

# Business Offering Report

---

Plumbing Corporation  
dba  
Mickey's Plumbing & Heating

---



This Business Offering Report was created using the dynamic suite of online tools at  
**BizByOwner.com**

## Table Of Contents

<b>PURPOSE OF BUSINESS OFFERING REPORT</b>	<b>4</b>
<b>CONFIDENTIALITY</b>	<b>4</b>
<b>DISCLAIMERS</b>	<b>4</b>
<b>INQUIRIES</b>	<b>5</b>
<b>A. Executive Summary</b>	<b>6</b>
Business Summary	6
Financial Summary	6
Investment Highlights	7
Transaction Objectives	7
<b>B. Business Overview</b>	<b>8</b>
Services & Description	8
Franchise Brand	8
Business Divisions	9
History	9
Ownership	9
Market Area	10
Regional Overview	10
Sales Trends	10
Pricing	10
Locations	10
Hours of Operation	10
Regulatory Compliance	10
Licensing Requirements: Company/Owner	10
Licensing Requirements: Employees	11
Insurance and Bonding	11
Accounts Receivable	11
<b>C. Markets and Customers</b>	<b>12</b>
Overview	12
Company's Current Market	12
Customers	13
Marketing	13

## Table Of Contents

<b>D. Competition</b>	<b>14</b>
Primary Competitors	14
Company's Position	14
Barriers To Entry	14
<b>E. Organization</b>	<b>15</b>
Owners' Role	15
Management Team & Key Employees	15
Employees	15
<b>F. Company Location &amp; Facilities</b>	<b>16</b>
Business Location(s)	16
Location Details	16
<b>G. Financial Summary</b>	<b>18</b>
Sales and Profitability	18
Recasting Cash Flow	18
Accounting System Notes	21
Status of Tax Payments	21
<b>H. Exhibits</b>	<b>22</b>
Income Statements	23
Balance Sheet	24

## PURPOSE OF BUSINESS OFFERING REPORT

This Business Offering Report, presented by PLUMBING CORPORATION, is intended to acquaint a prospective purchaser with relevant preliminary information regarding Plumbing Corporation dba Mickey's Plumbing & Heating (hereinafter the "Company" or "Seller") whose business is currently available for acquisition, sale or merger. The overall format of this Business Offering Report is designed to reflect to a prospective purchaser the factors that create value within the Company and assumes that any sale will take the form an asset sale. This Business Offering Report is being furnished only to prospective purchasers having signed a Confidentiality Agreement, and having made a specific request for information regarding the Company for the purpose of determining any interest in submitting an offer to acquire the Company or its business.

## CONFIDENTIALITY

**Notice of Confidentiality:** The Seller is presenting this information under agreement of complete confidentiality on the part of any prospective purchaser(s). All information presented in this document is highly sensitive and confidential and is for use only by those who have signed a Confidentiality Agreement for the purpose of considering the business described herein for acquisition. This Business Offering Report and the information presented shall be treated as secret and confidential and no part of it shall be disclosed to others, except as provided in the Confidentiality Agreement. This Business Offering Report cannot be reproduced, duplicated or revealed, in whole or in part, or used in any other manner without the prior written permission of the Seller. Should there be no interest in the business as an acquisition, all copies of the Business Offering Report, whether electronic or hard copy, and any and all information provided relating to this acquisition opportunity, shall be promptly returned to the Seller, if feasible, or destroyed according to the directions of the Seller.

## DISCLAIMERS

### **BizByOwner:**

**BizByOwner is not an agent of the Seller and is not acting in any capacity as a broker.** The Company has supplied ALL of the information contained in this Business Offering Report as it relates specifically to the Company. BizByOwner has not, and does not intend to, audit or otherwise confirm this information and makes no representations, expressed or implied, as to its accuracy or completeness or the conclusions to be drawn and shall in no way be responsible for the content, accuracy and truthfulness of such information or the outcome of any decisions made by any party based on any information contained herein or as subsequently amended. Any and all representations shall be made solely by the Company.

