



Registerme.org

Business Plan

*PRESENTED FOR THE 2002 WES NICOL BUSINESS
PLAN COMPETITION*

MARCH 25, 2002

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II EXECUTIVE SUMMARY

Registerme.org is a new business venture operated by a management team that is committed to providing a comprehensive registration service to its clients. Registerme.org will satisfy all registration needs for an organization of any size or type through ongoing support and easy customization. The team is dedicated to eliminating the issues surrounding typical off-line registration processes, by implementing a reliable and fully automated online service.

Organizations will be provided with secure online registration, scheduling, event set-up, and payment options. The electronic registration system will allow for accurate statistics and ready available information about each particular organization. Registerme.org will reduce administration costs for its clients by improving efficiency of the registration process. For example, the online payment option will reduce the ever-present problem of bounced cheques. Registerme.org will provide flexibility and adaptability, and will ensure the stability of its network. The organization will be progressive and responsive to external factors and to emerging needs of its clients.

With the movement towards an e-world, day-by-day traditional methods of registration are losing ground. Time is what people have less of these days, and more time is just what Registerme.org will provide for its clients and their members. An increasingly overworked, time-constrained population is leaving the average person less willing to stand waiting in line-ups at the community arena to register their kids for hockey. With Registerme.org the entire registration process will be made simple and will be executed by the participants, when and where it is convenient for them.

Registerme.org will enter the growing industry of amateur sports first, and after successfully penetrating North America, will expand throughout the rest of the world. Despite the overwhelming need for online registration, very few businesses have been developed to take advantage of the growing opportunity.

Currently Registerme.org is in the process of developing a proposal for 2 potential clients. These 2 clients are expected to have an excess of 1,500,000 registrants. Revenues from these two clients could have the potential to reach an excess of \$6,750,000. In speaking with potential clients we have received good feedback and expressed interest. Registerme.org is ready to become the world leader in on-line registration and will soon make an impact in the Canadian sports organizations.

III BUSINESS DESCRIPTION

3.1 The Opportunity

Registerme.org will be designed to provide organizations with a stable online registration service. The services will be entirely web-based, thus providing the company with incredible growth opportunity through economies of scale. The infrastructure will allow for easy customization and flexibility to better serve specific registration requirements. The market for this business is immeasurable, and for sports associations in North America alone, it can be expected to bring high revenues within the first year. This business is aligned with the current trend towards an e-world.

3.2 The Clients

Any amateur sports organization will benefit from the services provided by Registerme.org, and top-level organizations (for example, the Canadian Hockey Association) will be the primary

target for promotion, in hopes that they will adopt the technology for use by all of its subsidiaries (for example, regional associations registered with them). These sales channels have boards of directors that are comprised of provincial representatives and therefore it will be essential to convey the benefits that our services will provide on all levels. The top level organizations will be given financial benefits for standardizing our registration tool while the subsidiaries of these organizations will receive all of the benefits that come with online registration and the additional services.

3.3 The Product

PRODUCTS AND SERVICES	DESCRIPTION
Online Registration	<ul style="list-style-type: none"> • Main service • Easy 4-step process executed by the registrant • Payment online • Auto-confirmation sent to client by e-mail
Scheduling Option	<ul style="list-style-type: none"> • Allows for scheduling of games, practices, and training sessions • Modified by coaches and referees • Accessible by players • Real time updates, instant notification by e-mail • Tournament set-up
Technical Support	<ul style="list-style-type: none"> • Tech support 9am-5pm Monday to Friday • Online support

3.4 The Pricing Strategy

The pricing strategy will be very simple. Registerme.org will offer top-level organizations a portion of Registerme.org revenues if they choose to adopt the registration service and implement it for all of their subsidiaries. Once implemented, each participant that registers through the Registerme.org system pays a \$6.50 registration fee, \$5.20 of the which goes directly to Registerme.org, while the remaining \$1.30 (20%) will be issued to the top-level organization. Current registration administration costs are built into the registration fee for participants, and the

use of Registerme.org services will reduce administration costs substantially, so it is unlikely that clients will have to increase the registrant fees.

