



BUSINESS PLAN WORKBOOK

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FORWARD

A business plan is your “blueprint” or “recipe” for building your business. It will focus your thinking and research and will identify and resolve potential problems before you begin business operations. Developing your business plan will help you to think through your business concept, and will enable you to identify your priorities and the path you will follow. A good business plan is an invaluable tool for any business owner, whether you are just starting your new business venture or expanding or changing strategic direction. Not only does it provide potential lenders, investors and business partners with essential information about your business, it also provides you, the entrepreneur, with a clear “roadmap” to follow and a tool to measure your future performance.

This Business Plan outline has generally been developed for new business start-ups, however, it can easily be adapted for use by existing businesses. The outline has purposely been developed in a simple or basic format and accordingly, you may well have to expand certain areas or provide additional information, depending on the complexity of your business venture and/or the purpose for which you are developing your business plan.

A cash flow projection will become your most important management tool once you begin business operations. Accordingly, you should spend considerable time and effort to identify your probable cash flow before you begin operations. Your ability to manage cash flow will be your most important daily responsibility. Failure to manage cash flow will undoubtedly cause wasted time and energy handling upset suppliers and your banker’s concerns, rather than conducting business.

Once your business plan and financial projections have been developed, they should be reviewed and updated on a regular basis. In the preparation of your plan, you will have addressed all the issues around the successful operation of your business. If followed properly, your business plan and financial projections will prove to be invaluable management tools leading to your success.

PREPARING A BUSINESS PLAN

The Business Plan

The business plan is a written summary of what you hope to accomplish and how you intend to organize your resources to meet your goals. It is the road map for operating your business and measuring progress along the way. It is a valuable tool in helping you assess the risk and commitment required in your business venture.

Why Prepare a Business Plan?

- It encourages realism.
- It helps you to identify your customers, your market area, your pricing strategy and the competitive conditions under which you must operate to succeed. This process often leads to the discovery of a competitive advantage or new opportunity as well as deficiencies in your business plan.
- By committing your plans to paper, your overall ability to manage the business will improve. You will be able to concentrate your efforts on the deviations from the plan before conditions become critical. You will also have time to look ahead and avoid problems before they arise.
- The business plan identifies the amount of financing or outside investment required and when it is needed.
- First impressions are important. A well-organized plan makes it much easier for the lender or investor to assess your financing proposal and to assess you as a business manager.

- Resolve now to make planning a part of your management style. Three or four hours spent each month reviewing your plan will save you time and money and may even save your business in the long run.

Business Plan Format

The business plan can be broken down into five broad categories:

Part I	Executive Summary
Part II	Business Concept
Part III	Marketing Plan
Part IV	Operations
Part V	Financial Plan

The first page should be a **Table of Contents**, outlining section titles and page numbers.

The format should start with a short summary of the highlights of the business plan. Even though your entire business is described in more detail later on, a crisp, one or two page **executive summary** helps to capture the immediate attention of the potential investor or lender.

The **business concept** identifies the market potential within your industry and outlines your action plan for the coming year. Make sure your stated business goals are compatible with your personal goals, your own management ability and family considerations.

The heart of your **marketing plan** will substantiate your monthly sales forecast for the coming year. Marketing involves all the different stages – from identifying your business idea for a product or service to delivering it to paying customers. It is the statement of confidence in your marketing strategy that forms the basis for your cash flow projections.

The **operations** section of your plan will examine how you will run your business. Understanding the operational side of the business is critical to determining the financial feasibility, as your operational expenses also form the foundation of your cash flow projections.

This section contains an assessment of business risks and a contingency plan. You are urged to aggressively challenge your ideas. Being honest about your business risks and how you plan to deal with them is evidence of sound management.

The **financial plan** outlines a “best guess” scenario about how your business will look in the future (e.g., sales forecast, cash flow projections). Understanding the financial side of your business will help you to identify any financing you will need. This section should be kept concise with supporting material supplied where requested.

In carrying out your action plan for the coming year, your financial plan is your guide to business survival and profitability. Resolve now to refer to your financial projections often and, if circumstances dictate, rework them as necessary.

