issue we will begin to see more of these systems. Let's hope America gets on board soon.

Due to the weather conditions in Oregon, all of Acme Aquaponics' tanks and plant bed systems will be inside a very large greenhouse. The building will not need to be heated; only the water in the fish tanks will be heated. The roof of the greenhouse is made out of normal greenhouse material that magnifies the sunlight; covers are used during the summer months as needed to control the heat. It is really a very simple sustaining system, and we think it is the simplicity of "the fish provide the food for the plants, the plants clean/filter the water, and it is returned to the fish tanks", it all occurs with only a 7% loss of water which is due to evaporation. In Mila Clacker's mind, the logic mimics what Mother Nature does and she is very eager to do something that is so good for our environment as well as feeding our bodies with clean, healthy fresh fish and vegetables.

Chart: Highlights



1.1 Objectives

- Produce the highest quality fresh fish and vegetables at competitive prices to local and surrounding communities.
- Provide a new purchase experience for buyers. "Pick the live fish" and we fillet it for you and pack it in ice. (This is as fresh as it gets!)
- Build a profitable business within 18 months from launch of product.

1.2 Mission

Acme Aquaponics is dedicated to producing healthful nutritious fresh fish and vegetables thru minimal use of resources, to the local and surrounding communities.

1.3 Keys to Success

- LOCATION! The current location of the business makes fresh local sales very accessible.
- Fresh, Fresh, Fresh!!! "Pick the fish, we filet it!" Marketing studies have shown that "Fresh" is the #1 most desirable factor when purchasing fish.
- Marketing studies show "baby boomers" and Hispanics as the leading purchasers of fish. The population base in local and surrounding communities is predominately these groups.
- Only a small percentage of the fish that is available locally is fresh, all the rest is imported or frozen.
- Farmers' Markets are abundant in the area and there are currently no fish sales in these locations.

2.0 Company Summary

Acme Aquaponics sells high quality fresh fish and vegetables.
The Business is located 1/2 mile outside the City limits of Acme, Oregon. The address is:
257 S. Berger Rd., Acme, Oregon 90000. Phone: 555-266-303; Fax: 555-555-5555.
Email: anyone@email.com; Web site: www.Acmeaquaponics.com

2.1 Company Ownership

Acme Aquaponics is a sole proprietorship wholly owned by Mila Clacker, the manager and operator of the Business.

2.2 Start-up Summary

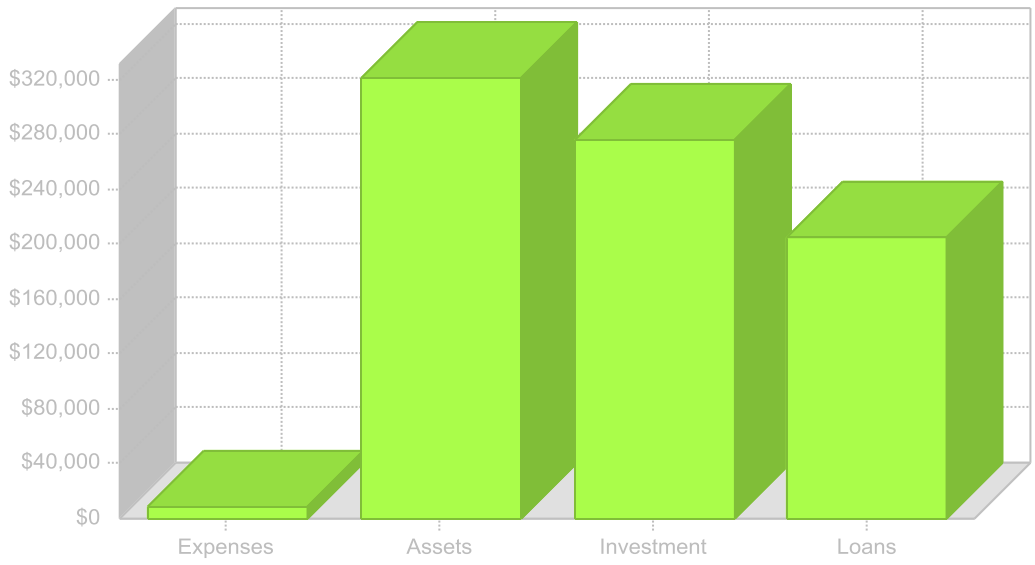
The following is a list of items and their related expenses necessary to start Acme Aquaponics. The cost of long-term assets required for startup is $265,700 and is broken down as follows:

- Building $75,000
- Engineering consultant $5,500
- Well and plumbing to tanks $25,000
- Electric $15,000
- Fencing (required) $7,000
- Tanks, pumps, compressors, fish equipment $25,000
- Monitoring equipment $8,000
- Cleaning station, point of sale building - $15,000
- Portable freezer, vehicle and trailer $44,000
- Tractor with forks $21,000
- Storage bins and freezers $15,000
- Plant beds $7,000
- Solar panels $12,000

Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Legal	**$2,500**
Stationery etc.	**$1,000**
Insurance	**$1,000**
Rent	**$1,200**
Computer	**$1,500**
Other	**$1,200**
Total Start-up Expenses	**$8,400**
Start-up Assets	
Cash Required	**$50,000**
Start-up Inventory	**$2,000**
Other Current Assets	**$3,500**
Long-term Assets	**$265,700**
Total Assets	**$321,200**
Total Requirements	**$329,600**

Chart: Start-up



3.0 Products

Tilapia (including all species and hybrids) is the second most important group of farmed fish after carp and the most widely grown of any farmed fish. It is farmed in at least 85 countries, with most production coming from Asia (China) and Latin America (Ecuador, Costa Rica and Honduras).

The global supply of farmed tilapia surged in the 1990s and early 2000s, largely due to genetic improvements through widespread introduction of improved tilapia breeds, feed supply availability, effective management of reproduction through sex reversal and hybridization, and expansion of consumer markets.

Acme Aquaponics is a fish and vegetable farm/business and will commence immediately upon receiving $275,000 in grant funds. A consultant will be hired to produce the final design. The conduit is already approved so the power can be pulled as soon as the consultant approves the electrical need. The road is in place and Acme Aquaponics will use the barn it has built to store materials. Acme Aquaponics applied for the water. Mila Clacker has been working towards the launch of Acme Aquaponics for 8 years.

One of the great advantages of tilapia for aquaculture is that they feed on a low trophic level. The members of the genus *Oreochromis* are all omnivores, feeding on algae, aquatic plants, small invertebrates, detrital material and the associated bacterial films. The individual species may have preferences between these materials and are more or less efficient depending on species and life stages in grazing on these foods. They are all somewhat opportunistic and will utilize any and all of these feeds when they are available. This provides an advantage to farmers because the fish can be reared in extensive situations that depend upon the natural productivity of a water body or in intensive systems that can be operated with lower cost feeds.

Acme Aquaponics have estimated the above design and permitting to take 6 months with allowance of a 6 week delay window (contractor, shipments and weather). Acme Aquaponics has already done several tasks in advance that will decrease the time it takes to get up and running.

The budget for the start up does not break down into detail to show cost per tank and other fixtures because the complete detail cannot be provided until the consultant produces the final draft.

Mila Clacker will be the Manager and responsible party thru the entire project. The professional experience will come from the consultant to minimize error.

We plan to structure the timing of fish crops to support the demand from onsite sales and farmers markets.

For the future, we monitor the success of polyculture systems to determine secondary crop of fresh water shrimp under tilapia.

Another future endeavor is the move towards further sustainability; worm beds to support protein needs in fish diet.

We plan to develop further target markets; Adult/Senior Centers, Restaurants, add a "catching pond" for children.

The Aquaponics environment produces vegetables in 1/2 of the time as conventional methods. We are able to produce vegetables not readily available during winter months.

The following article on Tilapia was written by Dan Burden, content specialist, AgMRC, Iowa State University, djburden@iastate.edu. *Revised May 2009 by Diane Huntrods, AgMRC, Iowa State University.*

Overview

Tilapia (til ah pe ah), sometimes called Nile perch, is the second most important group of farmed fish after carp and the most widely grown of any farmed fish. It is farmed in at least 85 countries, with most production coming from Asia (China) and Latin America (Ecuador, Honduras and Costa Rica).

The global supply of farmed tilapia surged in the 1990s and early 2000s, largely due to genetic improvements through widespread introduction of improved tilapia breeds, feed supply availability, effective management of reproduction through sex reversal and hybridization, and expansion of consumer markets.

According to the U.S. National Fisheries Institute, farmed tilapia ranked #5 on its 2007 "Top Ten" list of the most consumed fish and seafood in the United States. That year, the average consumption of tilapia was 1.1 pounds per person.

Wild Tilapia

Tilapia are a hardy and prolific fast-growing tropical fish. They can live more than 10 years and reach a weight of over 10 pounds. Although tilapia can live in either fresh or salt water, most species are unable to survive at temperatures below 50°F.

Tilapia were originally found throughout the African continent in shallow, turbid waters of rivers and lakes. They are herbivores feeding mainly on plankton, filamentous algae, aquatic macrophytes and other vegetable matter. As a result, tilapia do not accumulate pollutants and other toxins in their bodies. If water temperatures are favorable, wild tilapia spawn throughout the year with females producing up to 1,200 eggs. Some species deposit the eggs; others are "mouth brooders," harboring and protecting the small fry in their mouths if danger threatens. Mouth-brooding species tend to lay fewer eggs but may have higher survival rates.

Farmed Tilapia

Currently, tilapia are produced in outdoor ponds as well as indoor systems for sale as a food fish to the restaurant and supermarket trade. In the southern United States, tilapia production in outside facilities is strictly regulated to avoid unwanted introductions and environmental damage to native fresh-water systems, particularly to sport-fishing resources.