3.5 Benefits of the Services

- Lowered telephone bills
- No more paper shuffling, duplication of records, or loss of records
- Lowered risk for bounced checks
- Direct fee deposit into organization's bank account
- Ability to track registration trends and improve business strategies (parent organizations able to merge data)
- Reduced data input errors
- No software packages, downloads, or updates to purchase
- Satisfied participants
- Ability to schedule games, practices, and organize tournaments (ie. times, dates, fields)
- Better use of scarce resources (ie. ice time)
- Scheduling changes in "real time" and made by authorized personnel (ie. Coaches and Administration)
- Automatic e-mail notification of changes made are sent to players, parents, referees, and administration
- Can be accessed at any time by players and parents

Overall, there will be substantially less administration required during the registration process, and even throughout the remainder of the season. Sending and receiving registration forms by mail is a time-consuming process that often causes problems for both the organization and the

participants. Participants will find it simple to register, and the familiar and friendly user-interface of Registerme.org will make it enjoyable for the registrant.

IV MARKET ANALYSIS

4.1 Description of the market

There are over 5 million males and females over the age of 15 that belong to an amateur sports organization in Canada.¹ Over 34% of Canadians over the age of 15 participate in amateur sports each year.² The American market can be said to be at least 5 times the size of the Canadian market, with more than 30 million children participating in organized sports each year.³ There are more than 30 popular sports that millions of individuals become involved in year-round.

There is a hierarchy within the amateur sports industry, and generally each amateur sport has a national parent organization with which all other regional associations register. National associations also have strong international ties and are very involved with international events.

Most amateur sports organizations do not currently use online registration, and for organizations that have thousands of participants registering within a short period of time, the process can be extremely tedious and complicated. Traditional, off-line registration is one of the largest burdens that both the organization and its participants have to contend with. An Individual wishing to register for a sport must follow a rigid sequence of events that include making sure of the appropriate registration date, and then physically going to the specified location to stand in line and register. Registration forms are frequently delivered by mail, and if they are not returned before the set deadline, a late fee is charged to the participant.

¹ Canadian Heritage (http://www.pch.gc.ca/sportcanada/SC_E/EscF.htm)

² Statistics Canada (<http://www.statcan.ca/english/Pgdb/People/Culture/arts18.htm>)

It is extremely important for sports organizations, that the registration process goes smoothly, so as not to upset participants or increase costs when unexpected problems arise. A main concern for sports organizations is that online registration will generate instability, causing further problems they are unprepared and ill equipped to deal with. Organizations are generally unaware of the possible advantages of acquiring an online service, and are too focused on their duties as sports administrators to begin researching online registration options.

4.2 The Canadian Market

Soccer

- A total of 729,142 players were registered under the Canadian Soccer Association (CSA) in the 2000-2001 Season.⁴
- With the addition of coaches and referees, total registration numbers for indoor and outdoor soccer were over 820,000.⁵
- CSA has experienced positive player participation growth rates since 1988 (51% since 1995).⁶
- All 12 provincial and territorial soccer associations are registered under the CSA.
- Ontario Soccer Association (OSA) accounted for 45% of Canada's player population in the 2000-2001 Season.⁷
- Of the total 46 districts across Canada that are registered with the CSA, 21 are situated in Ontario.⁸

³ US Census (<http://www.census.gov>)

⁴ Canada Soccer (<http://www.canadasoccer.com/eng/about/index.asp>)

⁵ Ibid

⁶ Ibid

⁷ Ontario Soccer Association: Summary of 2001 Player Registration (<http://www.soccer.on.ca>)

⁸ Canada Soccer (<http://www.canadasoccer.com/eng/about/index.asp>)

