



Dayne Landscaping, Inc. Business Plan

The Dayne Landscaping, Inc. business plan presented on the following pages is based on research for a landscaping and snow removal business in New Hampshire. It was developed by international marketing specialist, Robin Dayne, President of rtd Marketing International, Inc. in Nashua, New Hampshire. Robin wrote this plan specifically for you (the readers of, *Anatomy of a Business Plan* and the users of our AUTOMATE YOUR BUSINESS PLAN software). It will show you how you can follow our format and write a winning business plan for your own company.

Dayne Landscaping, Inc. Scenario

Dayne Landscaping, Inc. is a fictitious one-year old business that provides landscaping and snow removal services in Nashua, New Hampshire. The business had a successful first year (2015) and is planning to expand its customer base and purchase its present site (currently leased) for \$375,000. In order to purchase the location, Dayne Landscaping, Inc. will use \$100,000 of its own funds and seek a loan for the remaining \$275,000 .

How is this business plan organized?

The Organizational and Marketing Plans for Dayne Landscaping, Inc. reflect the company's current status and its plans for its future expansion. It is important that the marketing plan provide convincing evidence supporting the feasibility of the loan. The lender needs to know that the company has the ability to increase its market share (and revenues) enough to insure that it can repay the loan and interest and still maintain its profitability.

Financial Documents need to reflect the company's history and project its future. This company has been in business for one year (2015) and is seeking a loan. Therefore, the financial documents need to begin with a summary of financial needs and dispersal of loan funds statement. The next section includes projected and historical financial statements for the 2015 business year (first year in business). They will show how well the company met its original projections and what its current financial status is. The third area to be covered in financial documents will address the company's projections for the future (2016-2018)—projected cash flow, three-year income projection, and projected balance sheet. The closing pages of the financial section contain a financial statement analysis of the company's history and future projections. Utilizing the financial information developed previously, ratios are computed and matched against industry standards.

Of Special Note

I found two things of particular interest is Robin's Dayne Landscaping, Inc. Plan. The Organizational Plan, very effectively addressed Personnel in terms of who they are, training, duties, profile, and salaries/benefits. In the Marketing Plan, Robin did not address the full gamut of marketing considerations. However, I liked her treatment of the target market and her example of the marketing promotion of target market #1.

As you proceed with the writing of your own plan, it may help you to look at Dayne Landscaping, Inc.'s business plan to see how Robin handled each of the corresponding sections. Some of the research material has been condensed and we have not included all of the necessary supporting documents. We have also chosen to omit any business or personal financial history that the writer or lender may wish to include in copies of the business plan.

***Warning!** This plan is to be examined for Ms. Dayne's handling of content only. It has been used as an example in our book and software because we feel it is a fine example of business plan organization. There is no judgment inferred as to appropriateness or financial potential for lenders or investors. Do not use it as a source of research for your own company.*

We are very pleased that Robin Dayne has provided us with this excellent example of a business plan for inclusion in *Anatomy of a Business Plan* and **AUTOMATE YOUR BUSINESS PLAN**. We hope that Dayne Landscaping, Inc.'s plan will be of benefit to you. We thank Robin for being so generous and for allowing us to share her interpretation of business planning with our readers.

Robin Dayne spent ten years as an international marketing consultant specializing in creating increased revenues through Customer Base Management™. Fifteen years ago, she switched gears and is now widely known as “The Trader's Coach”, teaching all levels of traders in most markets. Her website is www.RobinDayne.com

Dayne Landscaping, Inc.

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**Business Plan Prepared December 2015
by the Corporate Officers**

(Private and Confidential)

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** Note. We have included only part of the supporting documents in this sample business plan.*

Dayne Landscaping, Inc.



Executive Summary

Dayne Landscaping, Inc. is a one-year-old landscaping and snow-removal company, established in January of 2015. The company is located at 22 San Carlos Ave., Nashua, New Hampshire. The currently leased location is available for sale at \$375,000. Dayne Landscaping, Inc. has \$100,000 to invest and is seeking a \$275,000 loan to complete the purchase. By owning the facility, the company can increase its equity for an amount equivalent to the current rental expense.

Dayne Landscaping has established its niche in the landscaping and snow removal business during 2015. Projections for 2016 show that it is reasonable to expect expansion of its customer base to new markets and territories. Cash Flow projections support the assumption that the company will have sufficient funds to purchase equipment and hire additional employees to support implementation of the marketing programs.

Management: Dayne Landscaping is managed by Robin Dayne. She has five prior years of experience in the landscaping business, working for a local competitor. Previously she worked in a variety of service industries selling and marketing products and services. Robin has established a strong team of very dedicated people who love to work with nature. As manager her role is to identify new business, develop and implement marketing activities, and to negotiate and close new contracts.

Current Market: Today the business services 100 residential accounts, 15 small business accounts, and currently no large corporate accounts. The services include: landscaping and design, lawn care and maintenance, snow plowing and removal, and tree maintenance and removal. The success of the company has been a direct result of our ability to provide personal service at a competitive rate, thus creating a dedicated customer base. Currently, the average cost for lawn maintenance of a residential home is \$25-30 per hour, small business accounts \$50-100 per hour, and large corporate accounts are negotiated on a per contract basis. Due to the seasonal changes in New Hampshire, snow removal becomes an important part of the business to maintain the company's revenues during the slower winter months of December, January, February, and March.

Projected Market: The projected growth rate for the landscaping industry, based the previous years is 28%. We will be expanding our business with new equipment, marketing, and additional employees to meet and exceed that demand. We are expecting to grow our customer base by 50% based on our first year's track record, our unique offering, and planned marketing activities.

Loan Repayment: The \$275,000 in loan funds will be required for April 2016 closing. Repayment of the 15-year loan, plus interest, can begin promptly in May. Early retirement of the loan is anticipated, possibly by the end of tax year 2020. In addition to the property and facility, itself, the loan can further be secured by the owner's home equity which is currently \$167,000.

Dayne Landscaping, Inc.



I. The Organizational Plan

Summary Description of the Business

Dayne Landscaping, Inc., established in January 2015 as a corporation, handles landscaping, lawn maintenance and snow removal, of residential homes, and small businesses in New Hampshire. It began with 20 residential accounts and 2 small business accounts. As of December 2015, the company has grown to 100 residential accounts and 15 small business accounts, totaling \$750,000 in revenue, a growth of 520%.

Mission

Dayne Landscaping's mission is to be perceived as the most valued provider of landscaping and snow removal services. The company has been very successful due to the high standard of service and care provided to the customer and because of its reputation for quick response times during snowstorms.

Business Model

The company also offers a unique service of oriental garden design landscaping, the only one in the tri-state area. Today that service is offered in New Hampshire only. Twenty-five of the 115 accounts have contracted for these unique gardens. Our plan is to open markets in Connecticut and Massachusetts over the next 3 years. It is important to note that these gardens are a not only a unique service; they are also our premium high ticket service and provide a larger profit margin, directly impacting the company's bottom line.

Strategy

The company's growth strategy is to buy out smaller landscaping companies as we expand the business in to Massachusetts and Connecticut and increase our Large Corporate accounts for snow removal. Currently, with local corporations "downsizing", "out-sourcing" these services to local businesses has become prevalent.

Facility

The company currently leases a 20,000 sq. ft. area, which includes a 4,000 sq. ft. building for the main office, a large attached garage for trucks, maintenance equipment and supplies, two large lots, one fenced in for parking equipment, plows, flatbeds, and storage of trees, shrubs, and plants.

Products and Services

Dayne Landscaping offers three categories of landscaping services to three varieties of customers. The customers consist of residential homes, small businesses, and large corporations. Each group has the option of purchasing the same types of services. Lawn care includes, mowing, weeding, planting, re-sod, pest control, and tree and shrub maintenance. Customized landscape design can be purchased on a contract basis, including specialties in oriental gardens, tree sculpture, and complete landscape design. The third service offered is snow plowing and removal.

All the plantings are high quality and are purchased from a local nursery that has been in the business for over 35 years. We also have an arrangement to use the nursery as a consultant when there is a need for it.

Customer Profiles

The following are descriptions of the three types of customer and the services that are typically purchased by each.

- 1. Residential homes** in mid- to high-income areas, typically purchase lawn care that consists of mowing, weeding, pest control, and tree/scrub maintenance. There are two people assigned per job: two part-time college students, over-seen by a supervisor. This job can take an average of two hours to complete. Each home receives a contract for two visits per month unless there is a special need, which is an additional cost to the basic contract. These lawn contacts run from March thru November. Additionally, 50% of the residential customers also purchase winter snow removal for their driveways, and these customers are charged a minimal flat fee and a per call fee, with an up-front deposit to insure they get priority service.
- 2. Small business account or office park** is the second type of customer. They typically consist of banks or small office buildings and require shrub and landscaping care, weed and pest control and minimal lawn mowing. The average time required to service this type of account is three to four hours with one supervisor and two or three part-time employees. All the small business accounts have a contract for snow removal. A pre-determined amount for the contract is negotiated in Oct. for the four months November thru February, with a per call fee for the month of March, which can have unpredictable snow storms. These customers require quick response times and are charged for that level of service, as they need to accommodate their own customers during business hours.
- 3. Large corporate account or condo complex** are the third type of customer. They require the same services as the small corporate account, but require many more hours, employees, and equipment. Additionally, included in their lawn maintenance is routine watering. The accounts that are being targeted will require an average of one week of maintenance per month. This is the area to be expanded over the next three years. To support the watering needed every other day during the summer months, one part-time worker is hired and dedicated to watering for every two companies. Corporate account contracts are negotiated individually, and range from 60K to 350K per year depending on the amount of square footage and specific landscaping requirements. These customers also require immediate response times, especially in winter during the snow season.

Administrative Plan

Legal Structure

Dayne Landscaping, Inc. is a corporation filed under the same name. The legal and financial advisors recommended a corporation as the most efficient structure based on the plan to purchase pre-existing small landscaping companies in the tri-state area over the next two years. There have been 300 shares of stock applied for, and 100 issued to the sole shareholder (President) at the time of incorporation. This will leave the flexibility of having additional shares on hand should we need to use them in negotiations of larger landscaping company buy-outs.

| | |
|------------------------------|---|
| Corporate Officers: | Robin Dayne, President |
| | Bob Sanborn, Vice President and Accountant |
| <i>(see resumes in</i> | Fred Ryan, Treasurer |
| <i>Supporting Documents)</i> | Trudy St. George, Secretary and Legal Counsel |

The officers of the company determine the direction of the corporation through its board meetings. Additionally, there is an incentive plan for board members to acquire company stock based on set profit goals.

It should be noted that the President is the only officer working in the day-to-day business. All other officers interact at the monthly board meetings as well as on an “as needed” basis. This allows the company to have access to expertise and advice at large cost savings, which has a direct impact on the bottom line and growth of the company.

Management & Personnel

Management

At present, Robin Dayne, is the President and sole shareholder in Dayne Landscaping, Inc. Robin has five prior years of experience in the landscaping business, working for a local competitor. Previously she worked in a variety of service industries selling and marketing products and services.

Dayne Landscaping, Inc. has been incorporated for almost one year, realizing a 520% growth rate between January to November. The growth rate is attributed to high standards set for customer service. Many customers shifted from the prior company because of their loyalty to Robin Dayne. She has set up an incentive plan for her employees that rewards them for outstanding customer service based on year-end survey results, or when contracts are renewed or new business is closed.