Before presenting your business plan to a lender or investor, review your financial projections with your bookkeeper or accountant. This familiarity will increase your credibility and provide you with a good understanding of what the financial projections reveal about the viability of your business.

PART I – EXECUTIVE SUMMARY

The executive summary is prepared after the business plan has been written, even though it appears first. It provides the reader with a brief overview or synopsis of the important parts contained in the business plan. This summary should be brief and to the point and serve only as an inducement to the reader to read the complete plan. **It should not be a repetition of the details contained in the business plan.** The executive summary should contain the following:

- Business name (include address, phone/fax/email address and website address, if applicable)
- Contact person (presenter's name, phone/fax/email address)
- Paragraph about your business (nature of business, market area, operating hours and days)
- The reason for preparing the business plan, e.g., to obtain start-up financing or expansion financing
- A brief overview of the proposed business venture and why this venture is considered to be a good investment or lucrative opportunity
- The amount and type of financing required (term loan, operating line of credit, etc.)
- Securities and/or collateral offered to investors/lenders

PART II – BUSINESS CONCEPT

Description of Industry:

- Industry outlook and growth potential (industry trends, new products and developments; state your sources of information)
- Markets and customers (size of total market, target market, new requirements and market trends)
- Competitive businesses (market share, strengths and weaknesses, profitability; what makes the top performers in the industry successful?)
- National and economic trends (population shifts, consumer trends, relevant economic indicators)

Description of the Business Venture:

- Product or service (pictures, drawings, characteristics, quality)
- Product protection/exclusive rights (patents, copyrights, trademarks, franchise rights)
- Target market (typical customers identified by groups, customer wants and needs, present buying pattern and average purchase in dollars)
- Competitive advantage of your business concept (your market niche, uniqueness, estimated market share)
- Business location and size (location relative to market, size of premises)
- Staff and equipment needed (overall requirement, capacity)
- Brief history (principals involved, development work done)
- You will need to conduct a realistic market survey and **recap the results** to attach to your plan

Business Goals:

- One year (specific goals; e.g., gross sales, profit margins, share of market, opening new store, plant or office, introducing new product, etc.)
- Over the longer term (return on investment, business net worth, sale of business)

Part III – MARKETING PLAN

Marketing Plan:

- Sales strategy (commissioned sales staff, agents, sales objectives, target customers, sales tools, sales support)
- Success indicators (marketing, pricing, cost control, customer service, product selection, product quality)
- Distribution (direct to public, wholesale, retail, multiple outlets)
- Pricing (cost mark-ups, margins, break-even)
- Promotion (media advertising, appropriate publicity to reach target market; assess the effectiveness of each form of promotion)
- Annual advertising plan (create an annual budget and schedule; include all in-house promotions, signage and donations)
- Guarantees (product guarantees, service warranties)
- Tracking methods (method for confirming who your customers are and how they heard about you)
- Sales forecast (one never has all the necessary information, so state all the assumptions made in developing the sales forecast)
- Monthly and annual forecast for current and following years (sales volume in units and dollars)

❖ **NOTE:** These projections will be incorporated into your sales forecasts and are the starting point for your cash flow projections.

Part IV – OPERATIONS

Product Plan (Manufacturing):

- Brief description of production process (don't be too technical)
- Physical plant requirements (building, utility requirements, expansion capability, layout)
- Machinery and equipment (new or used, lease or purchase, capacity)
- Raw materials (readily available, quality, sources)
- Inventory requirements (seasonal levels, turnover rates, method of control)
- Suppliers (volume discounts, multiple sources)
- Personnel required (full-time, part-time, skill level, availability, training required)
- Cost of facilities, equipment and materials (estimates and quotes)
- Insurance requirements and cost
- Capital estimates (one time start-up or expansion capital required)

Production Plan (Retail or Service):

- Purchasing plans (volume discounts, multiple sources, quality, price)
- Inventory system (seasonal variation, turnover rates, method of control)
- Space requirements (floor and office space, improvements required, expansion capability)
- Staff and equipment required (personnel by skill level, fixtures, office equipment)