Under culture conditions, brood stock are held onsite and spawned to produce eggs. Under ideal conditions, females may spawn every seventeen days. The eggs and resulting fry are maintained at a temperature of 80°F to 84°F. The pH is maintained at 7.5 to 7.8 while dissolved oxygen levels should remain at or above 8.0 ppm. Under these conditions, market-sized fish can be obtained in about seven months.

Some U.S. corporations have taken an interest in tilapia culture. At its headquarters in Decatur, Illinois, Archer Daniels Midland Company operates a 10-acre indoor hydrofarm that includes an aquaculture center where hybrid tilapia are produced along with hydroponic lettuce and cucumbers for sale to grocers and seafood wholesalers. This project demonstrates how waste industrial heat and grain co-products can be used in an integrated agricultural production system.

Production

As of 2005, 156 food fish farms in the United States cultured tilapia, reporting total sales of $31.3 million. While the largest number of tilapia farms were located in Hawaii (19 farms) and Florida (18 farms), California (15 farms) ranked first in sales (over $8.1 million). Idaho ranked second, reporting over $1.5 million in sales from seven farms. (NASS 2006)

Of the U.S. tilapia farms, the largest number (128 farms) reared food size tilapia, reporting total sales of $29.6 million. Many of these farms were situated in Hawaii (18 farms), California (15 farms) and Florida (12 farms). Other tilapia farms specialized in stockers, fingerlings and fry, and broodstock. (NASS 2006)

As the tilapia industry has grown, so has the number of product forms. Today, fresh or frozen fillets are available in different sizes and packages, as skin-on, skin-off, deep skinned, individually quick frozen, smoked and sashimi grade, and are treated by carbon monoxide or ozone dipped. Interesting byproducts have emerged such as leather goods for clothing and accessories, gelatin from skins for time-released medicines and flower ornaments made from dried and colored fish scales.

Global tilapia production fell in 2008. The drop was anticipated, after Chinese tilapia farms were subjected to severe winter storms in February 2008. However, tilapia production in China, the world leader in tilapia culture, seems to have already recovered. From January through August 2008, the country exported 151,000 tons of tilapia, 2,200 more tons than it did during the same period the previous year. (FAO 2009)

Production Costs

In a University of Florida operational analysis, a model business analysis suggested that a small-scale, outdoor pond tilapia culture facility may be profitable. Positive average annual net returns and a cash flow that is positive throughout a five-year planning horizon supported this conclusion. Given the assumptions concerning yield, harvest size, market prices and per-unit input costs, the hypothetical six-acre tilapia culture facility required an initial investment of $65,850 and generated $40,259 in annual operating costs, yielding $29,221 in net returns during an average year. However, variables including market price, feed costs, survival rates, technical ability, geographic location of the facility, prevailing market conditions and additional factors including other input prices and stocking densities were also shown to potentially influence profits.

With the availability of frozen tilapia imports from China, almost all of the tilapia cultured in the United States is sold as a live product to attract the premium price necessary to cover production costs.

Exports

The dollar value of U.S. exports of tilapia generally increased from 2001 through 2006. However, the drop in value of tilapia exports in 2007 only continued during 2008, declining 25 percent to $3.3 million. Mexico remained the largest buyer, with imports totaling $1.1 million in 2008. (FASS 2009)

Imports
According to the Department of Commerce, tilapia imports to the United States in 2008 totaled 395.7 million pounds and were valued at $734.5 million. (ERS 2009)

The U.S. tilapia import market is split into two segments: the frozen and the fresh sectors. The frozen sector, both fillets and whole fish, is dominated by Chinese products. The fresh sector, dominated by Latin American countries, is still experiencing demand, especially from restaurants and supermarkets.

China supplied nearly 60 percent of the tilapia imported into the United States in 2008. The country dominated the frozen sector of the U.S. market, providing 57 percent of the whole tilapia and 83 percent of the tilapia fillets. Ecuador, Honduras and Costa Rica continued to be the primary suppliers of imported fresh tilapia fillet. Together, the three countries provided 81 percent of the fresh tilapia fillets imported in 2008. (ERS 2009)

Trends
Global production of tilapia is projected to increase to 2.5 million ton by 2010, with a sales value of more than $5 billion. The development of both the frozen and the fresh sectors of the tilapia import market is expected to continue, with fresh fillet prices likely to go up even further.

The shift from mostly whole fish to more fresh and frozen fillets will likely continue in the future, because Asian tilapia producers are expected to strongly compete to be the low-cost supplier to a U.S. market geared to a frozen filleted product. Imports of tilapia products will probably become a mainstay in the U.S. foodservice and restaurant sectors, where the mild, white-fleshed fish with a steady or declining price has provided an easy way to add a seafood item to menus. The questions for the U.S. tilapia industry are how best to compete with growing foreign production and how to determine which market segments are most favorable for domestic producers.

Sources
2005 Census of Aquaculture, NASS, USDA, 2006.
Aquaculture Data, ERS, USDA, 2009.
Nile Tilapia, Cultured Aquatic Species Fact Sheet, Fisheries Global Information System, FAO.
Tilapia, U.S. Trade Statistics, FAS, USDA.
Tilapia Market Report, Globefish, FAO, 2009.

4.0 Market Analysis Summary

AgMRC (Agricultural Marketing Resource Center), a national resource for agricultural news articles;

In 2005 there were 156 fish farms in the US, Hawaii and then Idaho had the most farms. While China remains the biggest producer in the frozen fish market, the Latin American countries import fresh to the US and that market is still growing and experiencing demand. The USDA indicates that the importation of fish is increasing yearly and that is projected to continue to increase.

The factor that seems to be changing the market, or changing the business is the trend that people are eating more fish due to the health benefits.

There is a developing trend that can make a difference. The depletion of wild fish populations are putting pressure on the fishing industry. Without fish farming the current demand could not be met and each year the demands increase by 10-15% each year.

Geoff Wilson, editor of the "Aquaponics Journal "stated; Aquaponics technology is currently the world's most efficient use of water for the growing of food. Small town/village scale aquaponics will be important to preserve and foster rural economies that have been jeopardized by industrialized farming and supermarketing. Further, the cost and quantity of imported food continues to rise and the availability of natural resources along with climate changes are and will continue to greatly affect what is or is not available in the market place. Aquaponics uses minimal water, land, power, fuel and transportation since the product is utilized locally. Quality products are a benefit along with job opportunities for local residents. Health conscious citizens recognize fish as a major contributor to good health.

4.1 Target Market Segment Strategy

The strategy that Acme Aquaponics has to make this business successful is in the pursuit of its target market for Tilapia consisting of Hispanics and baby boomers. The majority of the population in Acme and the surrounding area is made up of this market. Marketing studies show that the target markets want "fresh" fish. The business is within 1/2 mile from the City limits where live "fresh fish" will be available. Willamette Valley is an agricultural area and most of the towns have Farmers Markets. There are currently no Tilapia fish farms where fresh fish is available in the state of Oregon.

4.2 Industry Analysis

AgMRC (Agricultural Marketing Resource Center), a national resource for agricultural news articles, reports that in 2005 there were 156 fish farms in the US, Hawaii and then Idaho had the most farms. While China remains the biggest producer in the frozen fish market, the Latin American countries import fresh to the US and that market is still growing and experiencing demand. The USDA indicates that the importation of fish is increasing yearly and that is projected to continue to increase.

4.2.1 Competition and Buying Patterns

#1 Fresh, Fresh, Fresh. THE most desirable quality for fish is "fresh". There are no locations that offer live fish.

Some of the local Supermarket chain stores have fish counters. Their fish is several days old with the majority of it imported from Asia and previously frozen.

Acme Aquaponics will allow customers to pick the live fish from tanks, we will net and filet the fish for the customer packing it on ice for their travel home.

4.3 Market Segmentation

According to market research Boomers are currently eating 65% of the seafood purchased followed closely by the increasing Hispanic population. The Hispanic population place high value on fresh fish and are the predominant purchasers of whole fish. Acme Aquaponics believe as the Hispanic population increases in this area that they are likely to become the #1 purchaser of the Company's live fish and vegetable products.

The population of Acme, Or is 155,637. 81.3% are White Non-Hispanic. 15.5% are Hispanic. Northwest Acme, OR is less than 10 miles away and has a population of 224,220 with 90.7% White Non-Hispanic and 4.4% are Hispanic. There are a number of smaller cities within a 3 mile radius: Bora pop. 1,003 with 90.8 White Non-Hispanic and 6.3% are Hispanic; Wilson pop. 19,055 with 87.4% White Non-Hispanic and 6.9% are Hispanic; Ore City pop. 31,404 with 90.1% White Non-Hispanic and 5.0% are Hispanic; West pop. 25,236 with 91.5% White Non-Hispanic and 2.9% are Hispanic; Beaver pop. 7,862 with 95.9% White Non-Hispanic and 2.4% are Hispanic; Boltville pop. 319 with 94.9% White Non-Hispanic and 2.7% are Hispanic; and Melino pop. 5,009 with 96.0% White Non-Hispanic and 2.0% are Hispanic.

The combined population of the small towns listed above including and surrounding Acme are 329,745.