Hockey

- Canadian Hockey Association (CHA) is a \$9.5 million a year business (and is the sole governing body for amateur hockey in Canada).⁹
- 520,651 players registered with an organized hockey league that is part of the CHA, in the 2000-2001 season, a 2.9% growth since the 1999-2000 season (up from 505,789).¹⁰
- With house league and adult recreational players the total is over 1 million.
- Ontario players accounted for over 42% of all CHA registrants with 219,538 players registered in the 2000-2001 season.¹¹
- Total CHA registered and non-CHA registered players estimated to be over 400,000 in Ontario alone.
- Over 3,000 arenas in Canada are scheduled for the over 1.5 million games played, and 2 million practices that are held each year.¹²

V MARKETING STRATEGY

5.1 Target Market

Amateur sports organizations in North America will be the primary target market for Registerme.org. After the first year of operations, Registerme.org will be promoted directly to the boards of national associations with use of a sales force. It is the intention that national associations will be the sales channel, and standardize the registration process by legislating the use of Registerme.org for all organizations under their order. There will also be promotional efforts targeted towards the organization's subsidiaries (of which will be using the services of Registerme.org), in hopes of gaining their support for the adoption of the system. By providing

⁹ Canadian Hockey Association (<http://www.canadianhockey.ca/e/about/index.html>)

¹⁰ Canadian Hockey Association (<http://www.canadianhockey.ca/e/about/index.html>)

¹¹ Ibid

¹² Canadian Hockey Association (<http://www.canadianhockey.ca/e/about/index.html>)

support and information about the benefits to subsidiaries, there will be increased commitment to the project. As the appeal for online registration becomes more apparent, a solid client base will develop quickly. National organizations are developing stronger international ties, and this will also aid in growing the client base for Registerme.org.

5.2 Promotion

- Develop a company Website
 - Will have a professional look with a particular appeal to sports organizations
 - Will serve to inform, with services clearly indicated
 - Use testimonials from “launch customers” on website
 - Clients will be able to try a demo of our services
 - Affiliation program will be established
- Use a “go to” strategy in attracting new clients
 - Travel, network, communicate with organization leaders
 - Conduct information sessions and invite influential associations
 - Hold open houses for sports organizations
- Intend on promoting ourselves further, and expand to serve international markets

5.3 Implementation Plan

Phase 1: *May 2002-January 2003*

- Office set up and employees hired
- Website development, demo registration set up
- Network within Ontario, acquire at least 12 clients (size over 2000 registrants)
- Website will serve as portal to display testimonials of these "launch clients"

Phase 2: *February 2003-August 2003*

- First major client contacted: Canadian Soccer Association (present proposal, negotiate, draw up minimum 3-year contract)
- Customization of scheduling tools and additional services for subsidiaries by April 2003 (in time for outdoor soccer registration season)
- Second proposal delivery: To Canadian Hockey Association (months prior to beginning of winter hockey season)
- Contract done by end of phase (3 year minimum)

Phase 3: *October 2003*

- Online registration for all CHA registered hockey associations fully implemented
- Scheduling tool ready for use by CHA registered associations

Phase 4: *January 2004*

- Registerme.org is a known and trusted company within Canada
- Registerme.org expands internationally, acquiring new clients
- Major focus placed on networking and client relations (building loyalty)
- Client satisfaction will be measured through personal surveys.

Note: If passing legislation by the top-level organization is not possible, the national associations will work alongside Registerme.org to influence all subsidiaries to adopt the service.

VII OPERATIONS

7.1 Description

The main operations for Registerme.org will include:

- Technical support for clients
- System updates
- Monitoring of the servers
- Database maintenance
- Customization for clients needs
- Contact with clients and potential clients (networking and promotion)

7.2 Operational Costs

- Employee salaries
- Hardware components
- Web hosting
- Office space
- Office supplies
- Travel and promotion

7.3 Initial Company Set-up

- Obtain merchant account from local area bank
- Inquire and sign a contract to rent office space
- Investigate different marketing strategies
- Develop a presence in the industry through communication and networking
- Complete development of company Website

7.4 Ongoing Support

- Call in centre for questions or concerns
- On site consultation
- In-house workshops for clients
- Implement changes requested by clients
- Update the server

VIII COMPETITION

8.1 Direct Competition

Registerme.org has direct competition in locations all around the world. Other North American online registration services tend to be the ones being used by amateur sports organizations in Canada and the United States. (See Appendix A4)