Structure of the Business Organization:

- Legal form (proprietorship, partnership, corporation or co-operative)
- Share distribution (list of principal shareholders)
- Directors and officers (names, addresses and role in company)
- Background of key management personnel (brief résumé of active owners and key employees)

- List of contracts and agreements in force (management contract, shareholder or partnership agreement, franchiser service agreement, service contract)
- Contract professionals/consultants (possible outside assistance in specialized or deficient areas)
- Organization chart (identifying reporting relationships)
- Duties and responsibilities of key personnel (brief job descriptions – who is responsible for what?)

Risk Assessment:

- Competitors' reaction (will competitors try to squeeze you out?)
- What if?...List of critical internal factors (sales off by 30%, sales double, key manager quits, workers unionize)
- Dealing with risks (contingency plan to handle the most significant risks)

Action Plan:

- Steps to accomplish this year's goals (flow chart by month or by quarter of specific action to be taken and by whom)
- Checkpoints for measuring results (identify significant dates, sales levels, production levels)

Part V – FINANCIAL PLAN

A **financial statement** is a general name for the different ways which money/financial information is presented. The information presented in financial statements should be as straightforward as possible. Many of the different financial documents, as noted below, collectively make up your financial statements. Depending on the complexity of your business, some, or all of the following financial statements will form your financial plan:

1. Sales Forecast
2. Cash Flow Projection
3. Funding Requirements and Funding Sources
4. Balance Sheet

One of the objectives of these financial statements is to provide the lender with information regarding the status of the business. Lenders will be looking for:

- The business' resources, obligations and owner's equity
- Changes in these resources, obligations and owner's equity
- Overall economic performance and potential of the business

The other objective is to provide the owner with tools to track the progress of the business.

Sales Forecast:

Forecasting sales is the starting point for financial projections, and the basis of business budgeting. List all the products or services your business plans to sell, and the units of sale for each. Units are set by the business. (e.g. for a craftsman, a unit may be one wooden item; for a researcher, a unit could be one hour of time.)

For each product/service and customer group, make a sales forecast estimating month by month for a year, the anticipated number of units, sales price and total sales for the period of time.

Number of units sold (subtotals for target markets and one overall total)

X sales price per unit (worked out as part of pricing)

= **total sales** (number of units sold x sale price per unit)

A business doesn't do just one sales forecast, unless it has one product and one target market. Your sales forecasts will end up totaling a final number of units sold and a dollar amount that the business expects to sell for each different product or service.

Refer to the Sales Forecast worksheet (Worksheet #1). The total sales figures from the Sales Forecast worksheet should be transferred to the Cash Sales and Accounts Receivable worksheet (Worksheet #2).

Cash Flow Projection:

The cash flow projection illustrates the need and timing for money. It also illustrates when cash receipts will reduce or eliminate this need. The first step in preparing a cash flow projection is to estimate, on a monthly basis, cash receipts from sales, loans and contributions to the business. Sales from previous years can be used to forecast sales for the coming year. Many businesses prepare several cash flow projections reflecting best case and worst case scenarios.

Note: Loans and contributions to the business would include your personal contribution of capital/loans as well as loans from other sources.

Refer to the Cash Sales and Accounts Receivable worksheet (Worksheet #2) and estimate what amount of your sales will be cash and what amount will be credit, taking into account when you can expect to collect the accounts receivable e.g. 30/60/90 days. The total cash receipts figures from the Cash Sales and Accounts Receivable worksheet should be transferred to the Cash Flow Projection worksheet (Worksheet #3).

Remember – only list the actual cash you are expecting to receive in the appropriate monthly column. An explanation of each entry is included on the following pages.

Estimate how much you will actually spend each month purchasing or producing your product. This may be a historical percentage of sales, or it may need to be worked out on a more seasonal basis. Enter these figures under Cost of Sales on the Cash Flow Projection worksheet.

Why Do a Cash Flow Forecast?