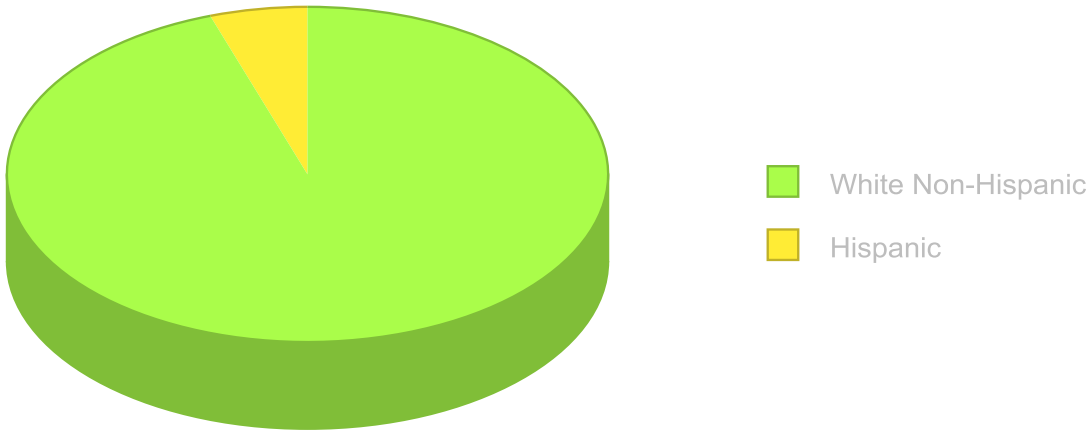
Acme is located in Any County, OR that has 123 populated places with a combined population of 376,251 of which 89.1% are White Non-Hispanic and 4.9% are Hispanic. We consider all of Any County the local market.

The growth rate is forecasted at 2% for White Non-Hispanic and 5% for Hispanic.

Table: Market Analysis

Market Analysis						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers						**CAGR**
White Non-Hispanic	335,240	341,945	348,784	355,760	362,875	**2.00%**
Hispanic	18,436	19,358	20,326	21,342	22,409	**5.00%**
Total	**353,676**	**361,303**	**369,110**	**377,102**	**385,284**	**2.16%**

Chart: Market Analysis (Pie)



5.0 Web Plan Summary

Acme Aquaponics plans to use cost effective email marketing campaigns for their outreach to prospective funding sources, volunteers and customers. Economical technology is available that incorporates video with email and offers very powerful, robust and dynamic features. With the use of this technology, management will be able to better service its existing and potential funding sources, volunteers and customers. Another benefit is in communicating through the use of streaming video embedded within the email. Management believes that the use of this technology will give the Business a strong competitive edge.

5.1 Website Marketing Strategy

Acme Aquaponics plans to use cost effective email marketing campaigns for their outreach to prospective funding sources, volunteers and customers. Economical technology is available that incorporates video with email and offers very powerful, robust and dynamic features. With the use of this technology, management will be able to better service its existing and potential funding sources, volunteers and customers. Another benefit is in communicating through the use of streaming video embedded within the email.

Management believes that the use of this technology will give the Business a strong competitive edge. Currently, management is unaware of any of its competitors incorporating the use of this technology within its operation.

5.2 Development Requirements

Development requirements for the Acme Aquaponics' proposed Internet presence and email campaign marketing system are easy and not complicated. Management is planning to incorporate an email drip campaign with video into its marketing efforts. This technology will more effectively market to its customer and potential customer base. It is cost effective (averaging about $99 per month), especially when compared to the $1,000's spent on print advertising, mailing and postage. The built-in analytics provide immediate feedback as to the campaigns effectiveness and who actually viewed the message. Auto responders with a specific message can be utilized as an immediate follow-up tool.

The Business will be able to create web pages that Acme Aquaponics' hosted web site simply points to. The created web pages are easily constructed with easy to use templates. Once an email is entered into the system, they will receive Acme Aquaponics' standard welcome email and automatically receive periodic emails that are constructed for specific marketing email drip campaigns.

This new technology (released in June of 2009) will position the organization to achieve name recognition in front of their current market within its local community. This type of marketing is cost effective and efficient. The first thing most of us do every day is check our email in-box.

6.0 Strategy and Implementation Summary

According to market research Boomers are currently eating 65% of the seafood purchased followed closely by the increasing Hispanic population. The Hispanic population place high value on fresh fish and are the predominant purchasers of whole fish. Acme Aquaponics believe as the Hispanic population increases in this area that they are likely to become the #1 purchaser of the Company's live fish and vegetable products.

Acme Aquaponics plans to implement a strategy to pursue its target market for Tilapia consisting of Hispanics and baby boomers. The majority of the population in Acme and the surrounding area is made up of this market. Marketing studies show that the target markets want "fresh" fish. The business is within 1/2 mile from the City limits where live "fresh fish" will be available. Willamette Valley is an agricultural area and most of the towns have Farmers Markets. There are currently no Tilapia fish farms where fresh fish is available in the state of Oregon. Acme Aquaponics will implement email marketing campaigns that will serve to bring awareness of the Company's Tilapia and produce.

6.1 Competitive Edge

Fresh, Fresh, Fresh. Being able to pick, purchase and pack the freshest fish possible! This is competitive edge.

Mila Clacker, Acme Aquaponics owner, is a known citizen within the community and belongs to the Chamber of Commerce, volunteers at the Senior Citizen Center, participates at the Clackamas County Fair and auction, Acme Cruisers yearly local cruise in, and other local functions as they arise.

Supermarkets are Acme Aquaponics' main competition. They have the ability to buy in quantity and a discounted price. The supermarkets sell at a discounted or promotional price.

However, due to the massive volume the produce the supermarkets are not focused on quality or freshness. Based upon their operating model and shipping costs, it is not cost effective. On the other hand, Acme Aquaponics' primary focus is on quality and freshness. Pricing will still be competitive because there will not be shipping costs.

6.2 Marketing Strategy

LOCATION! Location of the business makes fresh local sales very accessible. Fresh, Fresh, Fresh!!! "Pick the fish, we filet it!" Marketing studies have shown that "Fresh" is the #1 most desirable factor when purchasing fish.

Marketing studies show "baby boomers" and Hispanics as the leading purchasers of fish. The population base in local and surrounding communities is predominately these groups. Only a small percentage of the fish that is available locally is fresh, all the rest is imported or frozen. Farmers markets are abundant in the area and there are currently no fish sales at the markets.

Acme Aquaponics plan to develop further target markets; Adult/Senior Centers, Restaurants, and add a "catching pond" for children.

The Aquaponics environment produces vegetables in 1/2 of the time as conventional methods. We are able to produce vegetables not readily available during winter months.

6.3 Sales Strategy

Locally consumed Tilapia is mostly imported from China, Honduras, or Thailand. The majority of the fish comes frozen and is sometimes offered after it is thawed, otherwise it is sold frozen. Currently less than 1% of all imported fish has been inspected by USDA which is becoming more of an issue with consumers.

Product will be sold/distributed at the business site and taken to farmers markets primarily. Other opportunities will be sales to markets, restaurants and local Adult Centers.

6.3.1 Sales Forecast

Acme Aquaponics sells high quality fresh fish and vegetables, with the primary market being Tilapia. We are forecasting 1st year total sales of $173,175 with 18% growth rate for Year 2 and 3. Direct unit costs are expected to be 7.5% and 6%

According to the U.S. National Fisheries Institute, farmed tilapia ranked #5 on its 2007 "Top Ten" list of the most consumed fish and seafood in the United States. That year, the average consumption of Tilapia was 1.1 pounds per person.

Based upon the U.S. National Fisheries Institute forecast, Acme Aquaponics conservatively forecast 98,280 of the 369,110 person potential market for Tilapia in its third year of operations. When multiplied by the U.S. National Fisheries Institute's analysis that the average consumption is 1.1 pounds per person, third year sales are forecast at 108,108 lbs of Tilapia.

Table: Sales Forecast

Sales Forecast			
	Year 1	Year 2	**Year 3**
Unit Sales			
Tilapia	30,320	57,608	**108,108**
Vegetables	6,332	8,865	**13,120**
Total Unit Sales	36,652	66,473	**121,228**
Unit Prices	Year 1	Year 2	**Year 3**
Tilapia	$3.00	$3.21	**$3.43**
Vegetables	$0.20	$0.21	**$0.21**
Sales			
Tilapia	$90,960	$184,922	**$371,319**
Vegetables	$1,266	$1,897	**$2,808**
Total Sales	$92,226	$186,819	**$374,126**
Direct Unit Costs	Year 1	Year 2	**Year 3**
Tilapia	$0.52	$0.56	**$0.60**
Vegetables	$0.03	$0.03	**$0.03**
Direct Cost of Sales			
Tilapia	$15,918	$32,361	**$64,981**
Vegetables	$203	$304	**$449**
Subtotal Direct Cost of Sales	**$16,121**	**$32,665**	**$65,430**