Under Ms. Dayne’s management, a strong team of very dedicated people who love to work with nature has been formed. As manager her role is to identify new business, develop and implement marketing activities, and to negotiate and close new contracts.

The four supervisors manage the accounts and part-time workers. They also determine staffing and equipment needed to maintain the account. There are also two design specialists, one of which is specifically trained in oriental garden design and tree topiaries.

Personnel

There are three full-time office employees - one office manager and two administrative assistants. Four supervisors and two design specialists work in the field. The remainder are part-time workers, numbering from four to twenty-five or more, depending on the time of the year and work load.

1. Owner-President: 2015 Guaranteed Salary \$65,000 with yearly increases justified by profitability.
2. Design Specialists: 2 in 2016; Salaries @ \$25,000 + 5% commission on new business contracts.
3. Four Supervisors: Salaries @ \$15,000 + 3% bonus per contract for excellent year-end customer surveys.
4. Office Manager: Salary @ \$22,000 per year
5. Administrative Assistants (1 in 2015, 2 in 2016): Salaries @ \$15,000 per year.
6. Part-time workers: 5-25 @ minimum wage per hour (more added as volume increases).

Training

All employees receive training from the President and the Supervisor in the following areas:

Given by the President

- a. Company policies and procedures regarding the customers and company standards
- b. Landscaping orientation at the time they are hired
- c. Liability and safety procedures
- d. Equipment care and theft policies

Given by the Supervisors

- a. Overview of each account assignment
- b. Equipment assignment and training - operation of mowers, tools, and supplies
- c. Chemicals precautions

Personnel Duties

1. President/Owner

- a. Sets company policies and trains all new employees
- b. Solicits, interviews and hires new employees
- c. Assigns accounts to Supervisors
- d. Negotiates new and large contracts
- e. Approves the purchases of equipment and supplies
- f. Handles customer service issues that can not be satisfied by Supervisor
- g. Reviews and signs all checks
- h. Follows up on Supervisor sales leads

2. Four Supervisors - report to President

- a. Manages on average 25 residential accounts and 4 small business accounts
- b. Will be managing 1-2 Large Corporate accounts
- c. Responsible for training part-time help on account profiles and equipment
- d. Forecasts supplies needed for each account
- e. Forecasts and manages work schedules
- f. Conducts second round of interviews of part-timers and approves
- g. Handles account problems related to service and quality issues
- h. Solicits new business leads to President.
- i. Responsibility for inventory and equipment assigned to their team

3. Office Manager - reports to president

- a. Manages account scheduling
- b. Supports Supervisors - back-up supplies misc.
- c. Takes account calls and passes to supervisors
- d. Performs yearly customer survey
- e. Answers phone
- f. Dispatches and is in “beeper” contact with supervisors
- g. Assigns and maintains equipment for supervisors

4. Administrative Assistant - reports to president

- a. Responsible for Bookkeeping functions of:
 - Daily sales reconciliation
 - Accounts receivable and accounts payable
 - Payroll
 - General Ledger
- b. Computer Typing - 60 WPM, with software knowledge - WP/Excel/D-Base
- c. 10- key adding machine
- d. Access to safe
- e. Tracks orders placed for equipment and supplies

5. Part-time Employees - report to supervisor

- a. Assigned to work specific accounts
- b. Mows, weeds, does manual labor
- c. Identifies any problems
- d. Follows instructions from supervisor
- e. Manages inventory of supplies

Employee Profile

All employees must be:

- a. Hard working and neat in appearance
- b. Like working outdoors
- c. Good communicators
- d. Team workers
- e. Educated for full-time work with a minimum HS degree, or in College
- f. Able to follow directives and be a quick learner
- g. Dedicated to doing an outstanding job
- h. Responsible, regarding safety

Accounting and Legal

Accounting

All bookkeeping is kept on computer, on a regular basis, by the Administrative Assistant on the software “QuickBooks Pro” from Intuit. At the end of the year the files are printed and passed to the accountant Bob Sanborn, CPA who has been a personal friend for many years and has 35 years experience as a CPA. His fees are reasonable and there is a high level of trust in his input to the business as he is the Vice President for the corporation as well.

The customer base and prospect database is kept on the software “ACT” from Contact Software International that allows us to keep precise timelines of our scheduling and manage our accounts accurately. “Office Professional” from Microsoft enables us to perform WP, develop customized Spreadsheets, and develop proposals and presentations to larger accounts. All the above programs are “off-the-shelf” and are easy to get support for at very reasonable prices.

Legal

All contracts and other legal matters are handled by Trudy St. George, corporate officer and board member. Trudy is the senior partner of a 20-year old law firm specializing in business contracting.

Insurance

Carrier: Primercia **Agent:** Sam Bickford
 111 Shoe St, Manchester, New Hampshire

Type of Insurance:

| | |
|-------------------|-----------|
| Business/personal | 600,000 |
| Deductible | 4,000 |
| Liability | 1,000,000 |

Equipment

| | |
|------------|-----------|
| | 40,000 |
| Deductible | 500 |
| Liability | 2,000,000 |

Vehicles

| | |
|------------|-----------|
| | 150,000 |
| Deductible | 1,000 |
| Liability | 1,000,000 |

Annual Premium

\$8,000

| | |
|---|-----|
| Monthly Premium | 670 |
| Workers Comp. 1.43 per/1k gross Payroll | |

Security

Problems situations to be considered and protective measures to be taken:

1. Internal theft - Employee Dishonesty

- a. Shoplifting - of supplies - (4) closed circuit cameras in garage recording 24 hours
- b. Cash Theft - petty cash limit of \$600. Daily receipt drop-off to bank of all receivable
- c. Falsifying signatures - all checks signed by President at the end of the day
- d. Employee orientation - to reduce theft and stress security procedures
- e. Monthly Inventory - responsibility of the Supervisors

2. External Theft

- d. Walk-in theft Cameras at each doorway exits (2)
- e. Cameras in garage and on parking area, and fenced in plant lot
- f. Break-in theft/robbery - Alarms set nightly and connected directly to local Police station

Dayne Landscaping, Inc.



II. Marketing Plan

➔ **Author Note:** *The Marketing Plan for Dayne Landscaping, Inc. focuses on three of the basic elements presented in our marketing chapter for a smaller business—Market Analysis (Target Markets and Competition), Sales Strategy, and Advertising. This marketing plan has a special strength in the target marketing area in that the company planned its strategy for each of its market segments by evaluating the target in terms of who they are, what the company will do to approach the target, when the campaign will take place, and where the campaign will be positioned. Also, the Target Market Worksheet for Target #1 starting on page 13 is a great tool for analyzing and planning your own target marketing.*

*It is my suggestion that the marketing plan for your company should address the components in a way that more closely follows the marketing plan outline in Chapter 5. However, I think this marketing plan may provide you with an organized means for developing your strategy for individual market **segments**.*

Target Markets with Sales Strategies

Target #1

Large Corporate Facilities and Condominiums

Who: Corporations that are “outsourcing” the landscaping maintenance of their facilities to outside vendors, and condominium complexes. There are approximately 75 accounts that are potential customers within a 50 mile radius. Our goal is to secure 5 in 2016.

What: Tele-market for background information, and send a direct mail with telemarketing follow-up. Describe landscaping, lawn maintenance, pest control and all other landscaping services, such as tree removal and replacement, landscaping design and care, and snow plowing and removal from their parking lots and driveways. Provide a guarantee for the services and show competitive comparison pricing from local companies.

When: Begin January to determine the bidding process and RFP schedule to determine the timing of proposals. Call each account to determine the timing and arrange for an on-site inspection, to determine the amount of work needed and special needs to develop an estimate. If possible inquire what the previous years costs were and if the customer was satisfied with the work of their current landscaper.

Where: Position joint services with local garden stores for promotions and advertising.

Target #2

Small Businesses or Office Parks

Who: All small businesses and office parks that have outdoor grounds that want to save money, or are unhappy with their present landscaping company. In the 50 mile radius there are approximately 125 accounts that are potential customers. Our goal is to add 15 new contracts in this category in 2016.

What: Tele-market for background information and send a direct mail with telemarketing follow-up. Describe all the same landscaping and snow plowing services, referencing existing satisfied customers. Provide a guarantee for services rendered, show the cost savings using Dayne Landscaping, Inc., and develop a plan for continued snow and landscape maintenance. Offer the company's quality guarantee, and comparison chart of competitive pricing.

When: Begin January to determine when existing contracts will expire and provide information on the company and services. Request an on-site evaluation to determine costs and uncover any problem areas needing work.

Where: Position joint services with local garden stores for promotions and advertising. Advertise in the local papers, Yellow Pages and Business to Business Directory.

Target #3

Residential Homes

Who: Target all residential homes in the 50 mile radius that are in mid to high income areas and over 3+ acres. Contact all existing customers with satisfaction survey, and solicit at the same time for:

- a. Additional business - renew contracts for next year
- b. New customers - referrals

What: Develop and send company brochure that targets the residential homes supplying them with information on all services offered by Dayne Landscaping, Inc. with price comparisons.

When: Develop brochure in January and mail in February prior to Spring and Summer contracts. Follow-up with existing customers and potential customers in September for the snow plowing contracts.

Where: Position joint services with local garden stores for promotions and advertising

Competition

Dayne Landscaping currently has two competitors in the local area: The Garden Shop and Landscaping Plus. While they have been in the New Hampshire area for several years, they are family-owned businesses that have a limited number of clientele and the same number of accounts year after year. They also have no type of Landscaping specialty. Only the Garden Shop offers snow removal. Landscaping Plus has only three snow plows that are active during the winter months.

Methods of Distribution

Dayne Landscaping sells directly to the customer, is primarily a service business, with the exception of selling the landscaping plants and shrubs, which come from a local nursery wholesaler.

Advertising Strategy

Paid Advertising

We currently participate in several forms of advertising:

1. Newspaper ads: All ad copy is identical, and include information required by the newspaper:

a. Ad information:

1. Ad size: The ad is two column x 3 ins.
2. Timing: Monthly
3. Section: Garden section

b. Ad location, Contact and fees:

| | |
|---|---|
| Nashua Telegraph P.O. Box 1008 Nashua, NH 03061-1008 | Contact: Mark Potts Circulation: 50,000 Fee: \$126.00 |
| Manchester Union Leader 100 William Loeb Drive Manchester, NH 03109 | Contact: Ken Coose Circulation: 125,000 Fee: \$171.99 |
| Lowell Sun 15 Kearney Square Lowell, MA 01852-1996 | Contact: Carol McCabe Circulation; 75,000 Fee: \$153.00 |
| Hartford Daily news 100 Main St. Hartford, CT 10002 | Contact: Sue Betz Circulation: 150,000 Fee: 190.00 |

2. Phone books - Yellow pages and directories

a. NYNEX Phone Book - Yellow Pages

Ad Information:

| | |
|---------------|--------------|
| Coverage: | So. NH area |
| Yearly Fee: | \$650.00 |
| Ad Size: | 1/4 page |
| Renewal date: | February 1st |
| Contact: | Sam Moore |

b. Business to Business Directory (NH only)

Ad Information

| | |
|---------------|-------------|
| Coverage: | All NH |
| Yearly Fee: | \$250.00 |
| Ad Size: | 1/4 page |
| Renewal Date: | January 1st |
| Contact: | Karl Hess |

3. Local Cable Channels

a. Channel 13 - Local Nashua station reaching all of So. NH

Ad Information:

| | |
|-----------------------------|-------------------------------|
| Length of ad "spot": | 60 seconds |
| Development costs: | \$250.00 (one time fee) |
| Length of campaign: | 3 mos. |
| Runs per month: | Three times per day, everyday |
| Cost for 3 mos.: | \$300. |
| Total campaign cost: | \$550. |

b. Weather Channel "tag line" - reaching 400,000 homes

Ad Information:

| | |
|-----------------------------|----------------------------|
| Length of ad "spot": | 15 seconds |
| Development costs: | \$100. (one time fee) |
| Length of campaign: | 3 mos. |
| Runs per month: | 20 times per day, everyday |
| Cost for 3 mos.: | \$900. |
| Total campaign cost: | \$1000. |

Direct Mail

Note: There was no direct mail done in the first year of business. With the development of the Marketing plan, two direct mail pieces will need to be developed to target our three potential customer bases for 2016. (see detailed plan of this activity)

Direct mail #1

Designed for: Target market #1- large corporations and condominiums
Target market #2 - small business and office parks.