- SportsPilot.com
 - A web-based management services offering online registration, data entry, scheduling, software packages for scorekeeping and statistics generation
 - Markets to amateur sports organizations in the United States
 - Prides itself on making online registration “easier than ever”
- eRegistrar.ca
 - Based in Ontario
 - Web-based registration service, a division of RightFast.com

- Designed for online sports registration by governing bodies, clubs and organizations, tournament organizers, and training camps
 - Offers website design and hosting (RightFast.com does it)
 - Markets to Canadian sports organizations and non-sports organizations, planning to enter United States and United Kingdom in near future
 - Prides itself on security of customer information
- o Active.com
 - Based in California
 - Web-based registration service
 - Markets to individual and team sports organizations, parks and communities, in the U.S.
 - Prides itself on being the “world leader in online event registration”
 - Has an affiliation program

Most competitors offer online payment, and claim to use safe, secure encryption software. Pricing is not disclosed since it is something that is assessed, usually depending on a combination of factors (often relies on a combination of set-up requirements/complexities, number of expected registrants, and length of contract/agreement).

Pay structure also usually involves the registration company getting all the money paid by registrants, taking a cut as a “convenience fee”, then sending a cheque to the organization for the rest, every few weeks. None of the competitors have the money go directly to the organization’s bank account.

8.2 Indirect Competition

- Registration software

- Traditional methods of registration
- Downloads

All of these methods of registration provide both advantages and disadvantages. Registration software can be a cheaper alternative to Registerme.org but this type of software does not allow for adaptability and change. Traditional methods of registration may create inaccurate data and tend to be much more time consuming and costly. Downloads are rare and are typically geared towards one type of organization thus eliminating any prospect for growth.

8.3 Competitive Advantage

- Pricing strategy unlike the competition (negative-cost to organization!)
- Direct deposit after each transaction
- Simplicity and user-friendliness of functions
- Strong client support system
- Qualified and involved employees
- White labeling option (online registration through client's Website)
- A quality service that is customizable, yet generic and does not sacrifice simplicity
- Located in Ontario, province with highest sports participation levels in Canada

IX MANAGEMENT TEAM

The management team of Registerme.org will operate out of an office located in the South end of Ottawa, Ontario. The 6 paid staff members of the organization will consist of a VP of Sales and Marketing, a System Support and Business Analyst, a Computer Systems Engineer, a Computer Systems Designer, and an Accountant. Customer service will be available during regular office hours 5 days a week and we will provide online support with help files on our Website. The composition of the team will ensure that all vital strengths required to run a successful business

are present within the members. There are expectations of growing the management team by the end of the first year. Below is a breakdown of the current employees:

Julie Budd: VP of Sales and Marketing

Role:

- Responsible for all Sales and Marketing aspects of the business.
- Attend workshops and interact with potential clients.
- Research and business trend analysis.

Experience:

- Currently an undergraduate commerce student at Carleton University.
- Has specialization in marketing and sales.
- Offers a fresh new perspective on today's e-world.
- Will have a professional in the field of marketing as a mentor.
- Administrator of e-commerce and marketing at CMHC.

Scott Seaby: System Support and Business Analyst

Role:

- Scott will be responsible for handling all phone calls and e-mails.
- Responsible for designing the web pages for different organizations.
- Responsible for negotiating partnerships and acquisitions of other registration services.

Experience:

- Currently an undergraduate Computer Science student at Carleton University.
- Experience in networking and Graphical User Interface Design.
- Past work experience in networking software (Nortel Networks)

Mark Seaby: Computer Systems Engineer

Role:

- Responsible for the system design and implementation.
- Responsible for upgrading the system

Experience:

- Has been developing network software for 3 years.
- Bachelor of Engineering
- Has been involved in a new business start up

Istvan Hertavology: CEO and Computer Systems Designer

Role:

- The CEO of the company
- Team leader for initial design of the system
- Responsible for making purchase decisions about hardware and office supplies.