Too often business owners do a cash flow projection in their head and putting the projection on paper will give you the following:

- A format for planning the most effective use of your cash (cash management).
- A schedule of anticipated cash receipts – follow through to see that you achieve it!
- A schedule of priorities for the payment of accounts – stick to it!
- A measure of the significance of unexpected changes in circumstances; e.g., reduction of sales, strikes, tight money situations, etc.
- A list, on paper, of all the bill paying details which have been running around in your head, keeping you awake nights. A cash flow is not an instant cure for sleeplessness but it certainly helps. It also clears your mind for more productive thinking.

- An estimate of the amount of money you need to borrow in order to finance your day-to-day operations. This is perhaps the most important aspect of a completed cash flow projection.
- An estimate of your ability to repay debt from cash receipts, if you are planning to borrow money on an operating and/or term basis.

How Often?

Cash flow projecting should be a continuous activity although it must be completely redone at least once a year for you to have a clear picture of your additional cash requirements (a computer spreadsheet is very useful for this purpose). Most credit facilities with traditional lenders (banks and credit unions) are reviewed/renewed on an annual basis and the cash flow projections, along with your financial statements, will assist you in making an effective presentation to your lender.

Cash Flow Projection Worksheet Instructions

When you are completing your Cash Flow Projection worksheet, think of it as completing your bank account chequebook register. Think of your cash receipts from sales as your deposits and expenses as your cheques. Then enter all your deposits (cash receipts from sales) and cheques (expenses) for each month for a year.

Revenue

- **Total Cash Receipts:** This figure should come from the total cash receipts line on the Cash Sales and Accounts Receivable worksheet (Worksheet #2). This is a best estimation of your monthly cash receipts from sales.
- **Less Cost of Sales:** This figure represents how much it costs to get the product you will be selling into your premises. This can be calculated as a percentage of your sales or if you have a more regulated purchasing pattern, i.e. seasonal purchases, it should be entered in the month the actual expense occurs.
- **Net Revenue:** This figure is the total cash receipts minus the cost of goods sold.

Expenses

- **Owner's Salary:** This is the amount of money taken out of the business by the owner including salaries, draws, shareholders loans, etc.
- **Wage's & Benefits:** This is the amount of wages and benefits paid to employees including holiday pay, EI premiums, CPP premiums, group insurance, etc.
- **Rent:** This is the amount of money paid to rent or lease premises to carry on your business. It can be a storefront, warehouse, or office space.
- **Professional Fees:** This is the amount of money you pay for professional services such as lawyers, accountants, bookkeepers, etc.
- **Advertising/Promotion:** This includes the cost of advertising including print and media advertising, including newspapers, radio, television, yellow pages, etc. and other promotional expenses such as tradeshow and promotional lunches.
- **Telephone:** This includes telephone, cell phone, pager, fax and Internet.
- **Repairs & Maintenance:** This includes expenses incurred in the day-to-day operation of your business in keeping your premises and equipment in good working order.
- **License/Insurance/Fees:** This includes any licenses required to carry on your business including municipal business license, federal or provincial licensing, association licenses, etc. Insurance includes any business or personal insurance including fire insurance, life insurance, loan insurance and bonding. Fees include charges for memberships, loan and service fees, etc.
- **Loan Payments:** This represents all loan payments related to the startup and/or operation of your business and includes both principal and interest.
- **Lease Payments:** The cost of leasing equipment or automobiles for use in your business.

- **Bank Charges:** This includes all banking charges including service charges, overdraft charges, Visa/Mastercard/InterAct commissions, etc. It does not include bank loan interest.
- **Transportation:** This includes all expenses relating to the use of automobiles to carry on your business including gas, oil, repairs and insurance.
- **Office/Shop Supplies:** This includes all supplies purchased for your business excluding the product you sell and includes stationary, janitorial supplies, paper supplies, clothing, etc.
- **Utilities:** This includes expenses related to heat, light, power and water.
- **Other Expenses:** This includes other expenses not already categorized and could include such things as postage, courier, sub contracts, etc. If any expense categories for your business are large and not listed in the cash flow, you should amend the cash flow to include these categories.
- **Contingencies 10%:** This section is reserved for unplanned-for expenses. No matter how hard you try to plan for everything, there is always something that gets missed. The way to calculate this is to add together all expenses listed above this line and take 10% of that total.
- **Total Expense:** This is the total of all expenses.
- **Surplus/(Deficit):** This is net revenue minus total expenses. It tells you whether or not the business operations generated enough cash to cover expenses.