Creative Strategy: Design needs to be glossy, appropriate for corporate, professional environment.

Highlight: Customer service - testimonials
Quick response time
All services
Guarantee
Free evaluation

Direct mail #2


Designed for: Target market #3 - residential homes

Creative Strategy: Design should be a tri-fold brochure “self-mailer”
(no envelope required) Direct highlights for the homeowner

Highlight: Customer service - testimonials
Quick response time
All services
Guarantee
Free evaluation

Community Involvement

Member of the Chamber of Commerce in Nashua. Board Member of the local Garden Club, involved with teaching kids about plants and nature, as well as involved with the “Beautification of Nashua” program.

 **Note:** *In this example plan, we have included the promotion for target market #1 only. All target markets would have their own separate plan using the same format.*

Worksheet for Individual Marketing Promotion

Target Market #1: Large Corporate or Condo Landscaping **Date:** 01/16

Program Name: Corporate Promo **Media:** Direct Mail & Telemarketing

Program Objectives:

- * Generate a minimum of 500k in additional revenue in 2013
- * Increase corporate account base by 5 new accounts
- * Establish Dayne Landscaping as a landscaping provider to large corporations and condominiums

Audience:

Direct Mail

Who - the 70 identified accounts consisting of condominiums and large corporations.

What - Send direct mail (company brochure) to Corporate and Condo contacts listing services and benefits of Dayne Landscaping. Position money back guarantee as an added promotion.

Where - in the New Hampshire, and Massachusetts areas (50 mile radius).

When - Drop mail in mid- January.

Telemarketing (Prior to mailing):

Who - Call all accounts to identify landscaping contact in the large corporation or in property management company of the condominium.

What - Find out the contract renewal dates and bid submission dates for each prospect.

When - Make phone calls first two weeks of January.

Where - NA

Telemarketing (Post Direct Mail):

Who - Call all contacts and confirm bid dates

What - ask if they received the direct mail and offer a free landscaping consultation.

When - Calling begins 5-8 working days after the direct mail is received.

Where - NA

List source:

The list was taken from the library in the “New Hampshire Corporate Directory”, and “Massachusetts Corporate Directory” as well as the Realty listing of Condominiums.

Creative Strategy - for Direct Mail:

- * Position Dayne Landscaping, Inc. as a leader in quality service
- * Position Guarantee
- * Leverage existing customer base with success stories
- * Position against the competition
- * Position “free” consulting offer
- * The telemarketing call back in a week

Creative Strategy - for Telemarketing:

- * Develop script with the same messages as the direct mail will have
- * If possible position - Company and Promotional offer

Components of mailing: Tri-fold brochure - components

- * Self-mailer, with reply card
- * Address hand written on the backside

Timing:

Pre- Mailing Telemarketing

| <u>% Called</u> | <u>Location</u> | <u>Call dates</u> |
|-----------------|-----------------|-------------------|
| 50% | New Hampshire | 1/2 - 1/9 |
| 50% | Massachusetts | 1/9 - 1/18 |

Direct Mail

| <u>% Mailed</u> | <u>Location</u> | <u>Mail date</u> |
|-----------------|-----------------|------------------|
| 50% | New Hampshire | Jan. 1/12 |
| 50% | Massachusetts | Jan. 1/19 |

Post- Mailing Telemarketing

| <u>% Called</u> | <u>Location</u> | <u>Call dates</u> |
|-----------------|-----------------|-------------------|
| 50% | New Hampshire | 1/22 |
| 50% | Massachusetts | 1/29 |

Call to action: Reply card to be sent to office or and #800 number can be called

Lead criteria:

“Hot” leads are classified as anyone getting a proposal, evaluation, or call back from the mailing or telemarketing. They have the potential of closing in 2016.

“Warm” leads are any accounts that are interested and cannot do anything until 2017 due to their current contracts.

“Cold” leads are those accounts that are not interested at all, and have no revenue potential in the future.

Training:

Employees in the field - will be given an overview of the entire promotion to prepare them for customers asking questions, while on the job.

Office staff - will receive training and instructions on how to answer to phone and track the responses from the #800 and mailer. They will also be assisting on the pre and post telemarketing activities.

Expenses: Will not exceed \$3000 for the entire promotion.

Measurement:

| | |
|-----------------------|------|
| Revenue Goal | 500k |
| Expenses | 3K |
| Total # (list) | 70 |
| # or responses | TBD |
| # of leads | TBD |
| Cost/ per Response | TBD |
| Cost/ per Lead | TBD |
| Revenue/Expense ratio | TBD |

*TBD = To be determined at the end of the program.

Assumptions:

- * Average value per contract = 100K
- * Response rate = 2.0 % on the Direct mail and 15-20% on the telemarketing or 1.5 responses on the direct mail, and 10-14 on the telemarketing.
- * “Hot” lead rate = 0.5% on the direct mail and 5%- 7% on the telemarketing or 3.5 leads on the direct mail and 3.5-5 leads on the telemarketing

Lead tracking Process:

- * All Direct mail responses will be tracked
- * All Phone calls will be logged when responding on the # 800.
- * All regular calls will be screened “are you calling regarding our direct mail promotion?”

Program review: 30 days after last tell-marketing follow-up call.

Dayne Landscaping, Inc.



Part III: Financial Documents

Sources and Uses of Loan Funds

| | |
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2015 Financial Statements (Projected and Historical)

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Business Plan Financial Assumptions

| | |
|---|----|
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|---|----|

Summary of Financial Needs

- I. Dayne Landscaping, Inc. is seeking a loan to increase its equity capital through real estate investment:
 - A. By purchasing the buildings currently being leased by the company.
 - B. By purchasing the parcel of land on which the buildings now stand.
- II. Dayne Landscaping, Inc. has \$100,000 in cash to invest. An additional amount of \$275,000 in loan funds is needed to complete the purchase.

Loan Fund Dispersal Statement

1. Dispersal of Loan Funds

Dayne Landscaping, Inc. will utilize the anticipated loan in the amount of \$275,000 to purchase the facility (land and buildings) that it currently leases. The full purchase price is \$375,000. The present owner of the premises is John S. Strykker. The parcel and accompanying buildings, located at 22 San Carlos Drive in Nashua, New Hampshire, are currently owned by John S. Strykker.

2. Back-Up Statement

- a. The land is currently appraised at \$200,000. Attached buildings appraise at \$175,000. The owner, Mr. John S. Strykker is agreeable to close of escrow on or about April 15, 2016.
- b. Dayne Landscaping, Inc. has appropriated \$100,000 in retained earnings to be used as a capital investment in the facility. The additional \$275,000 in loan funds will make up the full purchase amount of \$375,000.
- c. The buildings sit on a 20,000 square foot parcel of land, centrally located in Nashua, New Hampshire. The land is currently appraised at \$200,000 and the buildings at \$175,000. There are two large lots. One is fenced in for parking equipment and also serves as a storage area for trees, shrubs and plants. There is a 4,000 square foot building that serves as the main office and a large attached garage to house trucks, maintenance equipment and supplies.
- d. The loan funds of \$275,000 are needed by April 1 in order to proceed with escrow. Loan repayment can begin promptly on May 1st for a 15-year period. The company has a strong cash flow and a rapidly-growing market. Early payoff is anticipated.
- e. Dayne Landscaping is currently paying \$2850 in monthly rental expense. Payments on the anticipated \$275,000, 15-year loan @ 9% would amount to \$2,789. Purchase of the land and buildings will enable Dayne Landscaping, with no additional expense, to repay the loan + interest and to divert the current rental expense into equity growth.

2015 Cash Flow Statement

One-Year Cash Flow Projection and Cash Flow History

Dayne Landscaping, Inc.

| For the Year 2015 | Projected for: 2015 | Historical for: 2015 |
|---|------------------------|-------------------------|
| BEGINNING CASH BALANCE (January 1, 2008) | 0 | 0 |
| CASH RECEIPTS | | |
| A. Sales/Revenues | \$573,000 | \$777,864 |
| 1. Landscaping - Residential | 185,000 | 216,000 |
| 2. Landscaping - Small Business | 65,000 | 160,700 |
| 3. Landscaping - Customized | 174,000 | 199,374 |
| 4. Snow Removal - Residential | 15,000 | 18,250 |
| 5. Snow Removal - Small Business | 125,000 | 167,100 |
| 6. 5% Snow Removal contracts | 5,000 | 8,500 |
| 7. Sale of Miscellaneous Accessories | 4,000 | 7,940 |
| B. Receivables | 0 | 0 |
| C. Interest Income | 1,250 | 1,250 |
| D. Sale of Long-Term Assets | 0 | 0 |
| TOTAL CASH AVAILABLE | \$574,250 | \$779,114 |
| CASH PAYMENTS | | |
| A. Cost of goods to be sold | | |
| 1. Fertilizer | 20,000 | 19,000 |
| 2. Pesticide | 10,000 | 11,000 |
| 3. Plants/Shrubs | 18,000 | 23,000 |
| 4. Salt/Sand | 5,000 | 8,030 |
| 5. Seed | 45,000 | 45,000 |
| Total Cost of Goods | \$98,000 | \$106,030 |
| B. Variable Expenses (Selling) | | |
| 1. Design Specialist Salary/Payroll Taxes | 20,000 | 20,000 |
| 2. Machinery, Tools, Equipment | 11,500 | 11,000 |
| 3. Marketing | 5,411 | 5,400 |
| 4. Part-time Worker Salaries/Payroll Taxes | 150,000 | 182,000 |
| 5. Sales Bonuses | 1,500 | 2,000 |
| 6. Sales Commissions | 8,000 | 10,800 |
| 7. Supervisor Salaries/Payroll Taxes | 60,000 | 60,000 |
| 8. Travel Expense | 9,500 | 10,400 |
| 9. Miscellaneous Selling Expense | 1,000 | 1,200 |
| Total Variable Expenses | \$266,911 | \$302,800 |
| C. Fixed Expenses (Administrative) | | |
| 1. Administrative Fees (Legal/Accounting) | 3,050 | 3,050 |
| 2. Insurance (Liability, Casualty, Fire, Theft) | 11,600 | 11,600 |
| 3. Licenses and Permits | 4,200 | 4,200 |
| 4. Office Equipment | 5,700 | 7,700 |
| 5. Office Salaries/Payroll Taxes | 42,000 | 42,000 |
| 6. Owner's Guaranteed Payment | 57,000 | 65,000 |
| 7. Rent Expense + Security Deposit | 39,900 | 39,900 |
| 8. Utilities | 4,320 | 4,320 |
| 9. Miscellaneous Administrative Expense | 200 | 500 |
| Total Fixed Expenses | \$167,970 | \$178,270 |
| D. Interest Expense | 1,386 | 5,535 |
| E. Federal and State Income Tax | 7,196 | 65,220 |
| F. Other Uses | 0 | 0 |
| G. Long-term Asset Payments | 17,334 | 15,081 |
| H. Loan Payments | 0 | 0 |
| I. Capital Distributions | 0 | 0 |
| TOTAL CASH PAID OUT | \$558,797 | \$672,936 |
| CASH BALANCE/DEFICIENCY | 15,453 | 106,178 |
| LOANS TO BE RECEIVED | 0 | 0 |
| CAPITAL CONTRIBUTION | 25,000 | 25,000 |
| ENDING CASH BALANCE (December 31, 2008) | \$40,453 | \$131,178 |