Experience:

- Professor at Ottawa University.
- PhD in Computer Science.
- Over 7 years of experience in e-commerce and cryptology.

John Lisowski: Accountant

Role:

- Responsible for all financial aspects related to the business
- Will serve as our tax advisor for small business start ups.
- Deal with legal issues that the company might encounter

Experience:

- Over 25 years of experience in accounting.
- C.A.

- Partner with PriceWaterhouseCoopers.

X THE FUTURE

10.1 Goals

- To become the official registration service used by the CSA and the CHA by December 2003.
- To penetrate other sport organizations in North America in the 2nd year of operations, and double the number of registrants using Registerme.org.
- To have a large share of the North American online registration market by 5th year of operation.
- To commit to growth management strategies that will allow for the same level of quality for every customer.
- To be proactive and anticipate service expansion and improvement needs.
- To hire the knowledgeable staff that can serve both the internal business needs as well as those of the client.
- To maintain the highest level of security and confidentiality for clients at all time.
- To have a high contract renewal rate.

10.2 Progress to Date

The company is still in the early beginnings. The product is currently being developed and will soon be complete. We have made a great deal of effort to ensure that our service will be stable and well maintained. All of the individuals involved have a vested interest in the company, and are committed to provide a quality product to the end user. Our progress to date is very promising:

- Registerme.org representatives have been approached by a number of organizations expressing interest in the product offering.
- Company staff is currently operating out of a personal residence, however considering renting office space in South-Ottawa.

10.3 Strengths for Success

Listed below are strengths that will help Registerme.org become a world leader in online registration:

- Low overhead costs
- Low maintenance costs
- Recurring revenue
- Customization quick/easy
- Easily adaptable to any type of business
- Safe and secure transaction processing
- Experienced/qualified management team

XI FINANCIAL PROJECTIONS

11.1 Background

The following financial report encompasses the first five years of the business. Extra efforts have been to provide supplementary information for the first twelve months, since they are crucial to the success of Registerme.org. If there are any questions regarding financial information, please contact the CFO, John Lisowski.

11.2 Key Assumptions

The following lists all of the assumptions, which we took into account when preparing our financial data. All of our financial data is based on these assumptions:

- 1) Interest rate for cash balances = 10%
- 2) Interest Rate for all Debt/Notes = 8%
- 3) Federal Tax Rate = 7%
- 4) Currency Unit = Canadian Dollars (CAN\$)
- 5) Beginning of Projections = April 23, 2002
- 6) Depreciation Rate (for assets) = 5%

11.3 Cash Flow Projections

(See Appendix A1 for year 1)

(See Appendix A2 for first 5 years)

11.4 Projected Income Statement and Balance Sheet

Income Statement for end of year 1

Net Sales.....	\$552,054
Costs and Expenses:	
Cost of Sales and Related Buying and Occupancy.....	\$310,712
Selling, General and Administrative.....	267,000
Total Costs and Expenses.....	\$(577,712)
Earnings Before Income Taxes.....	(25,658)
Income Taxes.....	0
Net Earnings.....	\$(25,658)

Balance Statement for end of year 1

Assets:	
Current Assets:	
Cash & Cash Equivalents.....	\$552,754
Accounts Receivable (net)	0
Prepaid Income Taxes and Other.....	1,255
Total Current Assets.....	\$554,009
Property, Buildings and Equipment (net).....	50,000
Other Assets.....	30,000
Total Assets.....	\$634,009
Liabilities:	
Current Liabilities:	
Notes Payable.....	\$200,000
Accounts Payable.....	20,000
Accrued Salaries, Wages and Taxes.....	50,012
Accrued Expenses.....	5,599
Accrued Income Taxes.....	324
Current Portion of long-term Debt.....	0
Total Current Liabilities.....	\$275,935
Long-term Debt.....	0
Deferred Lease Credits and Other liabilities.....	\$10,006
Equity:	
Owners Equity.....	\$348,068
Total Liabilities and Equity.....	\$634,009