Reconciliation

- **Opening Cash:** This represents the amount of cash on hand for your business at the beginning of the cash flow projection. This figure will generally be zero for a new business start up. If you are doing a second year cash flow this figure will be the same as the closing cash at the end of the previous year.
- **Plus Owner's Investment:** This represents the owner's investment or non-repayable money, which is put into the business. This figure should be the same as the total owner's investment line (d) on the Funding Requirements and Funding Sources worksheet (Worksheet #4).
- **Plus Loans:** This is the total amount of all repayable loans or investments put into the business. This figure should be the same as the total financing (loans) line (e) on the Funding Requirements and Funding Sources worksheet (Worksheet #4).
- **Less Capital Expenses:** This is the total cost of capital purchases for the business, including real estate, leasehold improvements, equipment, furniture and fixtures and automobiles. This figure should be the same as the total capital expenses line (a) on the Funding Requirements and Funding Sources worksheet (Worksheet #4).
- **Less Startup Costs:** This includes all expenses related to the startup of your business, including first and last months rent, hydro and telephone deposits, opening advertising costs, etc. This figure should be the same as the total start-up costs line (b) on the Funding Requirements and Funding Sources worksheet (Worksheet #4).
- **Less Opening Inventory:** This is your total initial inventory purchase for opening your business. This figure should be the same as the opening inventory line (c) on the Funding Requirements and Funding Sources worksheet (Worksheet #4).
- **Surplus/(Deficit):** This figure comes from the surplus/deficit line above.
- **Closing Cash:** This figure represents your closing month end cash reserve or deficit. Based on the numbers you use in your projections, this figure tells you whether or not the business will be adequately funded.

Funding Requirements and Funding Sources:

Many new businesses underestimate the amount of funding that is required to start-up and continue operations. It is important to carefully assess what your funding requirements will be and where the funding will come from. The attached Funding Requirements and Funding Sources worksheet (Worksheet #4) together with the Cash Flow worksheet (Worksheet #3) will assist you in this process.

When you have completed the attached Funding Requirements and Funding Sources worksheet (Worksheet #4), transfer the totals to the reconciliation section of the Cash Flow Projection worksheet (Worksheet #3).

Balance Sheet:

A balance sheet is a financial picture of your business at a particular point in time. It shows the financial strength of a business, but does not show whether the business is currently earning an income. It shows the cash portion of the business, but does not show the flow of cash through a business. It is like a photograph – the financial picture on a particular date.

It is based on the following accounting equation: **Assets = Liabilities + Owner's Equity**

A balance sheet is required to evaluate what the business owns, what the business owes and the capital you have invested in the business. A Balance Sheet worksheet (Worksheet #5) is attached.

Part VI – SUPPLEMENTARY DOCUMENTATION

The following documents should be attached to your business plan:

- Résumé for each owner (employment and educational experience as it relates to the business)
- Personal Net Worth statement detailing your assets and your valuation of same and your liabilities (the amounts you owe) and the monthly payments thereon. Each financial institution/lender will have their own form, which you will be required to complete, if you are looking for financing.
- Completed Sales Forecast worksheet (Worksheet #1)
- Completed Cash Sales and Accounts Receivable worksheet (Worksheet #2)
- Completed Cash Flow Projection worksheet (Worksheet #3)
- Completed Funding Requirements and Funding Sources worksheet (Worksheet #4)
- Completed Balance Sheet worksheet (Worksheet #5)
- Recap and Analysis of Market Survey results
- Letters of intent (potential orders, customer commitments, letters of support)
- Price lists/estimates/quotes (to support cost estimates)
- Description of insurance coverage (insurance policies, amount of coverage)
- Copies of legal agreements (contracts, leases, franchise agreement, mortgage)
- Appraisals (include recent appraisals of assets such as real estate and equipment or provide a market evaluation of the business and an asset list outlining the assets, the year purchased and the amount paid)
- Financial statements for existing businesses and/or associated companies (where appropriate)
- Name of present financial institution (branch, type of accounts)
- Lawyer's name (include address and phone/fax number)
- Accountant's name (include address and phone/fax number)

Finally...preparing a business plan will generate a lot of thought. Keep in mind, however, that the final document is a summary of your planning process. You can always refer to your working papers later on to substantiate a particular point.