2015 Profit & Loss (Income) Statement

Dayne Landscaping, Inc.

| For the Year: 2015 | 6-MONTH TOTALS | % of Total Revenues | 12-MONTH TOTALS | % of Total Revenues |
|---|-------------------|------------------------|--------------------|------------------------|
| INCOME | AMOUNT | PERCENT | AMOUNT | PERCENT |
| 1. Sales/Revenues | 488,610 | 100.00% | 777,864 | 100.00% |
| Landscaping - Residential | 138,000 | 28.24% | 216,000 | 27.77% |
| Landscaping - Small Business | 104,000 | 21.28% | 160,700 | 20.66% |
| Landscaping - Customized | 130,250 | 26.66% | 199,374 | 25.63% |
| Snow Removal - Residential | 14,300 | 2.93% | 18,250 | 2.35% |
| Snow Removal - Small Business | 96,800 | 19.81% | 167,100 | 21.48% |
| Miscellaneous Accessories | 5,260 | 1.08% | 8,500 | 1.09% |
| 5% Snow Removal Contracts | 0 | 0.00% | 7,940 | 1.02% |
| 2. Cost of Goods to be Sold | 91,030 | 18.63% | 101,030 | 12.99% |
| a. Beginning Inventory | 0 | 0.00% | 0 | 0.00% |
| b. Purchases | 91,030 | 18.63% | 106,030 | 5.79% |
| (1) Fertilizer | 13,000 | 2.66% | 19,000 | 2.44% |
| (2) Pesticide | 8,000 | 1.64% | 11,000 | 1.41% |
| (3) Plants/Shrubs | 22,000 | 4.50% | 23,000 | 2.96% |
| (4) Salt/Sand | 3,030 | 0.62% | 8,030 | 1.03% |
| (5) Seed | 45,000 | 9.21% | 45,000 | 5.79% |
| c. C.O.G. Available for Sale | 91,030 | 18.63% | 106,030 | 5.79% |
| d. Less Ending Inventory | 0 | 0.00% | 5,000 | 0.64% |
| 3. GROSS PROFIT | 397,580 | 81.37% | 676,834 | 87.01% |
| EXPENSES | | | | |
| 1. Variable (Selling) Expenses | | | | |
| a. Design Specialist Salary | 10,000 | 2.05% | 20,000 | 2.57% |
| b. Machinery, Hand Tools, Equip. | 9,000 | 1.84% | 11,000 | 1.41% |
| c. Marketing | 3,205 | 0.66% | 5,400 | 0.69% |
| d. Part-time Worker Salaries | 72,250 | 14.79% | 182,000 | 23.40% |
| e. Sales Bonuses | 2,000 | 0.41% | 2,000 | 0.26% |
| f. Sales Commission | 6,300 | 1.29% | 10,800 | 1.39% |
| g. Supervisor Salaries | 30,000 | 6.14% | 60,000 | 7.71% |
| h. Travel Expense | 6,700 | 1.37% | 10,400 | 1.34% |
| i. Miscellaneous Selling Expense | 900 | 0.18% | 1,200 | 0.15% |
| j. Depreciation (Variable Assets) | 7,598 | 1.56% | 15,200 | 1.95% |
| Total Variable Expenses | 147,953 | 28.23% | 318,000 | 40.88% |
| 1. Fixed (Administrative) Expenses | | | | |
| a. Admin. Fees- Legal/Acct. | 2,048 | 0.42% | 3,050 | 0.39% |
| b. Insurance (Liab,Cas,Fire,Theft) | 5,802 | 1.19% | 11,600 | 1.49% |
| c. Licenses and Permits | 4,200 | 0.86% | 4,200 | 0.54% |
| d. Machinery, Tools, Equipment | 6,700 | 1.37% | 7,700 | 0.99% |
| e. Office Salaries | 21,000 | 4.30% | 42,000 | 5.40% |
| f. Owner's Guaranteed Payment | 32,502 | 6.65% | 65,000 | 8.36% |
| g. Rent Expense + Security Dep. | 22,800 | 4.67% | 39,900 | 5.13% |
| h. Utilities | 2,160 | 0.44% | 4,320 | 0.56% |
| i. Miscellaneous Fixed Expense | 400 | 0.08% | 500 | 0.06% |
| j. Depreciation (Fixed Assets) | 0 | 0.00% | 0 | 0.00% |
| Total Fixed Expenses | 97,612 | 19.98% | 178,270 | 22.92% |
| Total Operating Expense | 245,565 | 48.21% | 496,270 | 63.80% |
| Net Income From Operations | 152,015 | 33.16% | 180,564 | 23.21% |
| Other Income (Interest) | 625 | 0.13% | 1,250 | 0.16% |
| Other Expense (Interest) | 2,918 | 0.60% | 5,535 | 0.71% |
| Net Profit (Loss) Before Taxes | 149,722 | 32.69% | 176,279 | 22.66% |
| Provision for Income Taxes | | | | |
| a. Federal | 41,642 | 8.52% | 51,999 | 6.68% |
| b. State | 11,230 | 2.30% | 13,221 | 1.70% |
| NET PROFIT (LOSS) AFTER TAXES | 96,850 | 21.87% | 111,059 | 14.28% |

Balance Sheet

Business Name:

Dayne Landscaping, Inc.

Date: December 31, 2015

| ASSETS | % of Assets | LIABILITIES | % of Liabilities | | |
|------------------------------|--------------------|----------------------------|---|-------------------|----------------|
| Current Assets | | Current Liabilities | | | |
| Cash | \$ 31,178 | 15.83% | Accounts Payable | \$ 0 | 0.00% |
| Savings (Land & Building) | \$ 100,000 | 50.77% | Notes Payable | \$ 16,332 | 26.81% |
| Petty Cash | \$ 0 | 0.00% | Interest Payable | \$ 0 | 0.00% |
| Accounts Receivable | \$ 0 | 0.00% | Pre-Paid Deposits | \$ 0 | 0.00% |
| Inventory | \$ 5,000 | 2.54% | | | |
| | | | Taxes Payable | | |
| | | | Accrued Federal Income Tax | \$ 0 | 0.00% |
| Long Term Investments | \$ 0 | 0.00% | Accrued State Income Tax | \$ 0 | 0.00% |
| | | | Accrued Payroll Tax | \$ 0 | 0.00% |
| | | | Accrued Sales Tax | \$ 0 | 0.00% |
| Fixed Assets | | | Payroll Accrual | \$ 0 | 0.00% |
| Land (valued at cost) | \$ 0 | 0.00% | | | |
| Buildings | \$ 0 | 0.00% | Long Term Liabilities | | |
| 1. Cost | 0 | | Notes Payable to Investors | \$ 0 | 0.00% |
| 2. Less Acc. Depr. | 0 | | Notes Payable Others | \$ 44,587 | 73.19% |
| Improvements | \$ 0 | 0.00% | | | |
| 1. Cost | 0 | | TOTAL LIABILITIES | \$ 60,919 | 100.00% |
| 2. Less Acc. Depr. | 0 | | | | |
| Equipment | \$ 12,800 | 6.50% | | | |
| 1. Cost | 16,000 | | NET WORTH (EQUITY) | | |
| 2. Less Acc. Depr. | 3,200 | | | | |
| Furniture | \$ 0 | 0.00% | Corporation | | |
| 1. Cost | 0 | | Capital Stock | \$ 20,000 | 14.70% |
| 2. Less Acc. Depr. | 0 | | Surplus Paid In | \$ 5,000 | 3.67% |
| Autos/Vehicles | \$ 48,000 | 24.37% | Retained Earnings, Appropriated | \$ 100,000 | 73.50% |
| 1. Cost | 60,000 | | Retained Earnings Non appropriated | \$ 11,059 | 8.13% |
| 2. Less Acc. Depr. | 12,000 | | | | |
| Other Assets | | | TOTAL NET WORTH | \$ 136,059 | 100.00% |
| 1. | \$ 0 | 0.00% | | | |
| 2. | \$ 0 | 0.00% | | | |
| TOTAL ASSETS | \$ 196,978 | 100.00% | | | |
| | | | <i>Assets - Liabilities = Net Worth and Liabilities + Equity = Total Assets</i> | | |

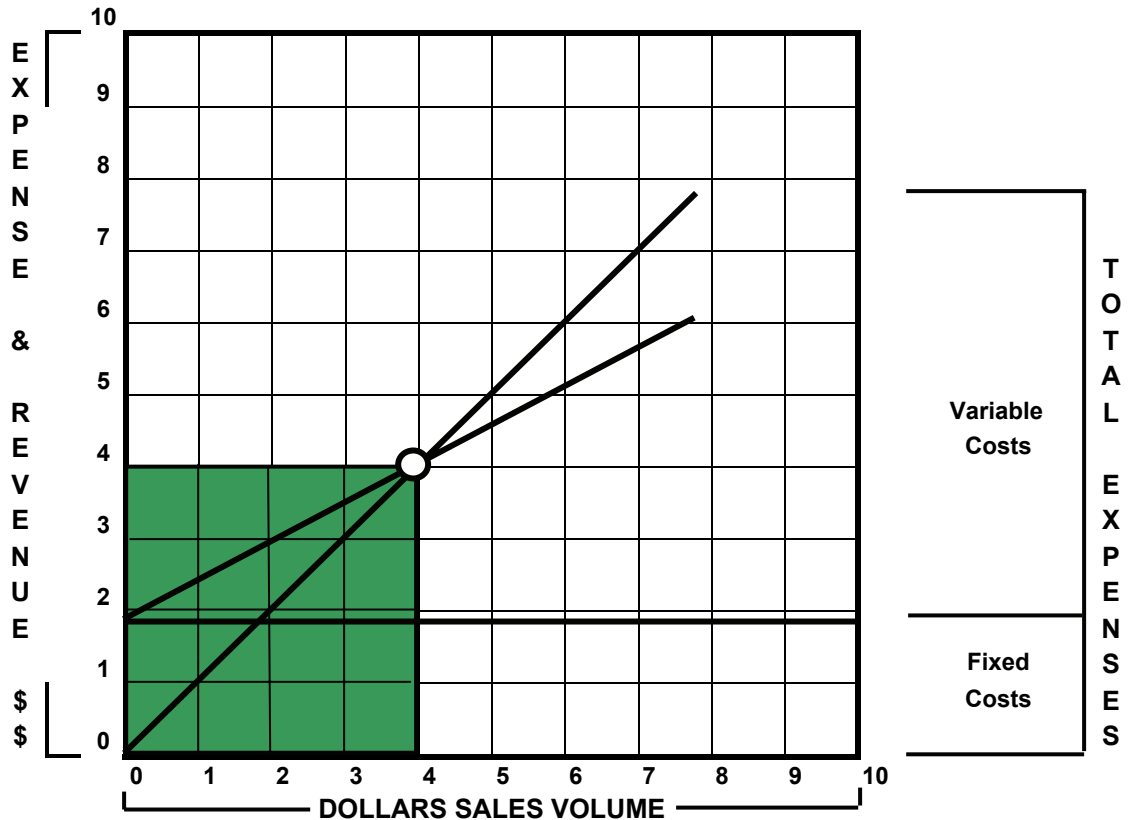
1. See Financial Statement Analysis for ratios and notations