Chart: Sales Monthly

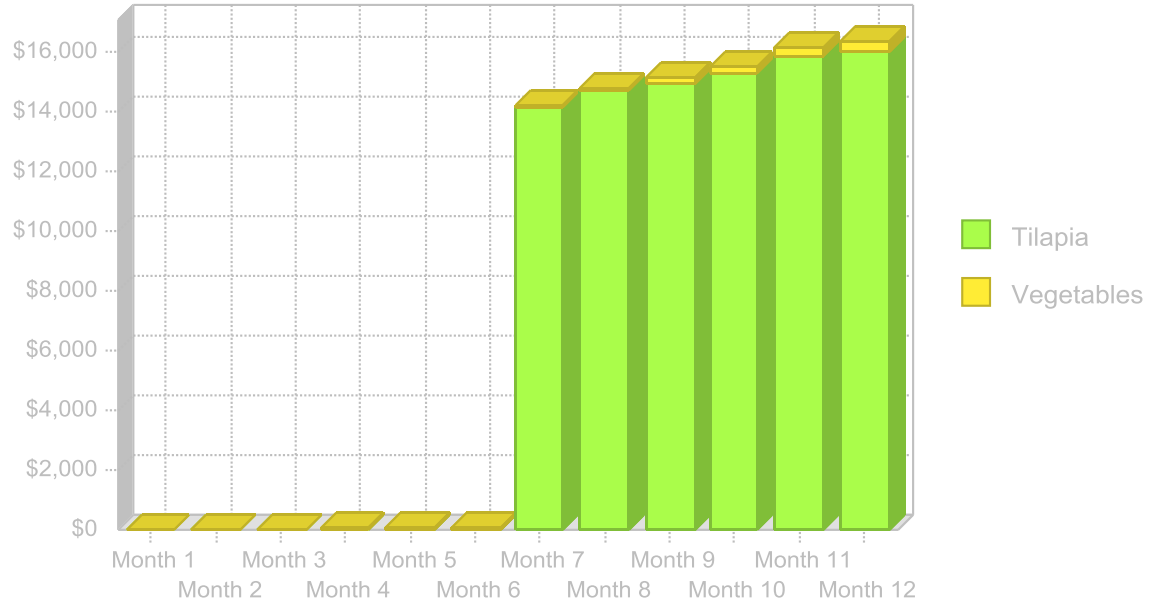
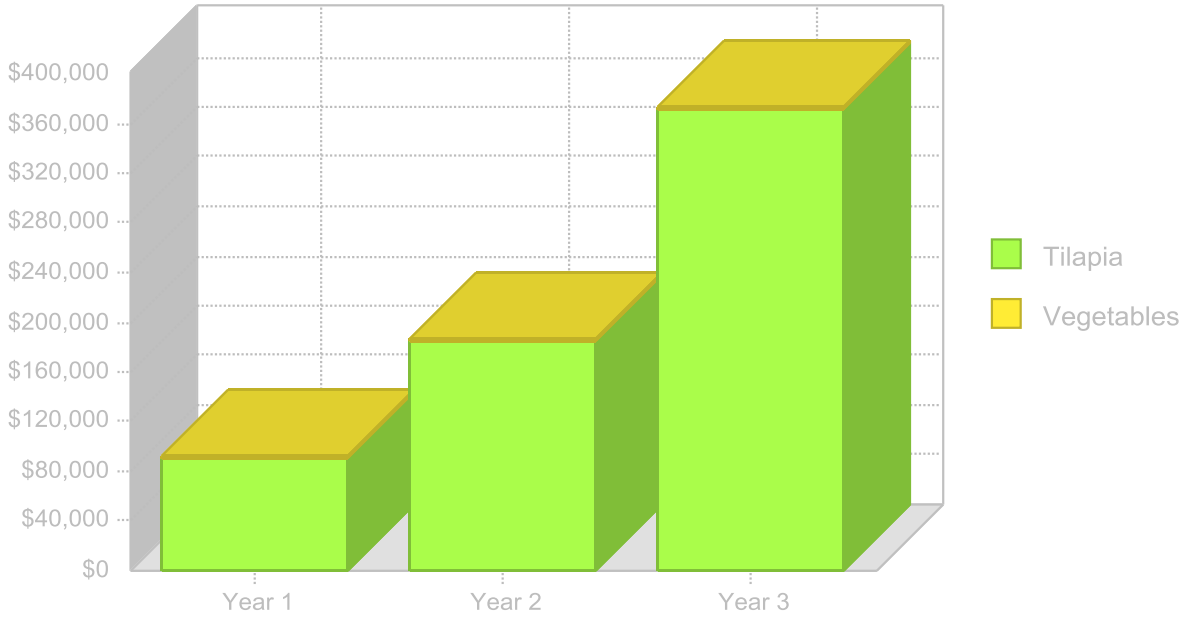


Chart: Sales by Year



6.4 Milestones

The following are the Milestones as outlined in the following chart that Acme Aquaponics will use to measure its success. The total amount required for startup is $265,700 and is broken down as follows:

Building $75,000
Engineering consultant $5,500
Well and plumbing to tanks $25,000
Electric $15,000
Fencing (required) $7,000
Tanks, pumps, compressors, fish equipment $25,000
Monitoring equipment $8,000
Cleaning station, point of sale building - $15,000
Portable freezer, vehicle and trailer $44,000
Tractor with forks $21,000
Storage bins and freezers $15,000
Plant beds $7,000
Solar panels $12,000

Table: Milestones

Milestones			
Milestone	Start Date	End Date	**Budget**
Grant Funding	3/1/09	12/31/09	**$5,000**
Building	2/1/10	5/1/10	**$75,000**
Fencing	3/1/10	4/1/10	**$7,000**
Web Site	6/1/10	8/1/10	**$1,200**
Well and plumbing to tanks	1/1/10	3/1/10	**$25,000**
Electric	1/1/2010	3/1/2010	**$15,000**
Solar panels	1/1/2010	3/1/2010	**$12,000**
Plant beds	5/1/2010	6/1/2010	**$7,000**
Tractor with forks	4/1/2010	5/1/2010	**$21,000**
Portable freezer, vehicle and trailer	11/1/2010	12/1/2010	**$44,000**
Cleaning station, point of sale building	11/1/2010	12/1/2010	**$15,000**
Tanks, pumps, compressors, fish equipment	5/1/2010	6/1/2010	**$25,000**
Retain Engineering Consultant	9/1/2010	2/1/2010	**$5,500**
Monitoring equipment	6/1/2010	7/1/2010	**$8,000**
Totals			**$265,700**

7.0 Management Summary

Mila Clacker is the sole proprietor and manager of Acme Aquaponics. Mila has 35 years experience in communications technology. She has been responsible for a 4 million dollar budget, 33 employees and 5 Managers. Ms. Clacker has experience with the development and deployment of new products (IPTV, DSL and fiber technology). Ms. Clacker's experience with people, researching and developing new technology for the market along with her work ethic and commitment to innovation will benefit Acme Aquaponics. This has been Mila Clacker's primary focus for the past 8 years, attending seminars, researching other systems, and traveling to other states to gather hands on experience.

7.1 Personnel Plan

Acme Aquaponics projections include hiring up to 5 employees once full production is in place. Mila Clacker plans to hire employees from the surrounding communities and will pay according to job description and market. For projection purposes, the Company will pay $1,600 per week with a 3% increase 12 months beginning after a calendar year of employment. For example and to be consistent for the purpose of planning, if the employee started in October of 2010 they would not be eligible for an increase until January of 2012.

Mila Clacker will run manage and operate the Company by herself and draw a salary of $2,000 per month. She plans to utilize independent contractors to assist her with various aspects of the construction and other start up operations. Beginning with month 9 of the plan is when the first employee is hired. It is planned that the next employee will be added 12 weeks after the commencement of the second year of operations. The third, fourth and fifth employees will be added about every 10 weeks thereafter providing revenue from sales will support the payroll expense.

Table: Personnel

Personnel Plan			
	Year 1	Year 2	**Year 3**
Employee #1	$6,400	$20,800	**$21,424**
Employee #2	$0	$16,000	**$20,800**
Employee #3	$0	$12,000	**$20,800**
Employee #4	$0	$8,000	**$20,800**
Employee #5	$0	$4,000	**$20,800**
Manager (Mila Clacker)	$24,000	$25,200	**$26,460**
Total People	2	6	**6**
Total Payroll	**$30,400**	**$86,000**	**$131,084**

8.0 Financial Plan

The assumptions used in Acme Aquaponics' plan are that the Average Per-Unit Revenue will be $2.52. The Average Per-Unit Variable Cost is $0.44 the units referred to in this table consist of Tilapia and pounds of vegetables. The Estimated Monthly Fixed Cost is expected to be $4,352. The Monthly Units needed to be sold to Break-even is forecast to be 2,096. The figure in the chart includes Tilapia and pounds of vegetable units. The Monthly Revenue needed to Break-even is $5,274. The expected net profit for Year 1, Year 2, and Year 3 is $7,628, $11,897, and $67,776, respectively.

8.1 Start-up Funding

Acme Aquaponics is seeking $275,000 in grant funding for the start up of this Business. Acme Aquaponics sells high quality fresh fish and vegetables. Mila Clacker has been focusing on the launch of this business for the past 8 years, actively attending seminars, researching other systems, and traveling to other states to gather hands on experience.

Acme Aquaponics projections include hiring up to 5 employees once full production is in place. Mila Clacker plans to hire employees from the surrounding communities and will pay according to job description and market.

The Competitive Edge that Acme Aquaponics has to make this business successful is in the pursuit of its target market for Tilapia consisting of Hispanics and baby boomers. The majority of the population in Acme and the surrounding area is made up of this market. Marketing studies show that the target markets want "fresh" fish. The business is within 1/2 mile from the City limits where live "fresh fish" will be available. Willamette Valley is an agricultural area and most of the towns have Farmers Markets. There are currently no Tilapia fish farms where fresh fish is available in the state of Oregon.

Table: Start-up Funding

Start-up Funding	
Start-up Expenses to Fund	**$8,400**
Start-up Assets to Fund	**$321,200**
Total Funding Required	**$329,600**
Assets	
Non-cash Assets from Start-up	**$271,200**
Cash Requirements from Start-up	**$50,000**
Additional Cash Raised	**$151,400**
Cash Balance on Starting Date	**$201,400**
Total Assets	**$472,600**
Liabilities and Capital	
Liabilities	
Current Borrowing	**$5,000**
Long-term Liabilities	**$150,000**
Accounts Payable (Outstanding Bills)	**$25,000**
Other Current Liabilities (interest-free)	**$25,000**
Total Liabilities	**$205,000**
Capital	
Planned Investment	
Owner	**$1,000**
Investor	**$275,000**
Additional Investment Requirement	**$0**
Total Planned Investment	**$276,000**
Loss at Start-up (Start-up Expenses)	**($8,400)**
Total Capital	**$267,600**
Total Capital and Liabilities	**$472,600**
Total Funding	**$481,000**

8.2 Important Assumptions

The assumptions used in Acme Aquaponics' plan are that the Average Per-Unit Revenue will be $2.52. The Average Per-Unit Variable Cost is $0.44 the units referred to in this table consist of Tilapia and pounds of vegetables. The Estimated Monthly Fixed Cost is expected to be $4,352.