### **Seller/Company:**

Any and all representations shall be set forth in a signed acquisition agreement or purchase contract, which agreement or contract shall control as to representations and warranties, if any. By requesting this Business Offering Report, the recipient acknowledges the responsibility to perform a due diligence Review at his or her own cost prior to any acquisition of, or business combination with, the Company. In certain cases, projections of future potential results have been included as an assessment of the future potential of the business. Future transactions or events may or may not occur, or assumptions as to events or transactions that might occur, may be wrong, or may manifest themselves differently under new ownership. Assessing the validity of any such assumptions is purely the responsibility of any Purchaser.

***This Business Offering Report is a marketing profile of the business and does not, and is not intended to, represent or replace the due diligence required of any prospective purchaser and the counsel of its, his or her legal, accounting or other professional counselors.***

Any pro forma income statements or other projections presuppose infusion of any necessary operating capital, adequacy of personnel, expertise at all levels of operations and a commitment to attain growth. Such pro forma financial information and projections cannot anticipate economic, socio-economic and political factors that might impact the expected growth. Accordingly, the Seller makes no representations, expressed or implied, as to the validity of the projections.

## INQUIRIES

All inquiries and follow-up must be directed to the Seller's representative designated herein. Neither the employees of the Company nor its customers or competitors are aware of this transaction. Therefore, no contact with the industry or the Company is permitted without the express written consent of Seller. All buyer visits will be arranged by the Seller and will occur on the terms designated by such party.

**All Questions, Inquiries and Proposals should be directed to:**

Don Beezley  
Plumbing Corporation  
1200 North Broadway  
Telephone: (303) 555-1212  
donbeezley@yahoo.com

## A. EXECUTIVE SUMMARY

---

### Business Summary

Founded in 1982, Bernie's Plumbing & Heating is one of the most established and successful Plumbing & Heating businesses in the Tri County area! The Company offers a full range of plumbing and heating services, including forced air and hot water heating systems. The company focuses on residential service but also services commercial accounts and new construction. Service accounts for 90% of the Company's business, and an estimated that 90% of that is loyal, repeat customers! Sales and profitability have been solid historically and increased each of the last two years. The Company serves primarily Fairfield County, Broomfield County, North Ames County and Southern Calistoga County. This business also represents the opportunity to acquire the real estate. The facility is an 1,875 square foot industrial condo and in excellent condition.

With a tremendous history, quality real estate and an outstanding local reputation, Mickey's represents a tremendous investment opportunity. Long-term, full-time employees and quality part-time employees complete the picture.

Mickey's Plumbing & Heating Company was founded as a Colorado S Corporation.

### Financial Summary

As shown in Table 1, the Company's revenue has grown consistently over the last four years, and net income and discretionary cash flow have increased each year. The ownership predicts a continuation of growth into 2006 with a 5% increase in revenue to \$1,125,000, and continued improvement in DCF to \$275,000. The primary factor in the company's growth have been an expansion of the customer base through increased advertising and an increase in the method of billing to a flat rate approach.

<b>Table 1</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006 Projected</b>
<b>Sales</b>	\$758,942	\$814,060	\$1,080,860	\$1,125,000
<i>Sales Growth</i>	-	7.3%	32.8%	4.1%
<b>Net Income</b>	\$63,156	\$70,738	\$146,076	\$158,200
<i>NI Growth</i>	-	12.0%	106.5%	8.3%
<b>DCF</b>	\$219,191	\$181,007	\$274,560	\$275,000
<i>DCF* Growth</i>	-	(17.4%)	51.7%	0.2%

*Any Projected year is purely speculative and subject to Purchaser assessment.*

*\*DCF is equal to Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), plus a recast of any operating expenses that do not reflect the future health of the Company under new ownership, and any other discretionary owner items.*

## Investment Highlights

Acquisition of Mickey's Plumbing & Heating would provide the following value advantages for the acquirer:

**Strong Financial History:** The history of the Company has been extraordinarily stable, with consistent growth in sales, earnings and cash flow.

**Long Term Stability:** The Company has been in the market for thirty-five years. This is an extraordinary business history.