Break-Even Analysis

Based on 2015 Financial Statements – Not a Projection

Dayne Landscaping

Date of Analysis: December 31, 2015



NOTE: Figures shown in hundreds of thousands of dollars (Ex: 4 = \$ 400,000)

Break-Even Point Calculation

$$\text{B-E POINT (SALES)} = \text{Fixed costs} + [(\text{Variable Costs}/\text{Est. Revenues}) \times \text{Sales}]$$

$$\text{B-E Point (Sales)} = \$ 183,805 + [(\$ 419,030 / \$ 777,864) \times \text{Sales}]$$

$$\text{B-E Point (Sales)} = \$ 183,805 + [.5487 \times \text{Sales}]$$

$$S - .5387S = \$183,805 \quad S - .5387S = \$183,805 \quad .4613S = \$183,805$$

$$S = \$183,805/.4613$$

Break-Even Point

S = \$398,450

**rounded figure*

| | | | |
|------------------------------|---|----|-------------------|
| FC (Fixed Costs) | = (Administrative Expenses + Interest) | \$ | 183,805 |
| VC (Variable Costs) | = (Cost of Goods + Selling Expenses) | \$ | 419,030 |
| R (Est. Revenues) | = (Income from sale of products and services) | \$ | 777,864 |
| Break-Even Point = | | | \$ 398,444 |

2016 Pro Forma Cash Flow Statement

Page 1 (January thru June)

Dayne Landscaping, Inc.

For the Year 2016

| | Jan | Feb | Mar | Apr | May | Jun |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| BEGINNING CASH BALANCE | 131,178 | 137,633 | 140,273 | 139,746 | 45,856 | 115,074 |
| CASH RECEIPTS | | | | | | |
| A. Sales/Revenues | 123,850 | 89,100 | 184,400 | 169,200 | 200,600 | 192,900 |
| 1. Landscaping - Residential | 0 | 0 | 41,000 | 21,000 | 23,000 | 24,000 |
| 2. Landscaping - Small Business | 0 | 0 | 56,500 | 50,500 | 40,000 | 39,500 |
| 3. Landscaping - Large Corporations | 0 | 0 | 73,500 | 57,200 | 55,100 | 51,000 |
| 4. Customized Landscaping | 0 | 0 | 13,400 | 40,500 | 82,500 | 78,400 |
| 5. Snow Removal - Residential | 11,050 | 5,700 | 0 | 0 | 0 | 0 |
| 6. Snow Removal - Small Business | 66,900 | 53,000 | 0 | 0 | 0 | 0 |
| 7. Snow Removal - Large Corporations | 45,900 | 30,400 | 0 | 0 | 0 | 0 |
| 8. 5% Snow Removal Contracts | 0 | 0 | 0 | 0 | 0 | 0 |
| B. Interest Income | 108 | 110 | 109 | 110 | 109 | 110 |
| C. Sale of Long-Term Assets | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL CASH AVAILABLE | 255,136 | 226,843 | 324,782 | 309,056 | 246,565 | 308,084 |
| CASH PAYMENTS | | | | | | |
| A. Cost of goods to be sold | | | | | | |
| 1. Fertilizer | 0 | 0 | 10,700 | 12,800 | 9,800 | 3,100 |
| 2. Pesticide | 0 | 0 | 6,250 | 2,400 | 5,500 | 3,500 |
| 3. Plants/Shrub | 0 | 0 | 16,100 | 13,000 | 3,500 | 3,200 |
| 4. Salt/Sand | 5,375 | 0 | 0 | 0 | 0 | 0 |
| 5. Seed | 0 | 0 | 21,000 | 41,500 | 24,500 | 5,000 |
| Total Cost of Goods | 5,375 | 0 | 54,050 | 69,700 | 43,300 | 14,800 |
| B. Variable Expenses | | | | | | |
| 1. Design Specialists (2 - w/taxes & benefits) | 5,834 | 5,834 | 5,834 | 5,834 | 5,834 | 5,834 |
| 2. Machinery, Tools, Equipment | 350 | 6,000 | 0 | 500 | 500 | 1,000 |
| 3. Marketing | 3,500 | 6,500 | 6,500 | 3,500 | 3,500 | 5,000 |
| 4. Part-time Worker Salaries (w/ taxes) | 23,500 | 30,000 | 37,600 | 40,000 | 39,000 | 38,033 |
| 5. Sales Bonuses | 0 | 2,000 | 2,500 | 500 | | |
| 6. Sales Commissions | 0 | 0 | 1,100 | 5,750 | 2,250 | 1,500 |
| 7. Supervisor Salaries (w/taxes & benefits) | 7,500 | 7,500 | 15,000 | 15,000 | 15,000 | 15,000 |
| 8. Travel Expense | 550 | 850 | 1,200 | 1,300 | 1,200 | 860 |
| 9. Miscellaneous Selling Expense | 500 | 500 | 500 | 500 | 500 | 500 |
| Total Variable Expenses | 41,734 | 59,184 | 70,234 | 72,884 | 67,784 | 67,727 |
| C. Fixed Expenses | | | | | | |
| 1. Administration Fees - Legal/Accounting | 509 | 508 | 508 | 2,250 | 508 | 508 |
| 2. Insurance (Liab, Casualty, Fire/Theft, W Comp) | 704 | 714 | 735 | 739 | 737 | 736 |
| 3. Licenses and Permits | 100 | 200 | 750 | 2,350 | 1,300 | 1,025 |
| 4. Office Equipment | 1,750 | 8,650 | 1,100 | 900 | 825 | 525 |
| 5. Office Salaries (w/taxes & benefits) | 5,250 | 5,250 | 5,250 | 5,250 | 5,250 | 5,250 |
| 6. Owner's Guaranteed Payment | 6,833 | 6,833 | 6,833 | 6,833 | 6,833 | 6,833 |
| 7. Rent Expense | 2,850 | 2,850 | 2,850 | 0 | 0 | 0 |
| 8. Utilities | 480 | 463 | 360 | 376 | 247 | 378 |
| 9. Miscellaneous Administrative Expense | 200 | 200 | 200 | 200 | 200 | 200 |
| Total Fixed Expenses | 18,676 | 25,668 | 18,586 | 18,898 | 15,900 | 15,455 |
| D. Interest Expense (Vehicles, Equipment) | 406 | 397 | 389 | 380 | 371 | 362 |
| E. Interest Expense (Land & Buildings) | 0 | 0 | 0 | 0 | 2,062 | 2,057 |
| F. Federal Income Tax | 0 | 0 | 33,249 | 0 | 0 | 33,249 |
| G. State Tax | 0 | 0 | 7,199 | 0 | 0 | 7,199 |
| H. Capital Asset Purch, Cash (Land & Buildings)* | 0 | 0 | 0 | 375,000 | 0 | 0 |
| I. Capital Asset Purch, Cash (Vehicles, Equip)** | 50,000 | 0 | 0 | 0 | 0 | 48,000 |
| J. Loan Repayment (Land & Buildings) | 0 | 0 | 0 | 0 | 727 | 732 |
| K. Loan Repayment (Vehicles, Equipment) | 1,312 | 1,321 | 1,329 | 1,338 | 1,347 | 1,356 |
| TOTAL CASH PAID OUT | 117,503 | 86,570 | 185,036 | 538,200 | 131,491 | 190,937 |
| CASH BALANCE/DEFICIENCY | 137,633 | 140,273 | 139,746 | (229,144) | 115,074 | 117,147 |
| LOAN TO BE RECEIVED (Land & Buildings) | 0 | 0 | 0 | 275,000 | 0 | 0 |
| EQUITY DEPOSITS | 0 | 0 | 0 | 0 | 0 | 0 |
| ENDING CASH BALANCE | 137,633 | 140,273 | 139,746 | 45,856 | 115,074 | 117,147 |

2016 Pro Forma Cash Flow Statement

Page 2 (July thru December + 6 & 12-month Totals)

Dayne Landscaping, Inc.