8.3 Break-even Analysis

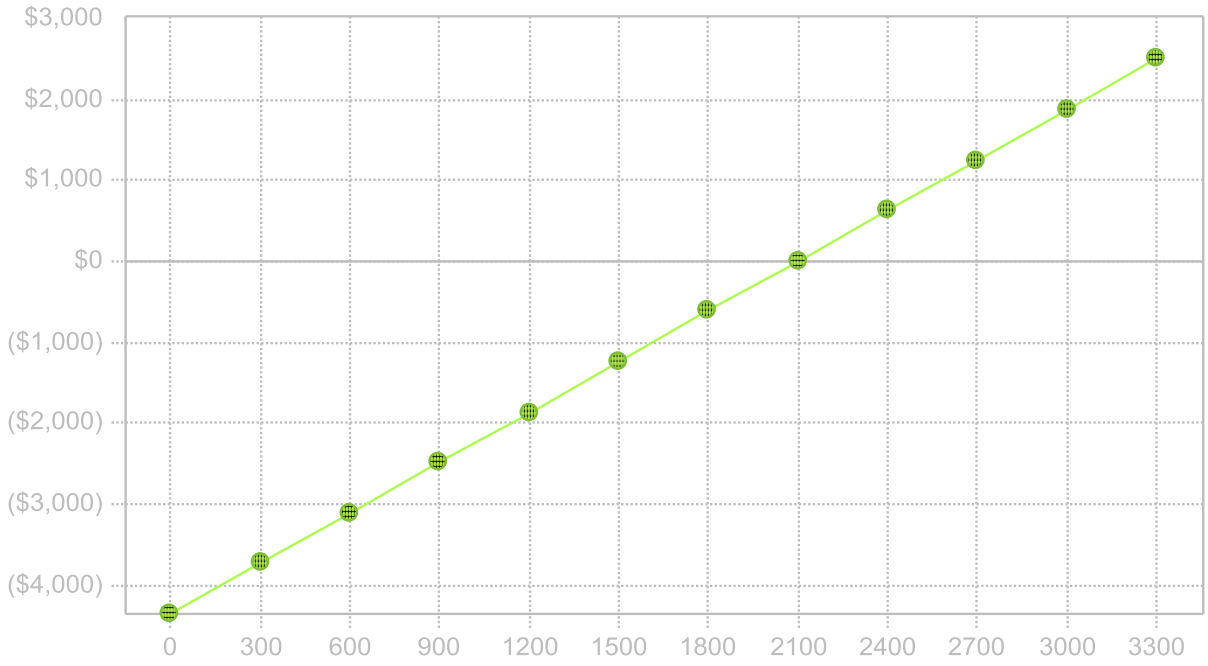
Acme Aquaponics Monthly Units needed to be sold to Break-even is forecast to be 2,096. The figure in the chart includes Tilapia and pounds of vegetable units. The Monthly Revenue needed to Break-even is $5,274.

Table: Break-even Analysis

Break-even Analysis	
Monthly Units Break-even	**2,096**
Monthly Revenue Break-even	**$5,274**

Assumptions:	
Average Per-Unit Revenue	**$2.52**
Average Per-Unit Variable Cost	**$0.44**
Estimated Monthly Fixed Cost	**$4,352**

Chart: Break-even Analysis



8.4 Projected Profit and Loss

Acme Aquaponics expected net profit for Year 1, Year 2, and Year 3 is $7,628, $11,897, and $67,776, respectively. Sales are expected to be $92,226, $186,819, and $374,126, for Year 1, Year 2, and Year 3, respectively. The net profit as a percentage of sales is 8.27%, 6.37%, and 18.12%, for Year 1, Year 2, and Year 3, respectively.

Table: Profit and Loss

Pro Forma Profit and Loss			
	Year 1	Year 2	**Year 3**
Sales	$92,226	$186,819	**$374,126**
Direct Cost of Sales	$16,121	$32,665	**$65,430**
Other Costs of Sales	$627	$3,245	**$7,653**
Total Cost of Sales	$16,748	$35,910	**$73,083**
Gross Margin	$75,479	$150,909	**$301,043**
Gross Margin %	81.84%	80.78%	**80.47%**
Expenses			
Payroll	$30,400	$86,000	**$131,084**
Marketing/Promotion	$1,494	$1,539	**$8,765**
Depreciation	$726	$2,145	**$4,897**
Rent	$6,204	$7,456	**$10,087**
Utilities	$5,364	$5,525	**$5,691**
Insurance	$2,448	$2,521	**$2,597**
Payroll Taxes	$4,560	$12,900	**$19,663**
Other	$1,032	$3,345	**$8,760**
Total Operating Expenses	$52,228	$121,431	**$191,543**
Profit Before Interest and Taxes	$23,251	$29,478	**$109,500**
EBITDA	$23,977	$31,623	**$114,397**
Interest Expense	$12,354	$12,482	**$12,677**
Taxes Incurred	$3,269	$5,099	**$29,047**
Net Profit	$7,628	$11,897	**$67,776**
Net Profit/Sales	**8.27%**	**6.37%**	**18.12%**