11.5 Schedule of Asset Purchase & Sales

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
<i>Asset Purchase</i>	<p><i>Month-1:</i> Purchase 2 servers and 4 PC's for a total price of \$15,000</p> <p><i>Month-4:</i> Purchase 4 more PCs and 2 servers for a total price of \$15,000</p>	None	None	Purchase 3 more servers and 2 PCs as well as fiber-optic cable to set-up a local area network. Cost will be \$25,000	None
<i>Asset Sales</i>	None	None	None	Sold 1 PC and 1 Server for a total price of \$2,000	None

11.6 Associated Risks

One of the best aspects of the Registerme.org business is that it is virtually no-money down. The initial costs will be minimal and all assets purchased will be able to be liquidated in the case where the company experiences difficulties in its early beginnings. In order to minimize risk Registerme.org will be signing contracts with customers before making any serious financial commitments. All employees of Registerme.org are committed to the company and have agreed to take salary cuts if the company experiences difficulties in its early stages. Registerme.org will be obtaining start-up financing from friends and family, thus eliminating the complications such as pressures from expectations of external investors.

XII CONCLUSION

Traditional registration has to be redesigned, redefined, and reformed. The amateur sports industry is a prime candidate for the services of Registerme.org. Canadian soccer and hockey are sports that have high participation rates, and Ontario players account for more than 40% of the total population. Managing growth in the web-based industry Registerme.org is a part of is low-

cost, and simply put, immeasurable. Additionally, there will always be a need for registration and expansion into industry other than amateur sports is very likely.

XIII REFERENCES

1 Canadian Heritage (<http://www.pch.gc.ca>)

2 Canadian Hockey Association (<http://www.canadianhockey.ca>)

3 Canada Soccer (<http://www.canadasoccer.com>)

4 Ontario Soccer Association: Summary of 2001 Player Registration (<http://www.soccer.on.ca>)

5 Statistics Canada (<http://www.statcan.ca>)

6 US Census (<http://www.census.gov>)

5 Firestone, Bruce M.: Professor at Carleton University, November 2001.

XIV APPENDICES

APPENDIX A1

Cash Balance Required	= \$26,000											
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<i>Cash Flow From Operations</i>												
1. Funds from registrants (\$5.20/registrator)	\$0	\$0	\$31,200	\$31,200	\$62,400	\$31,200	\$62,400	\$62,400	\$62,500	\$62,500	\$31,200	\$31,200
2. Investment Income		14,927	13,297	13,500	3,580	3,429	2,765	4,032	5,426	6,916	8,304	7,679
A. TOTAL CASH FLOW ON HAND		\$14,927	\$44,497	\$44,700	\$65,980	\$34,629	\$65,165	\$66,432	\$67,926	\$69,416	\$39,504	\$38,879
<i>Less Expenses Paid</i>												
3. Owner's Salary	(\$6,250)	(\$6,250)	(\$6,250)	(\$6,250)	(\$6,250)	(\$6,250)	(\$6,250)	(\$6,250)	(\$6,250)	(\$6,250)	(\$6,250)	(\$6,250)
4. Employee's Wages	(18,750)	(18,750)	(18,750)	(18,750)	(18,750)	(18,750)	(18,750)	(18,750)	(18,750)	(18,750)	(18,750)	(18,750)
5. Supplies	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)
6. Advertising and Promotion	(1,200)	(1,200)	(1,200)	(1,200)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
7. Travel	(1,000)	(1,000)	(1,000)	(1,000)	(500.00)	(500.00)	(500.00)	(500.00)	(1,000.00)	(3,500.00)	(5,000.00)	(2,000.00)
8. Legal and Accounting Fees	(5,000)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
9. Maintenance Expense	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
10. Rent & Utilities	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
11. Telephone & Internet	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)	(200)
12. Taxes and Licenses	(100)	(100)	(2,284)	(2,284)	(4,468)	(2,284)	(4,468)	(4,468)	(4,475)	(4,475)	(2,284)	(2,284)
13. Web hosting	0	0	(9,048)	(9,048)	(18,096)	(9,048)	(18,096)	(18,096)	(18,125)	(18,125)	(9,048)	(9,048)
14. Insurance	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
B. TOTAL EXPENDITURES	(\$35,730)	(\$31,230)	(\$42,462)	(\$42,462)	(\$52,494)	(\$41,262)	(\$52,494)	(\$52,494)	(\$53,030)	(\$55,530)	(\$45,762)	(\$42,762)
<i>Capital</i>												
Purchase of Fixed Assets	(\$15,000)				(\$15,000)							
Sale of Fixed Assets												
C. IN CASH FROM PURCHASE OR SALE OF ASSETS	(\$15,000)	\$0	\$0	\$0	(\$15,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E. IN CASH	(\$50,730)	(\$16,303)	\$2,035	\$2,238	(\$1,514)	(\$6,633)	\$12,671	\$13,938	\$14,896	\$13,886	(\$6,258)	(\$3,883)
F. CASH AT BEGINNING OF PERIOD	\$200,000	\$149,270	\$132,967	\$33,561	\$35,799	\$34,285	\$27,652	\$40,323	\$54,261	\$69,157	\$83,043	\$76,785
G. CASH AT END OF PERIOD	\$149,270	\$132,967	\$135,002	\$35,799	\$34,285	\$27,652	\$40,323	\$54,261	\$69,157	\$83,043	\$76,785	\$72,902