| 6-MONTH TOTALS | Jul | Aug | Sep | Oct | Nov | Dec | 12-MONTH TOTALS |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| 131,178 | 117,147 | 122,610 | 104,184 | 100,611 | 119,509 | 110,104 | 131,178 |
| 960,050 | 149,400 | 138,000 | 122,000 | 83,900 | 67,090 | 87,760 | 1,608,200 |
| 109,000 | 24,000 | 24,000 | 24,000 | 24,000 | 0 | 0 | 205,000 |
| 186,500 | 33,400 | 32,000 | 30,000 | 28,000 | 0 | 0 | 309,900 |
| 236,800 | 28,000 | 35,000 | 30,500 | 12,900 | 0 | 0 | 343,200 |
| 214,800 | 64,000 | 47,000 | 37,500 | 9,000 | | | 372,300 |
| 16,750 | 0 | 0 | 0 | 0 | 5,000 | 6,750 | 28,500 |
| 119,900 | 0 | 0 | 0 | 0 | 30,000 | 42,410 | 192,310 |
| 76,300 | 0 | 0 | 0 | 0 | 25,090 | 38,600 | 139,990 |
| 0 | 0 | 0 | 0 | 10,000 | 7,000 | 0 | 17,000 |
| 656 | 109 | 109 | 109 | 110 | 110 | 110 | 1,313 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1,091,884 | 266,656 | 260,719 | 226,293 | 184,621 | 186,709 | 197,974 | 1,740,691 |
| 36,400 | 7,600 | 4,000 | 0 | 0 | 0 | 0 | 48,000 |
| 17,650 | 4,500 | 1,850 | 0 | 0 | 0 | 0 | 24,000 |
| 35,800 | 1,700 | 2,700 | 2,300 | 1,500 | 0 | 0 | 44,000 |
| 5,375 | 0 | 0 | 0 | 0 | 4,700 | 5,000 | 15,075 |
| 92,000 | 2,000 | 2,000 | 0 | 0 | 0 | 0 | 96,000 |
| 187,225 | 15,800 | 10,550 | 2,300 | 1,500 | 4,700 | 5,000 | 227,075 |
| 35,004 | 5,834 | 5,834 | 5,834 | 5,834 | 5,834 | 5,834 | 70,008 |
| 8,350 | 10,000 | 650 | 0 | 0 | 350 | 475 | 19,825 |
| 28,500 | 3,500 | 3,500 | 3,500 | 6,500 | 6,500 | 3,500 | 55,500 |
| 208,133 | 42,000 | 39,400 | 38,000 | 14,000 | 19,000 | 21,500 | 382,033 |
| 5,000 | | | | | 500 | 500 | 6,000 |
| 10,600 | 500 | 500 | 0 | 2,500 | 5,000 | 2,500 | 21,600 |
| 75,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 165,000 |
| 5,960 | 940 | 1,130 | 970 | 400 | 400 | 600 | 10,400 |
| 3,000 | 500 | 500 | 500 | 500 | 500 | 500 | 6,000 |
| 379,547 | 78,274 | 66,514 | 63,804 | 44,734 | 53,084 | 50,409 | 736,366 |
| 4,791 | 508 | 508 | 509 | 508 | 508 | 509 | 7,841 |
| 4,365 | 742 | 741 | 739 | 705 | 712 | 716 | 8,720 |
| 5,725 | 1,175 | 500 | 405 | 295 | 200 | 100 | 8,400 |
| 13,750 | 250 | 450 | 350 | 200 | 200 | 200 | 15,400 |
| 31,500 | 5,250 | 5,250 | 5,250 | 5,250 | 5,250 | 5,250 | 63,000 |
| 40,998 | 6,833 | 6,833 | 6,834 | 6,834 | 6,834 | 6,834 | 82,000 |
| 8,550 | 0 | 0 | 0 | 0 | 0 | 0 | 8,550 |
| 2,304 | 457 | 432 | 286 | 329 | 360 | 387 | 4,555 |
| 1,200 | 250 | 250 | 250 | 250 | 250 | 250 | 2,700 |
| 113,183 | 15,465 | 14,964 | 14,623 | 14,371 | 14,314 | 14,246 | 201,166 |
| 2,305 | 353 | 344 | 335 | 325 | 316 | 306 | 4,284 |
| 4,119 | 2,051 | 2,046 | 2,040 | 2,035 | 2,029 | 2,023 | 16,343 |
| 66,498 | 0 | 0 | 33,249 | 0 | 0 | 33,249 | 132,996 |
| 14,398 | 0 | 0 | 7,199 | 0 | 0 | 7,200 | 28,797 |
| 375,000 | 0 | 0 | 0 | 0 | 0 | 0 | 375,000 |
| 98,000 | 30,000 | 60,000 | 0 | 0 | 0 | 0 | 188,000 |
| 1,459 | 738 | 743 | 749 | 754 | 760 | 766 | 5,969 |
| 8,003 | 1,365 | 1,374 | 1,383 | 1,393 | 1,402 | 1,412 | 16,332 |
| 1,249,737 | 144,046 | 156,535 | 125,682 | 65,112 | 76,605 | 114,611 | 1,932,328 |
| (157,853) | 122,610 | 104,184 | 100,611 | 119,509 | 110,104 | 83,363 | (191,637) |
| 275,000 | 0 | 0 | 0 | 0 | 0 | 0 | 275,000 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 117,147 | 122,610 | 104,184 | 100,611 | 119,509 | 110,104 | 83,363 | 83,363 |

Three Year Income Projection

Dayne Landscaping, Inc.

Updated: December 31, 2015

| | YEAR 1 2016 | YEAR 2 2017 | YEAR 3 2018 | TOTAL 3 YEARS |
|---|------------------|------------------|------------------|------------------|
| INCOME | | | | |
| 1. SALES/REVENUES | 1,608,200 | 2,010,250 | 2,311,788 | 5,930,238 |
| a. Landscaping - Residential | 205,000 | 256,250 | 294,688 | 755,938 |
| b. Landscaping - Small Business | 309,900 | 387,375 | 445,481 | 1,142,756 |
| c. Landscaping - Large Corporations | 343,200 | 429,000 | 493,350 | 1,265,550 |
| d. Customized Landscaping | 372,300 | 465,375 | 535,181 | 1,372,856 |
| e. Snow Removal - Residential | 28,500 | 35,625 | 40,969 | 105,094 |
| f. Snow Removal - Small Business | 192,310 | 240,388 | 276,446 | 709,143 |
| g. Snow Removal - Large Corporations | 139,990 | 174,988 | 201,236 | 516,213 |
| h. 5% Snow Removal Contracts | 17,000 | 21,250 | 24,438 | 62,688 |
| 2. Cost of Goods Sold (c-d) | 222,075 | 273,844 | 323,420 | 819,339 |
| <i>Cost of Goods (as a Percentage of Sales)</i> | 13.81% | 13.62% | 13.99% | 13.82% |
| a. Beginning Inventory | 5,000 | 10,000 | 20,000 | 5,000 |
| b. Purchases | 227,075 | 283,844 | 326,420 | 837,339 |
| (1) Fertilizer | 48,000 | 60,000 | 69,000 | 177,000 |
| (2) Pesticide | 24,000 | 30,000 | 34,500 | 88,500 |
| (3) Plants/Shrubs | 44,000 | 55,000 | 63,250 | 162,250 |
| (4) Salt/Sand | 15,075 | 18,844 | 21,670 | 55,589 |
| (5) Seed | 96,000 | 120,000 | 138,000 | 354,000 |
| c. C.O.G. Avail. Sale (a+b) | 232,075 | 293,844 | 346,420 | 842,339 |
| d. Less Ending Inventory (12/31) | 10,000 | 20,000 | 23,000 | 23,000 |
| 3. GROSS PROFIT ON SALES (1-2) | 1,386,125 | 1,736,406 | 1,988,367 | 5,110,898 |
| <i>Gross Profit (as a Percentage of Sales)</i> | 86.19% | 86.38% | 86.01% | 86.18% |
| EXPENSES | | | | |
| 1. VARIABLE (Selling) (a thru j) | 772,933 | 916,341 | 1,027,822 | 2,717,097 |
| <i>Selling Expenses (as a Percentage of Sales)</i> | 48.06% | 45.58% | 44.46% | 45.82% |
| a. Design Specialist Salaries/Payroll Taxes | 70,008 | 77,000 | 84,700 | 231,708 |
| b. Machinery, Tools, Equipment | 19,825 | 15,000 | 17,000 | 51,825 |
| c. Marketing | 55,500 | 55,000 | 55,000 | 165,500 |
| d. Part-time Worker Salaries/Payroll Taxes | 382,033 | 477,541 | 549,172 | 1,408,747 |
| e. Sales Bonuses | 6,000 | 13,500 | 18,500 | 38,000 |
| f. Sales Commission | 21,600 | 24,000 | 27,000 | 72,600 |
| g. Supervisor Salaries/Payroll Taxes | 165,000 | 181,500 | 199,650 | 546,150 |
| h. Travel expense | 10,400 | 12,000 | 14,000 | 36,400 |
| i. Miscellaneous Selling Expense | 6,000 | 8,000 | 10,000 | 24,000 |
| j. Depreciation (Product/Service Assets) | 36,567 | 52,800 | 52,800 | 142,167 |
| 2. FIXED (Administrative) (a thru j) | 209,916 | 246,967 | 290,467 | 747,350 |
| <i>Admin. Expenses (as a Percentage of Sales)</i> | 13.05% | 12.29% | 12.56% | 12.60% |
| a. Administration Fees- Legal/Acct. | 7,841 | 7,800 | 7,800 | 23,441 |
| b. Insurance - Liability, Casualty, Fire/Theft, | 8,720 | 10,500 | 12,000 | 31,220 |
| c. Licenses and Permits | 8,400 | 10,300 | 12,200 | 30,900 |
| d. Office Equipment | 15,400 | 30,800 | 45,200 | 91,400 |
| e. Office Salaries/Payroll Taxes | 63,000 | 77,000 | 91,000 | 231,000 |
| f. Owner's Guaranteed Payment | 82,000 | 90,000 | 100,000 | 272,000 |
| g. Rent Expense | 8,550 | 0 | 0 | 8,550 |
| h. Utilities | 4,555 | 5,500 | 6,500 | 16,555 |
| i. Miscellaneous Administrative Expense | 2,700 | 3,400 | 4,100 | 10,200 |
| j. Depreciation (Facility, Admin. Assets) | 8,750 | 11,667 | 11,667 | 32,084 |
| TOTAL OPERATING EXPENSES (1+2) | 982,849 | 1,163,308 | 1,318,289 | 3,464,447 |
| NET INCOME OPERATIONS (G.Profit - Expenses) | 403,276 | 573,098 | 670,078 | 1,646,452 |
| <i>Net Income Operations (as a Percentage of Sales)</i> | 25.08% | 28.51% | 28.99% | 27.76% |
| OTHER INCOME (Interest Income) | 1,313 | 1,378 | 1,447 | 4,138 |
| OTHER EXPENSE (Interest Expense) | 20,627 | 28,105 | 25,844 | 74,576 |
| NET PROFIT (LOSS) BEFORE TAXES | 383,962 | 546,371 | 645,681 | 1,576,014 |
| TAXES | | | | |
| 1. Federal, S-Employment | 132,996 | 196,335 | 235,066 | 564,397 |
| 2. State | 28,797 | 40,978 | 48,426 | 118,201 |
| 3. Local | 0 | 0 | 0 | 0 |
| NET PROFIT (LOSS) AFTER TAXES | 222,169 | 309,058 | 362,189 | 893,416 |
| <i>Net Profit (Loss) (as a Percentage of Sales)</i> | 13.81% | 15.37% | 15.67% | 15.07% |

Projected Balance Sheet

| Business Name: | | Projected for: December 31, 2016 | |
|---|-------------------|----------------------------------|--|
| <i>Dayne Landscaping, Inc.</i> | | | |
| ASSETS | | % of Assets | |
| Current Assets | | | |
| Cash | \$ 83,363 | 12.41% | |
| Petty Cash | \$ 0 | 0.00% | |
| Accounts Receivable | \$ 0 | 0.00% | |
| Inventory | \$ 10,000 | 1.49% | |
| Short Term Investments | \$ 0 | 0.00% | |
| Long Term Investments | \$ 0 | 0.00% | |
| Fixed Assets | | | |
| Land (valued at cost) | \$ 200,000 | 29.77% | |
| Buildings | \$ 163,050 | 24.27% | |
| 1. Cost | 175,000 | | |
| 2. Less Acc. Depr. | 11,950 | | |
| Improvements | \$ 0 | 0.00% | |
| 1. Cost | 0 | | |
| 2. Less Acc. Depr. | 0 | | |
| Equipment | \$ 92,833 | 13.82% | |
| 1. Cost | 104,000 | | |
| 2. Less Acc. Depr. | 11,167 | | |
| Furniture | \$ 0 | 0.00% | |
| 1. Cost | 0 | | |
| 2. Less Acc. Depr. | 0 | | |
| Autos/Vehicles | \$ 122,600 | 18.25% | |
| 1. Cost | 160,000 | | |
| 2. Less Acc. Depr. | 37,400 | | |
| Other Assets | | | |
| 1. | \$ 0 | 0.00% | |
| 2. | \$ 0 | 0.00% | |
| TOTAL ASSETS | \$ 671,846 | 100.00% | |
| LIABILITIES | | % of Liabilities | |
| Current Liabilities | | | |
| Accounts Payable | \$ 0 | 0.00% | |
| Notes Payable | \$ 27,337 | 8.72% | |
| Interest Payable | \$ 0 | 0.00% | |
| Pre-Paid Deposits | \$ 0 | 0.00% | |
| Taxes Payable | | | |
| Accrued Federal Income Tax | \$ 0 | 0.00% | |
| Accrued State Income Tax | \$ 0 | 0.00% | |
| Accrued Payroll Tax | \$ 0 | 0.00% | |
| Accrued Sales Tax | \$ 0 | 0.00% | |
| Payroll Accrual | \$ 0 | 0.00% | |
| Long Term Liabilities | | | |
| Notes Payable to Investors | \$ 0 | 0.00% | |
| Notes Payable Others | \$ 286,281 | 91.28% | |
| TOTAL LIABILITIES | \$ 313,618 | 100.00% | |
| NET WORTH (EQUITY) | | % of Net Worth | |
| Corporation | | | |
| Capital Stock | \$ 20,000 | 5.58% | |
| Surplus Paid In | \$ 5,000 | 1.40% | |
| Retained Earnings, Appropriated | \$ 333,228 | 93.02% | |
| Retained Earnings Unappropriated | \$ 0 | 0.00% | |
| TOTAL NET WORTH | \$ 358,228 | 100.00% | |
| <i>Assets - Liabilities = Net Worth and Liabilities + Equity = Total Assets</i> | | | |