Chart: Profit Monthly

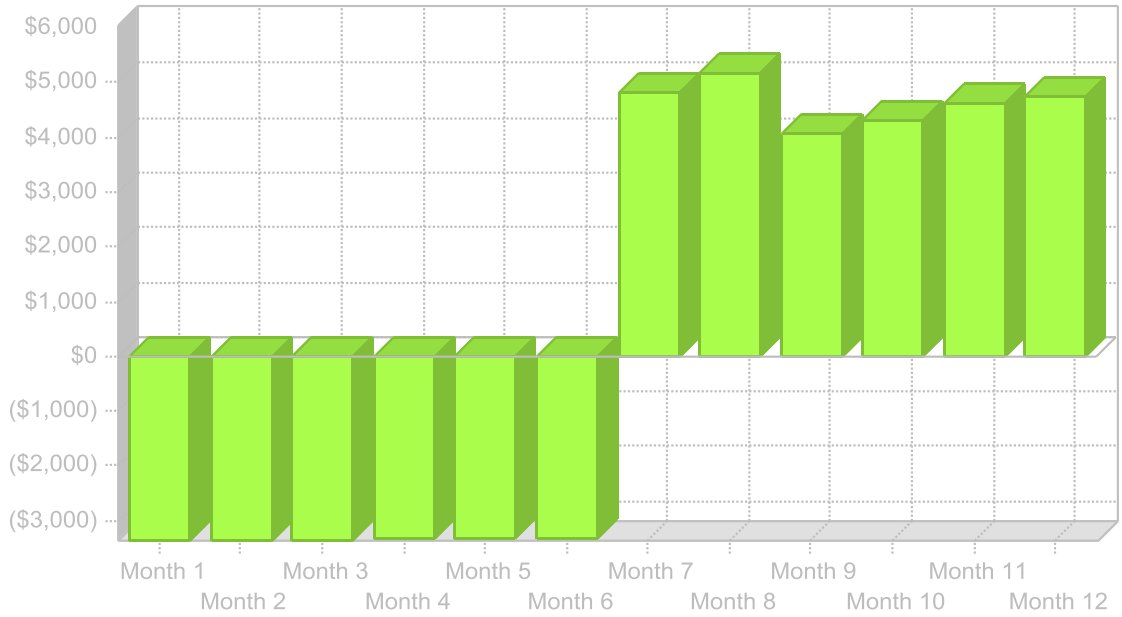


Chart: Profit Yearly

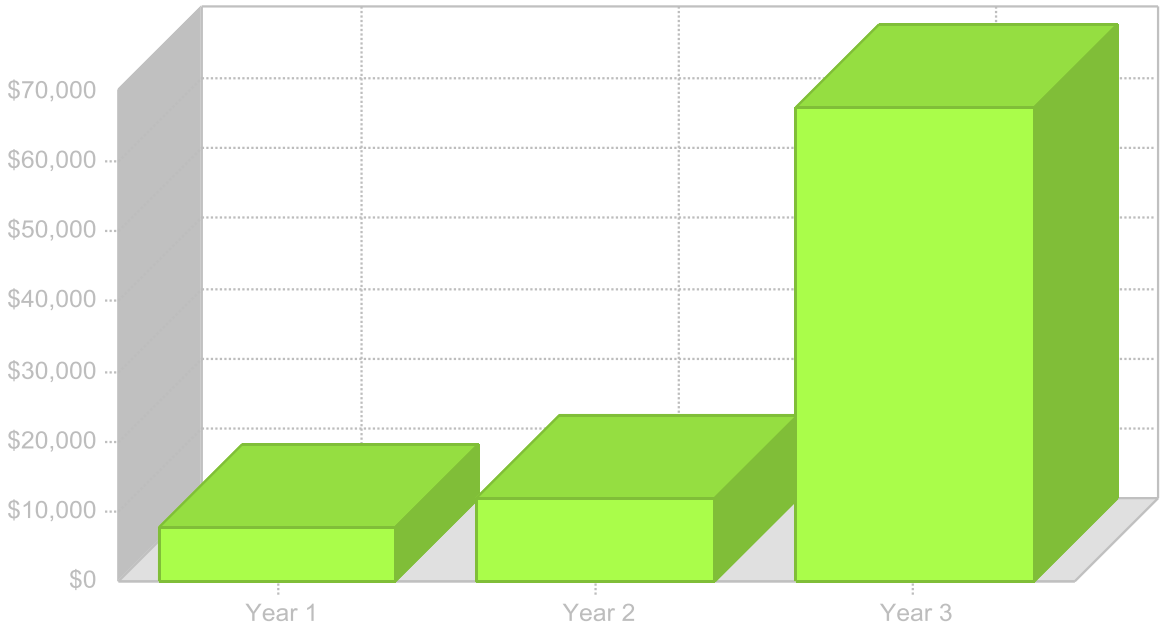


Chart: Gross Margin Monthly

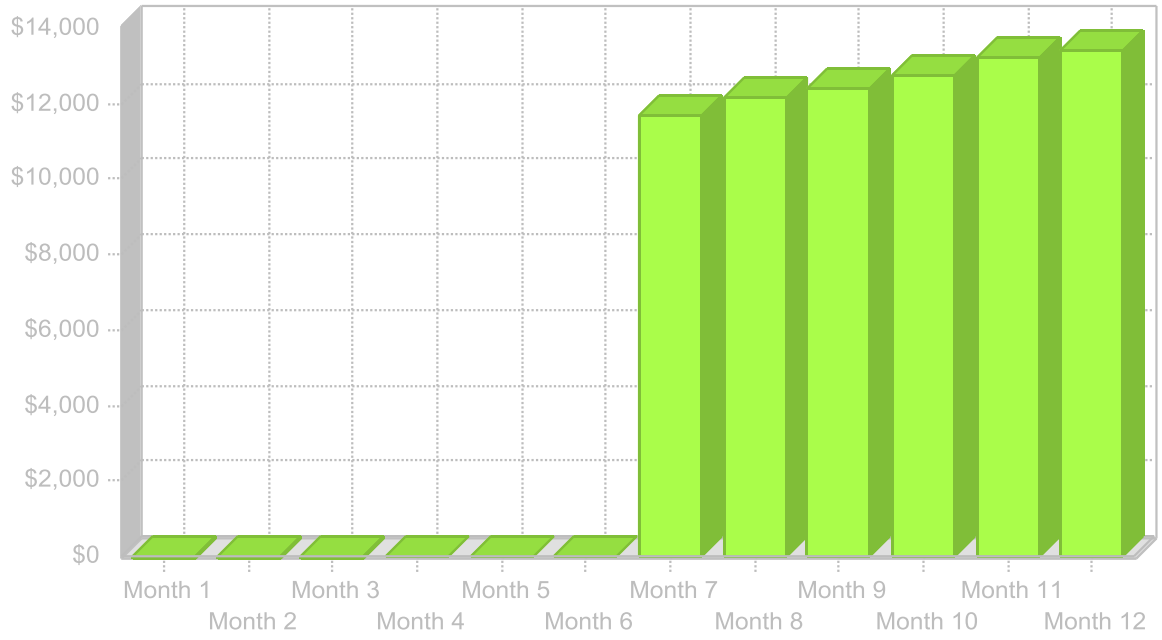
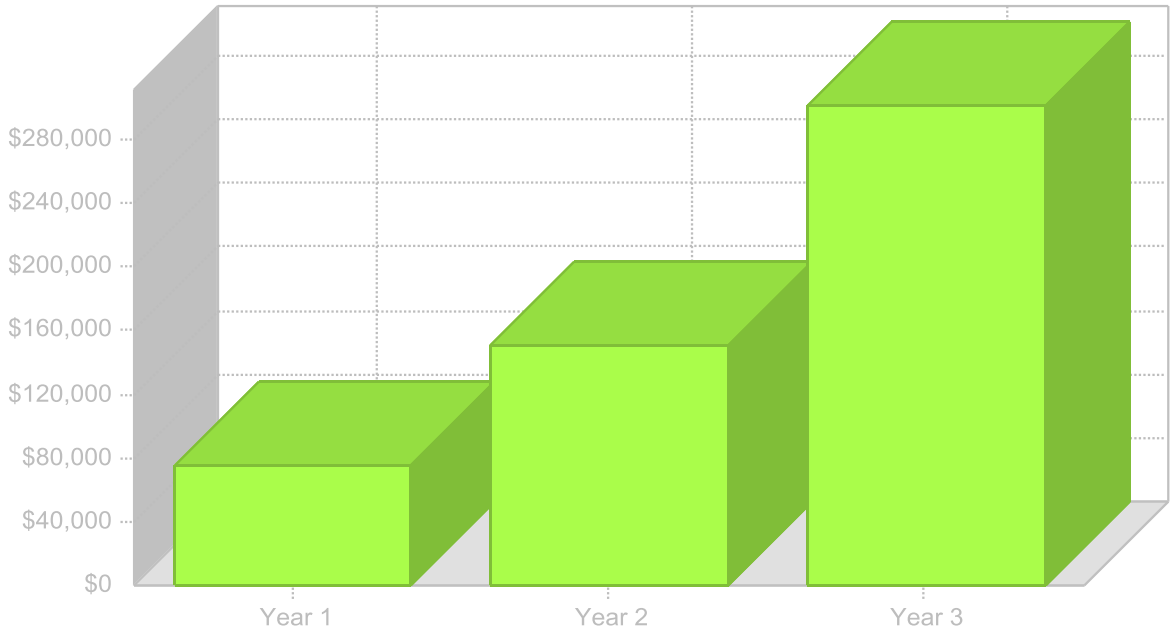


Chart: Gross Margin Yearly



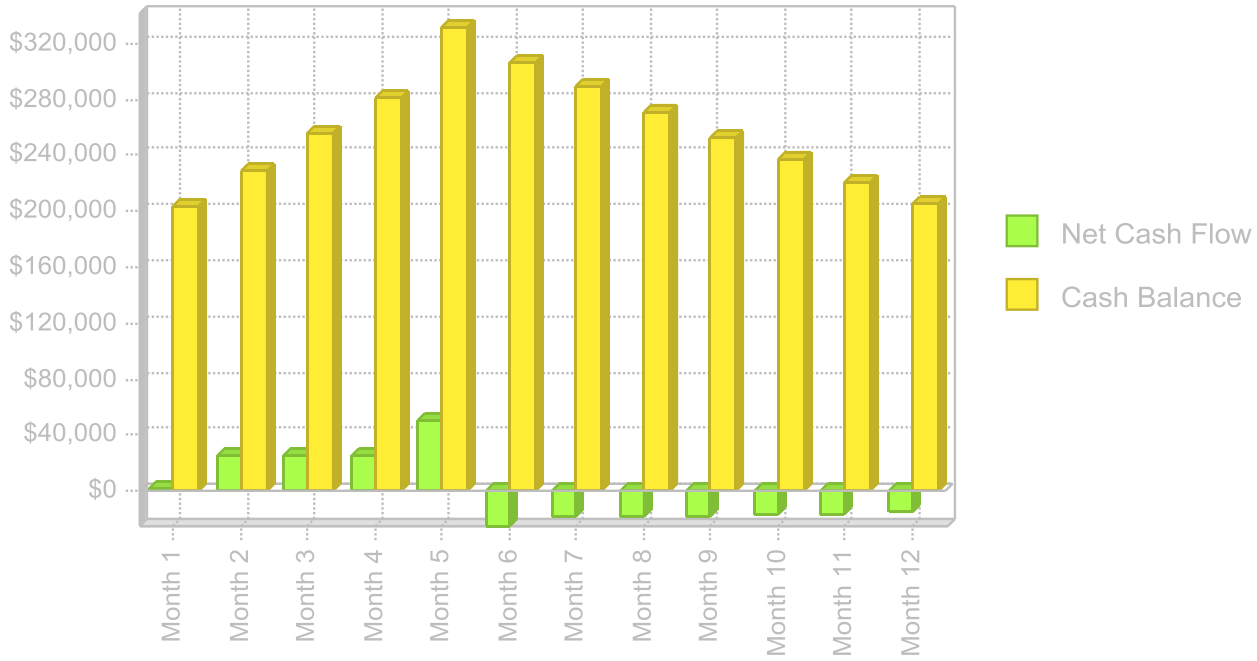
8.5 Projected Cash Flow

As portrayed in the Monthly Cash Flow chart, Acme Aquaponics net cash flow for Year 1, Year 2, and Year 3 is forecast to be $4,431, $19,416, and $129,134, respectively. The Cash Balance is projected at $205,831, $225,247, and $354,381 for Year 1, Year 2, and Year 3, respectively.

Table: Cash Flow

Pro Forma Cash Flow			
	Year 1	Year 2	**Year 3**
Cash Received			
Cash from Operations			
Cash Sales	$46,113	$93,409	**$187,063**
Cash from Receivables	$38,222	$85,315	**$171,036**
Subtotal Cash from Operations	$84,335	$178,725	**$358,099**
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	$0	$0	**$0**
New Current Borrowing	$2,604	$3,200	**$8,800**
New Other Liabilities (interest-free)	$12,675	$40,000	**$100,000**
New Long-term Liabilities	$6,331	$33,000	**$43,000**
Sales of Other Current Assets	$0	$0	**$0**
Sales of Long-term Assets	$0	$0	**$0**
New Investment Received	$275,000	$0	**$0**
Subtotal Cash Received	$380,945	$254,925	**$509,899**
Expenditures	Year 1	Year 2	**Year 3**
Expenditures from Operations			
Cash Spending	$30,400	$86,000	**$131,084**
Bill Payments	$71,646	$93,508	**$172,681**
Subtotal Spent on Operations	$102,046	$179,508	**$303,765**
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	$0	$0	**$0**
Principal Repayment of Current Borrowing	$2,532	$3,000	**$8,000**
Other Liabilities Principal Repayment	$11,409	$12,000	**$15,000**
Long-term Liabilities Principal Repayment	$6,331	$30,000	**$42,000**
Purchase Other Current Assets	$8,065	$6,000	**$7,000**
Purchase Long-term Assets	$246,131	$5,000	**$5,000**
Dividends	$0	$0	**$0**
Subtotal Cash Spent	$376,514	$235,508	**$380,765**
Net Cash Flow	$4,431	$19,416	**$129,134**
Cash Balance	**$205,831**	**$225,247**	**$354,381**

Chart: Cash


$320,000
$280,000
$240,000
$200,000
$160,000
$120,000
$80,000
$40,000
$0
Month 1
Month 2
Month 3
Month 4
Month 5
Month 6
Month 7
Month 8
Month 9
Month 10
Month 11
Month 12
Net Cash Flow
Cash Balance

8.6 Projected Balance Sheet

Acme Aquaponics net worth for Year 1, Year 2, and Year 3 is forecast to be $550,228, $562,125, and $629,901, respectively. The net worth results are based upon receipt of $275,000 in grant funds.