APPENDIX A2

Minimum Cash Balance Required =	150,000				
	YEAR 1 TOTAL	YEAR 2 TOTAL	YEAR 3 TOTAL	YEAR 4 TOTAL	YEAR 5 TOTAL
<i>Cash Flow From Operations (during month)</i>					
1. Cash Sales	\$468,200	\$3,100,000	\$7,800,000	\$8,110,931	\$8,507,685
2. Investment Income	83,854	17,434	112,217	469,617	868,718
A. TOTAL CASH FLOW ON HAND	552,054	\$3,117,434	\$7,912,217	\$8,580,548	\$9,376,403
<i>Less Expenses Paid (during month)</i>					
3. Owner's Salary	(75,000)	(\$160,000)	(\$290,000)	(\$290,000)	(\$290,000)
4. Employee's Wages and Salaries	(\$225,000)	(540,000)	(845,909)	(845,909)	(845,909)
5. Supplies and Postage		(1,200)	(1,300)	(1,400)	(1,500)
6. Advertising and Promotion	(8,800)	(10,000)	(10,000)	(12,000)	(12,000)
7. Travel	(17,500)	(70,050)	(70,050)	(70,050)	(70,050)
8. Legal and Accounting Fees	(10,500)	(34,909)	(34,909)	(34,909)	(34,909)
9. Maintenance Expense	(12,000)	(15,000)	(15,000)	(15,000)	(15,000)
10. Rent & Utilities	(14,400)	(14,400)	(16,000)	(18,000)	(20,000)
11. Telephone	(2,400)	(950)	(950)	(1,000)	(1,200)
12. Taxes and Licenses	(33,974)	(400,100)	(767,100)	(900,100)	(1,100,100)
13. Web hosting	(135,778)	(899,000)	(2,262,000)	(2,352,170)	(2,467,229)
14. Insurance	(12,000)	(24,000)	(25,000)	(26,000)	(26,000)
B. TOTAL EXPENDITURES	(547,712)	(\$2,169,609)	(\$4,338,218)	(\$4,566,538)	(\$4,883,897)
<i>Capital</i>					
Purchase of Fixed Assets	(30,000)			(\$25,000)	
Sale of Fixed Assets				2,000	
C. CHANGE IN CASH FROM PURCHASE OR SALE OF ASSETS	(\$30,000)	-	\$0	(\$23,000)	\$0
E. INCREASE (DECREASE) IN CASH	(\$25,658)	947,825	\$3,573,999	\$3,991,010	\$4,492,506
F. CASH AT BEGINNING OF PERIOD	\$200,000	\$174,342	\$1,122,168	\$4,696,166	\$8,687,176
G. CASH AT END OF PERIOD	\$174,342	1,122,167	\$4,696,166	\$8,687,176	\$13,179,682