**Experienced Team:** The staff is experienced, and the ownership has significant local experience that will prove invaluable in the training period.

**Quality Real Estate:** This is an opportunity to acquire real estate ideally suited to the business purpose.

## Transaction Objectives

**Reason for Sale:** Retirement.

**Training Provided By Seller:** The Seller will provide 80 hours of training over the fourteen days following the date of closing during normal business hours.

**Desired Transaction Structure:** An Asset sale structure is desired.

**Confidentiality:** Only the owners and select parties are aware of the impending sale of the business. It is extremely critical that employees, suppliers, and customers do not learn of the company's intentions to transfer ownership.

## B. BUSINESS OVERVIEW

---

### Services & Description

The Company is a leading plumbing and heating contractor and offers a full range of plumbing and heating services, but specializes in installation and service of hot water and steam heating systems. The majority of revenue derives from its highly dependable, recurring service business versus less dependable new construction projects.

#### **Revenue Breakdown**

Service comprises the largest component of the companies revenues, and within that, residential service is almost 90%.

#### **Service: 80 Percent**

Residential Service: 90%

Commercial Service: 10%

#### **Construction: 20 Percent**

Residential Construction: 60 Percent

Commercial Construction: 40 Percent

### Franchise Brand

Franchising is one of the most successful business models ever created. It has been estimated that the success rate for franchises is over 90%, compared to 50% or worse for non-franchised business. The brand recognition, national or regional advertising, multiple store cross-traffic, and established and proven operating systems are just a few of the reasons a franchise can be the most intelligent business investment decision you ever make.

The franchise agreement will govern all relationships between the new owner and the Franchiser and supercedes any and all representations made herein. The Franchiser will have its own qualification criteria that any purchaser must meet. In addition, the franchiser may require training at the franchiser's location. Any prospective buyer must receive the Franchiser's Uniform Franchise offering Circular (U.F.O.C.).

#### **Super Plumbing International, Ltd.**

Super Plumbing began franchising in 1984 and has grown to 484 locations in the United



States and Canada. There are 9 franchises in the Company's home market.

### **Protected Territory**

The franchiser does not allow for protected territories.

### **Franchiser/Licensors Training**

The franchiser will require the buyer to attend two weeks of training in Atlanta.

### **Upgrade Requirements**

There are currently no upgrade requirements from the franchiser at the time of sale.

### **Transfer Fees**

The franchiser currently charges a \$5,000 transfer fees that will be paid by the seller.

## **Business Divisions**

The Company operates under two primary divisions--Commercial and Residential.

### *Commercial*

Commercial consists primarily of contract and on-call service arrangements and new construction (residential or commercial) installation.

### *Residential*

Residential service is an on-call service based on advertising and prior customer relationships.

## **History**

Mickey's Plumbing & Heating is the longest tenured company in the Tri County plumbing and heating industry. Founded in 1970, the company moved to its current location, owned by the shareholders, in 1998.

## **Ownership**

Name	Title	%
Rick Pike	President	51.00
Rick Pike runs the day-to-day operations of the company.		
Donald Beezley	SecretaryTresurer	49.00

Donald is a Master Plumber and semi-retired.

## Market Area

The Company considers its primary market area to be: Boulder County

## Regional Overview

Colorado, including Boulder county, remains one of the fastest growing areas in the nation with high desirability ratings for quality of life. The population ranks among the best -educated and highest wage earners in the country.

## Sales Trends

The Company has enjoyed steady growth for several years. There was a slight dip in the 2002 recession, however, 2003, 2004 and 2005 bounced back with solid increases.

## Pricing

The Company switched from an hourly rate schedule to a flat rate schedule at the end of 2004. This schedule is competitive in the market place and increased gross margins approximately 12%.

## Locations

The Company operates 1 location. The location will be further discussed below under, F. Locations & Facilities.

## Hours Of Operation

Monday - Friday                      7 AM - 5 PM

24 Hour on call service is also provided for emergencies.

## Regulatory Compliance

The current ownership is complying with all applicable regulations to the best of it's knowledge.

## Licensing Requirements: Company/Owner

There must be a Master Plumber on the payroll.