Table: Balance Sheet

Pro Forma Balance Sheet			
	Year 1	Year 2	**Year 3**
Assets			
Current Assets			
Cash	$205,831	$225,247	**$354,381**
Accounts Receivable	$7,891	$15,985	**$32,013**
Inventory	$2,853	$9,592	**$18,993**
Other Current Assets	$11,565	$17,565	**$24,565**
Total Current Assets	$228,140	$268,389	**$429,952**
Long-term Assets			
Long-term Assets	$511,831	$516,831	**$521,831**
Accumulated Depreciation	$726	$2,871	**$7,768**
Total Long-term Assets	$511,105	$513,960	**$514,063**
Total Assets	$739,245	$782,349	**$944,015**
Liabilities and Capital	Year 1	Year 2	**Year 3**
Current Liabilities			
Accounts Payable	$7,679	$7,686	**$14,776**
Current Borrowing	$5,072	$5,272	**$6,072**
Other Current Liabilities	$26,266	$54,266	**$139,266**
Subtotal Current Liabilities	$39,017	$67,224	**$160,114**
Long-term Liabilities	$150,000	$153,000	**$154,000**
Total Liabilities	$189,017	$220,224	**$314,114**
Paid-in Capital	$551,000	$551,000	**$551,000**
Retained Earnings	($8,400)	($772)	**$11,125**
Earnings	$7,628	$11,897	**$67,776**
Total Capital	$550,228	$562,125	**$629,901**
Total Liabilities and Capital	$739,245	$782,349	**$944,015**
Net Worth	**$550,228**	**$562,125**	**$629,901**

8.7 Business Ratios

The industry used for comparison to Acme Aquaponics is "Finfish Farming and Fish Hatcheries". The 103% sales growth in the second year from the first year shown is partly due to the Company sales for the first year beginning in the third month and then also due to the rapid expected growth from word of mouth about the ability for the community and surrounding area to obtain fresh fish. Third year growth is still expected to be high and is forecast at 43%. Subsequent years (year 4 and year 5 not shown) are expected to level off at a 10-12% growth. The growth rate for the comparable industry of "Finfish Farming and Fish Hatcheries" is declining due to domestic maturity and general lack of demand due to importing from other countries.

Global tilapia production fell in 2008. The drop was anticipated, after Chinese tilapia farms were subjected to severe winter storms in February 2008. However, tilapia production in China, the world leader in tilapia culture, seems to have already recovered. From January through August 2008, the country exported 151,000 tons of tilapia, 2,200 more tons than it did during the same period the previous year.

Acme Aquaponics is in the business of Fresh, Fresh, and Fresh. THE most desirable quality for fish is "fresh". There are no locations within the Company's market that offer live fish. Some of the local Supermarket chain stores have fish counters. Their fish is several days old with the majority of it imported from Asia and previously frozen.

Acme Aquaponics will allow customers to pick the live fish from tanks, we will net and filet the fish for the customer packing it on ice for their travel home. We believe our growth ratios are conservative. Our pricing is able to be competitive to the volume discounts enjoyed by the large supermarkets. Acme Aquaponics will not have shipping charges.

Table: Ratios

Ratio Analysis				
	Year 1	Year 2	Year 3	**Industry Profile**
Sales Growth	n.a.	102.57%	100.26%	**-3.65%**
Percent of Total Assets				
Accounts Receivable	1.07%	2.04%	3.39%	**3.33%**
Inventory	0.39%	1.23%	2.01%	**5.51%**
Other Current Assets	1.56%	2.25%	2.60%	**38.63%**
Total Current Assets	30.86%	34.31%	45.55%	**47.47%**
Long-term Assets	69.14%	65.69%	54.45%	**52.53%**
Total Assets	100.00%	100.00%	100.00%	**100.00%**
Current Liabilities	5.28%	8.59%	16.96%	**19.01%**
Long-term Liabilities	20.29%	19.56%	16.31%	**79.98%**
Total Liabilities	25.57%	28.15%	33.27%	**98.99%**
Net Worth	74.43%	71.85%	66.73%	**1.01%**
Percent of Sales				
Sales	100.00%	100.00%	100.00%	**100.00%**
Gross Margin	81.84%	80.78%	80.47%	**71.78%**
Selling, General & Administrative Expenses	73.57%	74.41%	62.35%	**12.73%**
Advertising Expenses	1.62%	0.82%	2.34%	**0.36%**
Profit Before Interest and Taxes	25.21%	15.78%	29.27%	**5.06%**
Main Ratios				
Current	5.85	3.99	2.69	**1.46**
Quick	5.77	3.85	2.57	**1.17**
Total Debt to Total Assets	25.57%	28.15%	33.27%	**98.99%**
Pre-tax Return on Net Worth	1.98%	3.02%	15.37%	**936.60%**
Pre-tax Return on Assets	1.47%	2.17%	10.26%	**9.43%**

Additional Ratios	Year 1	Year 2	Year 3
Net Profit Margin	8.27%	6.37%	**18.12%**
Return on Equity	1.39%	2.12%	**10.76%**
Activity Ratios			
Accounts Receivable Turnover	5.84	5.84	**5.84**
Collection Days	29	47	**47**
Inventory Turnover	6.90	5.25	**4.58**
Accounts Payable Turnover	7.07	12.17	**12.17**
Payment Days	40	30	**23**
Total Asset Turnover	0.12	0.24	**0.40**
Debt Ratios			
Debt to Net Worth	0.34	0.39	**0.50**
Current Liab. to Liab.	0.21	0.31	**0.51**
Liquidity Ratios			
Net Working Capital	$189,123	$201,165	**$269,838**
Interest Coverage	1.88	2.36	**8.64**
Additional Ratios			
Assets to Sales	8.02	4.19	**2.52**
Current Debt/Total Assets	5%	9%	**17%**
Acid Test	5.57	3.61	**2.37**
Sales/Net Worth	0.17	0.33	**0.59**
Dividend Payout	**0.00**	**0.00**	**0.00**

Table: Sales Forecast

Sales Forecast													
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	**Month 12**
Unit Sales													
Tilapia		0	0	0	0	0	0	4,711	4,894	4,986	5,101	5,285	**5,343**
Vegetables		0	0	101	210	265	284	357	540	796	1,016	1,272	**1,491**
Total Unit Sales		0	0	101	210	265	284	5,068	5,434	5,782	6,117	6,557	**6,834**
Unit Prices													
Tilapia		$3.00	$3.00	$3.00	$3.00	$3.00	$3.00	$3.00	$3.00	$3.00	$3.00	$3.00	**$3.00**
Vegetables		$0.20	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20	**$0.20**
Sales													
Tilapia		$0	$0	$0	$0	$0	$0	$14,133	$14,682	$14,958	$15,303	$15,855	**$16,029**
Vegetables		$0	$0	$20	$42	$53	$57	$71	$108	$159	$203	$254	**$298**
Total Sales		$0	$0	$20	$42	$53	$57	$14,204	$14,790	$15,117	$15,506	$16,109	**$16,327**
Direct Unit Costs													
Tilapia	17.50%	$0.52	$0.52	$0.52	$0.52	$0.52	$0.52	$0.52	$0.52	$0.52	$0.52	$0.52	**$0.52**
Vegetables	16.00%	$0.03	$0.03	$0.03	$0.03	$0.03	$0.03	$0.03	$0.03	$0.03	$0.03	$0.03	**$0.03**
Direct Cost of Sales													
Tilapia		$0	$0	$0	$0	$0	$0	$2,473	$2,569	$2,618	$2,678	$2,775	**$2,805**
Vegetables		$0	$0	$3	$7	$8	$9	$11	$17	$25	$33	$41	**$48**
Subtotal Direct Cost of Sales		**$0**	**$0**	**$3**	**$7**	**$8**	**$9**	**$2,485**	**$2,587**	**$2,643**	**$2,711**	**$2,815**	**$2,853**

Table: Personnel

Personnel Plan												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	**Month 12**
Employee #1	$0	$0	$0	$0	$0	$0		$0	$1,600	$1,600	$1,600	**$1,600**
Employee #2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Employee #3	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Employee #4	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Employee #5	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Manager-Mila Clacker	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	**$2,000**
Total People	1	1	1	1	1	1	1	1	2	2	2	**2**
Total Payroll	**$2,000**	**$2,000**	**$2,000**	**$2,000**	**$2,000**	**$2,000**	**$2,000**	**$2,000**	**$3,600**	**$3,600**	**$3,600**	**$3,600**