Have your key employees and two or three impartial outsiders review the finished plan in detail. There may be something you have overlooked or under-emphasized. Also, a critical review will be good preparation for your presentation to potential investors and lenders.

PART VII – APPROACHING LENDERS AND INVESTORS

When approaching any financial institution, you are effectively selling the merits of your business proposal. As in all successful sales transactions, consideration of the needs of the other party is critical. Detail the following:

- Ability to service the debt with sufficient surplus to cover contingencies (your cash flow projections should support this)
- Track record/integrity (financial history as evidenced by current and past financial statements, personal credit history, management ability as demonstrated in your business plan)
- Your level of commitment (your equity in the business or cash investment in the particular asset being purchased)
- Secondary source of repayment (this includes security in the event of default and other sources of income)
- Lead time (lenders needs a reasonable time to assess your proposal and the loan may have to be referred to another level within the financial institution for final approval)
- Don't overdo it (be sensible with the amount of documentation you provide initially – for example, the executive summary and financial plan sections provide a good basic loan submission if the amount requested is small)

Start by first approaching people you know; e.g., friends, bank/credit union account manager, lawyer, accountant, business associate, etc. They, in turn, may know of other possible investors. If your business concept exhibits high-growth potential, another alternative is to approach a venture capital company. Either way, take a moment to consider the investor's needs, which may differ from a lender's needs. Detail the following:

- Your level of financial commitment (indicative of the risk you are assuming)
- Equity participation (investors may demand more equity than you are willing to give)
- Rate of return (investors are willing to take a high risk but expect a high rate of return; e.g., to double their money in two to three years)
- Involvement in key decisions (possibly as a Director or even an Officer of the company)
- Regular financial reporting (investors usually want to see tight financial controls in place and prompt financial reporting)

Business Name: _____

Sales Forecast

Worksheet # 1

Product #1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Number of Units Sold													
Price Per Unit													
Total Unit Sales													

Product #2	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Number of Units Sold													
Price Per Unit													
Total Unit Sales													

Product #3	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Number of Units Sold													
Price Per Unit													
Total Unit Sales													

Product #4	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Number of Units Sold													
Price Per Unit													
Total Unit Sales													
Total Sales *													

* Transfer the Total Sales figures in this row to the Cash Sales and Accounts Receivable worksheet (Worksheet #2)

Business Name: _____

Cash Sales and Accounts Receivable

Worksheet #2

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Total Sales from Sales Forecast Worksheet *													

Cash Sales													
Current Month													
Accounts Receivable (30 - 60 days)													
Accounts Receivable (60 - 90 days)													
Accounts Receivable (90 - 120 days)													
Total Cash Receipts **													

* These figures come from the **Total Sales** on the **Sales Forecast** worksheet (Worksheet #1)

** Transfer the **Total Cash Receipts** figures in this row to the **Cash Flow** worksheet (Worksheet #3)

Cash Flow Projection

Business Name: _____

Worksheet #3

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 1 TOTAL	Year 2 TOTAL	Year 3 TOTAL
REVENUE omit 00's															
Total Cash Receipts **															
Less Cost of Sales															
NET REVENUE															

** These figures come from the Total Cash Receipts line on the Cash Sales and Accounts Receivable worksheet (Worksheet #2)