1. See Financial Statement Analysis for ratios and notations

FINANCIAL STATEMENT ANALYSIS SUMMARY

The following is a summary of Dayne Landscaping, Inc. 2015 and 2016 financial statement analysis information, as developed on the next 3 pages of spreadsheets (pages 29-31) :

**Author notation:
Writer must research industry standards.*

| | <u>2015 HISTORICAL</u> | <u>2016 PROJECTED</u> | <u>INDUSTRY STANDARD</u> |
|--|----------------------------|---------------------------|------------------------------|
| 1. Net Working Capital | \$119,846 | \$66,026 | \$80,000 + or - |
| 2. Current Ratio | 8.34 | 3.42 | 2.0 + |
| 3. Quick Ratio | 8.03 | 3.05 | 1.0 + or - |
| 4. Gross Profit Margin | 87.01% | 86.19% | 85.0% |
| 5. Operating Profit Margin | 23.21% | 25.08% | 25.0% |
| 6. Net Profit Margin | 14.28% | 13.81% | 14% |
| 7. Debt to Assets | 30.93% | 46.68% | 33.0% - |
| 8. Debt to Equity | 44.77% | 87.55% | 100% - |
| 9. ROI (Return on Investment) | 56.38% | 33.07% | 24% + |
| 10. Vertical Income Statement Analysis * | | | |
| Sales/Revenues | 100.00% | 100.0% | |
| Cost of Goods | 12.99% | 13.81% | 15.0% + or - |
| Gross Profit | 87.01% | 86.19% | 85.0% |
| Operating Expense | 63.80% | 61.11% | 62.0% + or - |
| Net Income Operations | 23.21% | 25.08% | 23.0% + or - |
| Interest Income | 0.16% | 0.08% | N/A Variable |
| Interest Expense | 0.71% | 1.28% | 4.0% Variable |
| Net Profit (Pre-Tax) | 22.66% | 23.88% | 19.0% + or - |
| <i>* All items stated as % of Total Revenues</i> | | | |
| 11. Vertical Balance Sheet Analysis | | | |
| Current Assets | 69.14% | 13.90% | 18.0% + |
| Inventory | 2.54% | 1.49% | 2.0% |
| Total Assets | 100.0% | 100.00% | |
| Current Liabilities | 8.29% | 4.07% | 15.0% - |
| Total Liabilities | 30.93% | 46.68% | 50.0% - |
| Net Worth | 69.07% | 53.32% | 50.0% + |
| Total Liabilities + Net | 100.0% | 100.00% | |
| <i>* All Asset items stated as % of Total Assets; Liability & Net Worth items stated as % of Total Liabilities + Net Worth</i> | | | |

Notes:

Dayne Landscaping, Inc. has taken advantage of a rapidly-increasing marketplace, and has also neatly incorporated snow removal services to increase revenues significantly during winter months. The company earned an unusually high 2015 net profit for a start-up service business (\$111,059). Debt Ratios (Debt:Assets, 30.93% and Debt:Equity, 44.77%) are better than industry average. A 2016 beginning cash balance of \$131,178, with no current liabilities other than \$16,332 of notes payable on a previous loan, give the company sufficient marketing funds to expand services into the corporate landscaping and design areas. The purchase of their present facility, currently under a lease agreement (using \$100,000 cash + \$275,000 loan funds) will not raise the Debt to Equity Ratio (projected at 87.55%) beyond a safe limit. Projections indicate high sales growth with the acquisition of new personnel, vehicles, and equipment to service the increased customer base. The company is experiencing rapid, but controlled growth. Financial projections indicate that the company will be more than able to fulfill its obligations to repay the \$275,000 loan with interest and still maintain good cash flow and increased profitability.

Financial Statement Analysis

Ratio Table

Dayne Landscaping, Inc.

| Type of Analysis | Formula | Historical: 2015 | Projected: 2016 |
|---|---|---|---|
| 1. Liquidity Analysis | Balance Sheet | | |
| a. Net Working Capital | $\frac{\text{Current Assets} - \text{Current Liabilities}}{\text{Current Liabilities}}$ | Current Assets 136,178 Current Liabilities 16,332 Net Working Capital \$119,846 | Current Assets 93,363 Current Liabilities 27,337 \$66,026 |
| b. Current Ratio | $\frac{\text{Current Assets}}{\text{Current Liabilities}}$ | Current Assets 136,178 Current Liabilities 16,332 Current Ratio 8.34 | Current Assets 93,363 Current Liabilities 27,337 Current Ratio 3.42 |
| c. Quick Ratio | $\frac{\text{Current Assets minus Inventory}}{\text{Current Liabilities}}$ | Current Assets 136,178 Inventory 5,000 Current Liabilities 16,332 Quick Ratio 8.03 | Current Assets 93,363 Inventory 10,000 Current Liabilities 27,337 Quick Ratio 3.05 |
| 2. Profitability Analysis | Income Statement | | |
| a. Gross Profit Margin | $\frac{\text{Gross Profits}}{\text{Sales}}$ | Gross Profits 676,834 Sales 777,864 Gross Profit Margin 87.01% | Gross Profits 1,386,125 Sales 1,608,200 Gross Profit Margin 86.19% |
| b. Operating Profit Margin | $\frac{\text{Income From Operations}}{\text{Sales}}$ | Income From Ops. 180,564 Sales 777,864 23.21% | Income From Ops. 403,276 Sales 1,608,200 Op. Profit Margin 25.08% |
| c. Net Profit Margin | $\frac{\text{Net Profits}}{\text{Sales}}$ | Net Profits 111,059 Sales 777,864 14.28% | Net Profits 222,169 Sales 1,608,200 13.81% |
| 4. Debt Ratios | Balance Sheet | | |
| a. Debt to Assets | $\frac{\text{Total Liabilities}}{\text{Total Assets}}$ | Total Liabilities 60,919 Total Assets 196,978 Debt to Assets Ratio 30.93% | Total Liabilities 313,618 Total Assets 671,846 Debt to Assets Ratio 46.68% |
| b. Debt to Equity | $\frac{\text{Total Liabilities}}{\text{Total Owners' Equity}}$ | Total Liabilities 60,919 Total Owners' Equity 136,059 Debt to Equity Ratio 44.77% | Total Liabilities 313,618 Total Owners' Equity 358,228 Debt to Equity Ratio 33.07% |
| 4. Investment Measures | Balance Sheet | | |
| a. ROI (Return on Investment) | $\frac{\text{Net Profits}}{\text{Total Assets}}$ | Net Profits 111,059 Total Assets 196,978 ROI (Ret. on Invest.) 56.38% | Net Profits 222,169 Total Assets 671,846 ROI (Ret. on Invest.) 33.07% |
| 5. Vertical Financial Statement Analysis | Balance Sheet 1. Each asset % of Total Assets 2. Liability & Equity % Total L&E Income Statement 3. All items % of Total Revenues | NOTE: See Attached Balance Analysis - page 31 Income Analysis - page 30 | NOTE: See Projected Balance Sheet - 27 3-Year Income Statement - 26 |
| 6. Horizontal Financial Statement Analysis | Balance Sheet 1. Assets, Liab & Equity measured against 2nd year. Increases and decreases stated as amount & % Income Statement 2. Revenues & Expenses measured against 2nd year. Increases and decreases stated as amount & % | NOTE: Horizontal Analysis Not Applicable Only one year in business | NOTE: Horizontal Analysis Not Applicable Only one year in business |

2015 Historical Vertical Income Statement Analysis

| <i>Dayne Landscaping, Inc.</i> | Begin - January 1, 2015 | End - December 31, 2015 |
|---|-------------------------|-------------------------|
| | AMOUNT | % Total Revenues |
| INCOME | | |
| 1. Sales/Revenues | \$ 777,864 | 100.00% |
| a. Landscaping - Residential | 216,000 | 27.77% |
| b. Landscaping - Small Business | 160,700 | 20.66% |
| c. Customized Landscaping | 199,374 | 25.63% |
| d. Snow Removal - Residential | 18,250 | 2.35% |
| e. Snow Removal - Small Business | 167,100 | 21.48% |
| f. 5% Snow Removal Contracts | 8,500 | 1.09% |
| g. Miscellaneous Accessories | 7,940 | 1.02% |
| 2. Cost of Goods Sold (c-d) | 101,030 | 12.99% |
| a. Beginning Inventory | 0 | 0.00% |
| b. Purchases | 106,030 | 13.63% |
| (1) Fertilizer | 19,000 | 2.44% |
| (2) Pesticide | 11,000 | 1.41% |
| (3) Plants/Shrubs | 23,000 | 2.96% |
| (4) Salt/Sand | 8,030 | 1.03% |
| (1) Seed | 45,000 | 5.79% |
| c. C.O.G. Avail. Sale (a+b) | 106,030 | 13.63% |
| d. Less Ending Inventory (12/31) | 5,000 | 0.64% |
| 3. Gross Profit on Sales (1-2) | \$ 676,834 | 87.01% |
| EXPENSES | | |
| 1. Variable (Selling) (a thru j) | 318,000 | 40.88% |
| a. Design Specialist Salary/Payroll Taxes | 20,000 | 2.57% |
| b. Machinery, Hand Tools, Equipment | 11,000 | 1.41% |
| c. Marketing | 5,400 | 0.69% |
| d. Part-time Worker Salaries | 182,000 | 23.40% |
| e. Sales Bonuses | 2,000 | 0.26% |
| f. Sales Commission | 10,800 | 1.39% |
| g. Supervisor Salaries/Payroll Taxes | 60,000 | 7.71% |
| h. Travel Expense | 10,400 | 1.34% |
| i. Miscellaneous Variable Expense | 1,200 | 0.15% |
| j. Depreciation (Product/Services Assets) | 15,200 | 1.95% |
| 2. Fixed (Administrative) (a thru j) | 178,270 | 22.92% |
| a. Administration Fees - Legal/Accounting | 3,050 | 0.39% |
| b. Insurance (Liab, Casualty, Fire/Theft) | 11,600 | 1.49% |
| c. Licenses & Permits | 4,200 | 0.54% |
| d. Office Equipment | 7,700 | 0.99% |
| e. Office Salaries/Payroll Taxes | 42,000 | 5.40% |
| f. Owner's Guaranteed Payment | 65,000 | 8.36% |
| g. Rent Expense | 39,900 | 5.13% |
| h. Utilities | 4,320 | 0.56% |
| i. Miscellaneous Fixed Expense | 500 | 0.06% |
| j. Depreciation (Administrative Assets) | 0 | 0.00% |
| Total Operating Expenses (1+2) | 496,270 | 63.80% |
| Net Income from Operations (GP-Exp) | \$ 180,564 | 23.21% |
| Other Income (Interest Income) | 1,250 | 0.16% |
| Other Expense (Interest Expense) | 5,535 | 0.71% |
| Net Profit (Loss) Before Taxes | \$ 176,279 | 22.66% |
| TAXES: | | |
| a. Federal | 51,999 | 6.68% |
| b. State | 13,221 | 1.70% |
| c. Local | 0 | 0.00% |
| NET PROFIT (LOSS) AFTER TAXES | \$ 111,059 | 14.28% |