Table: Profit and Loss

Pro Forma Profit and Loss													
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	**Month 12**
Sales		$0	$0	$20	$42	$53	$57	$14,204	$14,790	$15,117	$15,506	$16,109	**$16,327**
Direct Cost of Sales		$0	$0	$3	$7	$8	$9	$2,485	$2,587	$2,643	$2,711	$2,815	**$2,853**
Other Costs of Sales		$45	$46	$47	$48	$49	$50	$52	$54	$56	$58	$60	**$62**
Total Cost of Sales		$45	$46	$50	$55	$57	$59	$2,537	$2,641	$2,699	$2,769	$2,875	**$2,915**
Gross Margin		($45)	($46)	($30)	($13)	($4)	($2)	$11,668	$12,149	$12,418	$12,738	$13,234	**$13,412**
Gross Margin %		0.00%	0.00%	-148.67%	-30.29%	-8.45%	-4.03%	82.14%	82.15%	82.15%	82.15%	82.15%	**82.15%**
Expenses													
Payroll		$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$3,600	$3,600	$3,600	**$3,600**
Marketing/Promotion		$119	$120	$121	$122	$123	$124	$125	$126	$127	$128	$129	**$130**
Depreciation		$55	$56	$57	$58	$59	$60	$61	$62	$63	$64	$65	**$66**
Rent		$517	$517	$517	$517	$517	$517	$517	$517	$517	$517	$517	**$517**
Utilities		$447	$447	$447	$447	$447	$447	$447	$447	$447	$447	$447	**$447**
Insurance		$204	$204	$204	$204	$204	$204	$204	$204	$204	$204	$204	**$204**
Payroll Taxes	15%	$300	$300	$300	$300	$300	$300	$300	$300	$540	$540	$540	**$540**
Other		$86	$86	$86	$86	$86	$86	$86	$86	$86	$86	$86	**$86**
Total Operating Expenses		$3,728	$3,730	$3,732	$3,734	$3,736	$3,738	$3,740	$3,742	$5,584	$5,586	$5,588	**$5,590**
Profit Before Interest and Taxes		($3,773)	($3,776)	($3,762)	($3,747)	($3,740)	($3,740)	$7,928	$8,407	$6,834	$7,152	$7,646	**$7,822**
EBITDA		($3,718)	($3,720)	($3,705)	($3,689)	($3,681)	($3,680)	$7,989	$8,469	$6,897	$7,216	$7,711	**$7,888**
Interest Expense		$1,029	$1,029	$1,029	$1,029	$1,029	$1,029	$1,030	$1,030	$1,030	$1,030	$1,030	**$1,030**
Taxes Incurred		($1,441)	($1,442)	($1,437)	($1,433)	($1,431)	($1,431)	$2,069	$2,213	$1,741	$1,837	$1,985	**$2,038**
Net Profit		($3,362)	($3,364)	($3,354)	($3,343)	($3,339)	($3,339)	$4,829	$5,165	$4,063	$4,285	$4,632	**$4,755**
Net Profit/Sales		**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**33.99%**	**34.92%**	**26.88%**	**27.64%**	**28.75%**	**29.12%**

Table: Cash Flow

Pro Forma Cash Flow		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash Received													
Cash from Operations													
Cash Sales		$0	$0	$10	$21	$27	$28	$7,102	$7,395	$7,559	$7,753	$8,055	**$8,164**
Cash from Receivables		$0	$0	$0	$10	$21	$27	$264	$7,112	$7,400	$7,565	$7,763	**$8,058**
Subtotal Cash from Operations		$0	$0	$10	$31	$48	$55	$7,366	$14,507	$14,959	$15,318	$15,818	**$16,222**
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		$227	$202	$226	$206	$208	$206	$225	$214	$224	$218	$220	**$228**
New Other Liabilities (interest-free)		$1,000	$1,010	$1,020	$1,030	$1,040	$1,050	$1,060	$1,071	$1,082	$1,093	$1,104	**$1,115**
New Long-term Liabilities		$500	$505	$510	$515	$520	$525	$530	$535	$540	$545	$550	**$556**
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		$50,000	$50,000	$50,000	$50,000	$75,000	$0	$0	$0	$0	$0	$0	**$0**
Subtotal Cash Received		$51,727	$51,717	$51,766	$51,782	$76,816	$1,836	$9,181	$16,327	$16,805	$17,174	$17,692	**$18,121**

Expenditures	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Expenditures from Operations												
Cash Spending	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$3,600	$3,600	$3,600	**$3,600**
Bill Payments	$25,044	$1,307	$1,308	$1,314	$1,321	$1,325	$1,543	$7,821	$7,658	$7,453	$7,634	**$7,918**
Subtotal Spent on Operations	$27,044	$3,307	$3,308	$3,314	$3,321	$3,325	$3,543	$9,821	$11,258	$11,053	$11,234	**$11,518**
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	$200	$202	$204	$206	$208	$210	$212	$214	$216	$218	$220	**$222**
Other Liabilities Principal Repayment	$900	$909	$918	$927	$936	$945	$954	$964	$974	$984	$994	**$1,004**
Long-term Liabilities Principal Repayment	$500	$505	$510	$515	$520	$525	$530	$535	$540	$545	$550	**$556**
Purchase Other Current Assets	$601	$613	$625	$638	$651	$664	$677	$691	$705	$719	$733	**$748**
Purchase Long-term Assets	$20,000	$20,200	$20,402	$20,606	$20,812	$21,020	$21,230	$21,442	$21,656	$19,942	$19,854	**$18,967**
Dividends	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Subtotal Cash Spent	$49,245	$25,736	$25,967	$26,206	$26,448	$26,689	$27,146	$33,667	$35,349	$33,461	$33,585	**$33,015**
Net Cash Flow	$2,482	$25,981	$25,800	$25,576	$50,368	($24,853)	($17,965)	($17,341)	($18,544)	($16,287)	($15,893)	**($14,895)**
Cash Balance	**$203,882**	**$229,864**	**$255,663**	**$281,240**	**$331,607**	**$306,755**	**$288,790**	**$271,450**	**$252,905**	**$236,618**	**$220,725**	**$205,831**

Table: Balance Sheet

Pro Forma Balance Sheet		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Assets	Starting Balances												
Current Assets													
Cash	$201,400	$203,882	$229,864	$255,663	$281,240	$331,607	$306,755	$288,790	$271,450	$252,905	$236,618	$220,725	**$205,831**
Accounts Receivable	$0	$0	$0	$10	$20	$26	$27	$6,865	$7,148	$7,307	$7,495	$7,786	**$7,891**
Inventory	$2,000	$2,000	$2,000	$1,997	$1,990	$1,982	$1,972	$2,485	$2,587	$2,643	$2,711	$2,815	**$2,853**
Other Current Assets	$3,500	$4,101	$4,714	$5,339	$5,977	$6,628	$7,292	$7,969	$8,660	$9,365	$10,084	$10,817	**$11,565**
Total Current Assets	$206,900	$209,983	$236,578	$263,009	$289,227	$340,243	$316,047	$306,109	$289,845	$272,220	$256,907	$242,144	**$228,140**
Long-term Assets													
Long-term Assets	$265,700	$285,700	$305,900	$326,302	$346,908	$367,720	$388,740	$409,970	$431,412	$453,068	$473,010	$492,864	**$511,831**
Accumulated Depreciation	$0	$55	$111	$168	$226	$285	$345	$406	$468	$531	$595	$660	**$726**
Total Long-term Assets	$265,700	$285,645	$305,789	$326,134	$346,682	$367,435	$388,395	$409,564	$430,944	$452,537	$472,415	$492,204	**$511,105**
Total Assets	$472,600	$495,628	$542,367	$589,143	$635,909	$707,678	$704,442	$715,673	$720,789	$724,757	$729,322	$734,348	**$739,245**

Liabilities and Capital		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Current Liabilities													
Accounts Payable	$25,000	$1,263	$1,264	$1,270	$1,277	$1,280	$1,282	$7,566	$7,410	$7,199	$7,370	$7,654	**$7,679**
Current Borrowing	$5,000	$5,027	$5,027	$5,049	$5,049	$5,049	$5,045	$5,058	$5,058	$5,066	$5,066	$5,066	**$5,072**
Other Current Liabilities	$25,000	$25,100	$25,201	$25,303	$25,406	$25,510	$25,615	$25,721	$25,828	$25,936	$26,045	$26,155	**$26,266**
Subtotal Current Liabilities	$55,000	$31,390	$31,492	$31,622	$31,732	$31,839	$31,942	$38,345	$38,296	$38,201	$38,481	$38,875	**$39,017**
Long-term Liabilities	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	**$150,000**
Total Liabilities	$205,000	$181,390	$181,492	$181,622	$181,732	$181,839	$181,942	$188,345	$188,296	$188,201	$188,481	$188,875	**$189,017**
Paid-in Capital	$276,000	$326,000	$376,000	$426,000	$476,000	$551,000	$551,000	$551,000	$551,000	$551,000	$551,000	$551,000	**$551,000**
Retained Earnings	($8,400)	($8,400)	($8,400)	($8,400)	($8,400)	($8,400)	($8,400)	($8,400)	($8,400)	($8,400)	($8,400)	($8,400)	**($8,400)**
Earnings	$0	($3,362)	($6,725)	($10,079)	($13,423)	($16,762)	($20,100)	($15,272)	($10,107)	($6,044)	($1,759)	$2,873	**$7,628**
Total Capital	$267,600	$314,238	$360,875	$407,521	$454,177	$525,838	$522,500	$527,328	$532,493	$536,556	$540,841	$545,473	**$550,228**
Total Liabilities and Capital	$472,600	$495,628	$542,367	$589,143	$635,909	$707,678	$704,442	$715,673	$720,789	$724,757	$729,322	$734,348	**$739,245**
Net Worth	**$267,600**	**$314,238**	**$360,875**	**$407,521**	**$454,177**	**$525,838**	**$522,500**	**$527,328**	**$532,493**	**$536,556**	**$540,841**	**$545,473**	**$550,228**