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 1 TOTAL	Year 2 TOTAL	Year 3 TOTAL
EXPENSES omit 00's															
Owner's Salary															
Wages & Benefits															
Rent															
Professional Fees															
Advertising/Promotion															
Telephone															
Repairs & Maintenance															
License/Insurance/Fees															
Loan Payment															
Lease Payment															
Bank Charges															
Transportation															
Office/Shop Supplies															
Utilities															
Other Expenses															
Contingencies 10%															
TOTAL EXPENSES															
SURPLUS(DEFICIT)															

RECONCILIATION															
Opening Cash															
Plus Owner's Investment (d)															
Plus Loans (e)															
Less Capital Expenses (a)															
Less Start-up Costs (b)															
Less Opening Inventory (c)															
Surplus(Deficit)															
Closing Cash															

(a) (b) (c) (d) (e) These figures come from the corresponding lines on the Funding Requirements and Funding Sources worksheet (Worksheet #4)

Funding Requirements and Funding Sources

Business Name: _____

Worksheet # 4

<u>Funding Requirements:</u>		
Capital Expenses	Real Estate \$ _____ Leasehold Improvements \$ _____ Operating Equipment \$ _____ Manufacturing Equipment \$ _____ Office Equipment \$ _____ Automotive Equipment \$ _____ Furniture and Fixtures \$ _____ Other: \$ _____ Other: \$ _____ Contingencies (10%) \$ _____	
	Total Capital Expenses	\$ _____ (a)
Start-up Costs	1st & Last Months Rent \$ _____ Legal & Professional Fees \$ _____ Opening Advertising \$ _____ Telephone/Hydro/Gas Deposits \$ _____ Business License \$ _____ Business Insurance \$ _____ Life, Accident, Disability Insurance \$ _____ Application Fees \$ _____ Association Fees \$ _____ Office/Shop Supplies \$ _____ Other: \$ _____ Other: \$ _____ Contingencies (10%) \$ _____	
	Total Start-up Costs	\$ _____ (b)
Opening Inventory		\$ _____ (c)
Working Capital		\$ _____
Total Funding Requirements	(Must equal "Total Funding Sources")	\$ _____

<u>Funding Sources:</u>		
Owner's Investment	Cash \$ _____ Equipment \$ _____ Automotive Equipment \$ _____ Other: \$ _____	
	Total Owner's Investment	\$ _____ (d)
Financing (Loans)	FutureCorp Cowichan \$ _____ Bank: \$ _____ Vendor: \$ _____ Other: \$ _____	
	Total Financing (Loans)	\$ _____ (e)
Total Funding Sources	(Must equal "Total Funding Requirements")	\$ _____

- (a) This figure to be transferred to **Less Capital Expense** line on **worksheet #3**
- (b) This figure to be transferred to **Less Start-up Costs** line on **worksheet #3**
- (c) This figure to be transferred to **Less Opening Inventory** line on **worksheet #3**
- (d) This figure to be transferred to **Plus Owner's Investment** line on **worksheet #3**
- (e) This figure to be transferred to **Plus Loans** line on **worksheet #3**

BALANCE SHEET

Worksheet #5

Business Name: _____

Date: _____

ASSETS

Current Assets

Cash	\$ _____
Accounts Receivable	\$ _____
Inventory	\$ _____
Prepaid Expenses	\$ _____
Total Current Assets	\$ <input type="text"/>

Capital Assets

Buildings	\$ _____
Equipment	\$ _____
Automotive	\$ _____
Leasehold Improvements	\$ _____
Other	\$ _____
Less Accumulated Depreciation	(\$ _____)
Land	\$ _____
Total Capital Assets	\$ <input type="text"/>

TOTAL ASSETS

\$

LIABILITIES

Current Liabilities

Bank Loan	\$ _____
Accounts Payable	\$ _____
Wages/Salaries Payable	\$ _____
Other	\$ _____
Current Portion of Long-Term Debt	\$ _____
Total Current Liabilities	\$ <input type="text"/>

Long-Term Liabilities

Long-Term Debt (Mortgages)	\$ _____
Long-Term Debt (Loans)	\$ _____
Total Liabilities	\$ <input type="text"/>

Owners Equity	\$ <input type="text"/>
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TOTAL LIABILITIES AND OWNERS EQUITY

\$