2015 Historical Vertical Balance Sheet Analysis

(All Asset percentages = % of Total Assets; All Liability or Equity percentages = % of Total Liabilities + Total Equity)

| Analysis of Historical Balance Sheet | | | Date of Balance Sheet: December 31, 2015 | | |
|--------------------------------------|-------------------|-------------------------|--|------------|-------------------------|
| <i>Dayne Landscaping, Inc.</i> | | | | | |
| | | % of Total Assets | | | % of Total L + NW |
| ASSETS | | | LIABILITIES | | |
| Current Assets | | | Current Liabilities | | |
| Cash | \$ 131,178 | 66.60% | Accounts Payable | \$ 0 | 0.00% |
| Petty Cash | \$ 0 | 0.00% | Notes Payable | \$ 16,332 | 8.29% |
| Sales Tax Holding Account | \$ 0 | 0.00% | Interest Payable | \$ 0 | 0.00% |
| Accounts Receivable | \$ 0 | 0.00% | Pre-Paid Deposits | \$ 0 | 0.00% |
| Inventory | \$ 5,000 | 2.54% | | | |
| Short-Term Investments | \$ 0 | 0.00% | Taxes Payable | | |
| | | | Accrued Federal Income Tax | \$ 0 | 0.00% |
| Long Term Investments | \$ 0 | 0.00% | Accrued State Income Tax | \$ 0 | 0.00% |
| | | | Accrued Payroll Tax | \$ 0 | 0.00% |
| Fixed Assets | | | Accrued Sales Tax | \$ 0 | 0.00% |
| Land (valued at) | \$ 0 | 0.00% | | | |
| Buildings | \$ 0 | 0.00% | Payroll Accrual | \$ 0 | 0.00% |
| 1. Cost | 0 | | | | |
| 2. Less Acc. Depr. | 0 | | Long Term Liabilities | | |
| Improvements | \$ 0 | 0.00% | Notes Payable to Investors | \$ 0 | 0.00% |
| 1. Cost | 0 | | Notes Payable to Others | \$ 44,587 | 22.64% |
| 2. Less Acc. Depr. | 0 | | | | |
| Equipment | \$ 12,800 | 6.50% | TOTAL LIABILITIES | \$ 60,919 | 30.93% |
| 1. Cost | 16,000 | | | | |
| 2. Less Acc. Depr. | 3,200 | | NET WORTH (EQUITY) | | |
| Furniture | \$ 0 | 0.00% | Corporation | | |
| 1. Cost | 0 | | Capital Stock | \$ 20,000 | 10.15% |
| 2. Less Acc. Depr. | 0 | | Surplus Paid In | \$ 5,000 | 2.54% |
| Autos/Vehicles | \$ 48,000 | 24.37% | Retained Earnings, Appropriated | \$ 100,000 | 50.77% |
| 1. Cost | 60,000 | | Retained Earnings, Unappropriated | \$ 11,059 | 5.61% |
| 2. Less Acc. Depr. | 12,000 | | | | |
| Other Assets | | | TOTAL NET WORTH | \$ 136,059 | 69.07% |
| 1. | \$ 0 | 0.00% | | | |
| 2. | \$ 0 | 0.00% | LIABILITIES + NET WORTH | \$ 196,978 | 100.00% |
| TOTAL ASSETS | \$ 196,978 | 100.00% | <i>Assets - Liabilities = Net Worth -or- Liabilities + Equity = Assets</i> | | |

Financial Assumptions

Dayne Landscaping, Inc. Business Plan

Seeking Bank Loan

- **Purpose:** To purchase land and facilities currently leased by Dayne Landscaping, Inc.
- **Projected Terms:** \$275,000 for 15 Years @ 9%; need funding by April 1, 2016, repayments can begin on May 1, 2016 (see amortization schedule C)

Financial Assumptions

- \$25,000 initial capital contribution by owner in corporation (not a loan).
- 5% required up front fees for all snow contracts.
- 5% Sales Commission to be paid to sales representatives..
- Bonuses of \$500 each to be paid for landing new corporate accounts.
- Salaries for (4) Supervisors @ \$15,000, totaling \$60,000. (+ benefits and payroll taxes)
- Salary for the President to be guaranteed @ \$65,000 for 2015; projected raise to \$82,000 for 2016.
- Salary for the Office Manager @ \$22,000 (+ benefits and payroll taxes).
- Salary for Administration Assistants (1 in 2015, 2 in 2016) @ \$15000 (+ payroll taxes and benefits).
- Salary for part time people at minimum wage per hour. Hired as needed to meet volume
- Licensing permit fees with City and State during the year.
- Rent deposit at \$5,700 for first and last month.
- Heat and Electricity at \$60 per sq. ft, totaling \$360 per month, and \$4,320 per year.
- Fire and Liability Insurance at \$50 per sq. ft, totaling \$300 per month, and \$3,600 per year.
- All insurance at \$8,000 per year. The total cost of insurance at \$11,600.
- 2 Trucks purchased with 2015 loan: \$60,000 @ 8%; interest 5-year period = \$12,995.05 (see amortizing schedule A)
- 4 Large Mowers purchased with 2015 loan: \$16,000 @ 8%; interest 3-year period = \$2049.79 (see amortizing schedule B)
- State Income Taxes charges at 7.5% of net profits.
- Federal Income Taxes based on Federal Corporation Tax Schedule (15%-25%-34%-39% of net profits)
- Estimated Taxes paid on schedule quarterly, based on actual and projected net profits for 2015 and 2016.
- Ending inventory: 2015 = \$5,000; 2016 projected at \$10,000

Dayne Landscaping, Inc.



Part IV – Supporting Documents *

- ✓ **Competition Comparison**
- ✓ **Owner's Resume**
- ✓ **Letter of Reference**
- ✓ **Quarterly Budget Analysis**

** Note: For purposes of brevity, we have chosen to include only a portion of the supporting documents that would be found in Dayne Landscaping, Inc's business plan.*

Competition Comparison

| Vendor | Garden Shop | Landscaping Plus | Dayne Landscaping |
|----------------------|--------------------|-------------------|------------------------|
| Landscaping | | | |
| Design | Yes | Yes | Yes |
| Oriental design | No | No | Yes |
| Maintenance | Yes | Yes | Yes |
| Pest control | No | No | Yes |
| Snow Services | | | |
| Plowing | Yes | Yes | Yes |
| Removal | No | No | No |
| Response time | Whenever | Whenever | Designated |
| Guarantee | No | No | Yes |
| Servicing | | | |
| Price per hour | NH only \$25-30 | NH, MA \$30-35 | NH, MA, CT \$20- 30 |

Robin T. Dayne

181 Thoreaus Landing
Nashua, NH 03060
603-888-2020 (W) 603-889-2293 (H)

Summary

Five years' experience in the Landscaping Industry. Skilled in sales, support and operations of new accounts for an established landscaping company. Managed office of 10 employees related to customer service. Proficient in management and workings of the landscaping service industry. Knowledgeable in landscaping design, and planning.

Experience

Landscaping Plus, Nashua, NH

2009 – 2014

Office Manager, Jan. 2013 – December 2014

Managed 10 employees that sold and serviced customer accounts. Responsible for planning scheduling, and managing inventory (equipment and tools) for the ten employees. Implemented the first “customer satisfaction survey” over the phone, to the entire base of customer’s.

- Developed a tool “check-in” process saving the company \$10,000 a year in lost inventory.
- Organized the telemarketing necessary for the customer survey resulting in additional sales revenue of \$25,000
- Implemented and managed service issue “hot line” for dissatisfied customers.
- Responsible for all major accounts and employees that worked at the sites

Account Supervisor, Dec. 2011 – Dec. 2012

Managed 20 assigned accounts for landscaping and snow maintenance. Responsible for reporting to the President all account updates and potential revenue opportunities.

- Maintained the 20 accounts by scheduling all part-time workers
- Trained part-time employees in proper lawn care maintenance
- Managed the inventory, equipment and supplies of each worker
- Managed all customer service issues and received excellence award for all accounts at the end of the year.
- Scheduled all snow removal and coordinated snow emergencies

Account Landscaping Specialist, June 2009 – Nov. 2011

- Worked the landscaping contract of a large corporate account
- Recommended landscaping design changes and secured additional contract with company
- Provide snow removal during storm and emergencies
- Learned the operation of all landscaping equipment, tools and vehicles

Equipment Rental, Inc., Nashua, NH

Jan. 2004 – May 2009

Service Desk Manager

- Responsible for handling any service issues related to the renting of the company's equipment or machinery
- Managed all bill disputes to resolution
- Interfaced with office manager on large account problems
- Recommended improvements in the problem solving process that resulted in speedy results for the customers

Personal Strengths

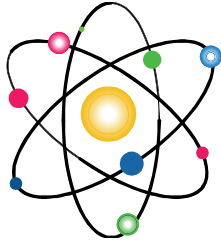
Excellent organizational and communication skills
Dedicated to customer service excellence
Strong management training and experience
Strong knowledge of landscaping industry

Education

Completed Bachelors Degree in Horticulture at the University of New Hampshire. Independent studies at the Institute for Higher Learning majoring in Environmental Protection.

Affiliations and Interests

Board member of the Nashua Chamber of Commerce
Committee member of the City's "Beautification Program"
Volunteer at Community Services of Nashua



rtd Marketing International, Inc.
81 Walden Pond Ave., Nashua, NH 03060

November 22, 2015

Dear Prospective Investor,

I am delighted to have the opportunity to write this letter of recommendation for Robin T. Dayne.

We have had a contract with Dayne Landscaping, Inc. since February. We came to them initially for snow removal because the company we were using could not guarantee our facility would be plowed by 7:00 am, which we needed in order for our employees to park for work. Dayne Landscaping was able to provide us that guarantee and did an excellent job of fulfilling their commitment, during some very tough storms.

We have since contacted with them for landscaping maintenance and have found the same quality of service. They recommended changes that would save us money and our property hasn't looked this good in years.

Recently we secured their services to install an Oriental garden, which is unique and attractive. Our international clientele has even commented on our unique landscaping and in our business, first impressions can mean everything.

I would highly recommend them based on their level of service, quality of work and commitment as well they should be considered for the funding they seek.

If you have further questions, feel free to contact me. I can be reached on my private number 603-882-2221, during business hours.

Cordially,

Heather Pope

Heather Pope
President