## Licensing Requirements: Employees

Each plumbing or heating expert receives trade certification training.

## Insurance and Bonding

Plumbing companies must secure a job bond in the /amount of \$250,000.

## Accounts Receivable

Receivables at 12/31/2005 were approximately \$55,443.62

## C. MARKETS AND CUSTOMERS

---

### Overview

#### **Plumbing & Heating**

The Company works in two primary market segments: service (80%) and new construction (20%). It is expected that 2006 will remain a strong year for new construction and remodeling, but more important for the company are trends in service. Service demand is driven by several complimentary factors including population growth, age of equipment and rate of reinvestment in new equipment—which creates a new level of service opportunity.

Colorado grew 30% in the 1990's and the State of Colorado has predicted the population will grow by up to one million more in the next ten years. Some of the fastest growing parts of the state are in the north west metro area and include the markets served by the Company. This should be a very favorable trend for the company's service related business.

#### U.S. Economy

The U.S. economy appears to have fully recovered from the 2001-2002 recession that lingered in many sectors into following quarters. The unemployment rate has continued to decline and, according to the U.S. Department of Commerce, seasonally adjusted December retail sales increased 1.2% and Retail sales climbed 8% for the year—the best showing since 1999. The gains were led by robust fourth quarter sales and a 4.3% jump in auto sales.

### Company's Current Market

The Company serves primarily Fairfield County, Broomfield County, North Ames County and Southern Calistoga County. This business also represents the opportunity to acquire the real estate. The facility is an 1,875 square foot industrial condo and in excellent condition.

#### Tri County Area

From <http://www.tricounty.co>:

The Tri County Area is large and diverse, featuring everything from the spectacular scenery of Rocky Mountain National Park (a national treasure) to lush farmland, and one

of the nation's largest concentrations of research laboratories and high-tech industry. Situated in the north-central part of Colorado, Northwest of Denver, the western border is the Continental Divide. The eastern half of the County is rolling plains, and the western half is mountainous. It remains diversified today, with both rural and urban settings. A major university, two school districts and numerous scientific, research and recreational facilities are among the attributes of the area. Population of the county is approximately 325,000, with about 90,000 in the county seat, and another 200,000 in the next three largest cities combined, and... the remainder dispersed throughout the smaller towns of the county..

## Customers

No customer constitutes more than 30% of the Company's revenue.

## Marketing

The Company included four primary advertising mediums in its 2005 advertising budget with largest component of the company's advertising budget (90%) is dedicated to yellow pages advertising.

### Medium / Budget

- Internet \$ 2,533
- Newsletters \$ 925
- Radio \$ 1,284
- Yellow Pages \$52,667

The Company carefully tracked the increase in expenditures on yellow pages advertising. Based on that analysis, the yellow pages budget will be cut by about \$21,000 in 2006. This is reflected as an add back in the DCF analysis for 2005 to better reflect the forward going status of this expense item and its expected negligible effect on the company's financial (revenue) performance.

## D. COMPETITION

---

### Primary Competition

Company	Estimated Market Rank
Ace Plumbing and Heating	1
Next Door Heating and A/C	3
Superior Services LLC	4
Every Day AC Etc,	5

Although there are competitors in our market segment, our entrenched position due to our longevity in the market place has allowed us to remain highly consistent in our level of market penetration.

### Company Position

Although public information is not available, the Company estimates that it is #2 in its market in terms of revenue. However, it is #1 in its sub-specialty of steam and hot water heating systems.

### Barriers To Entry

Although there are no absolute barriers to entry, licensing requirements (Master Plumber's License), location and brand value would put a new competitor at a disadvantage when compared to our name recognition and existing customer relationships.

## E. ORGANIZATION

---

### Owners' Role

Name	Title
Rick Pike	President
Rick Pike runs the day-to-day operations of the company.	
Donald Beezley	SecretaryTresurer
Donald is a Master Plumber and semi-retired.	

Although Rick Pike runs the day to day operations of the Company, there are two skilled technicians who have the ability to perform 90% of the required daily tasks.

### Management Team & Key Employees

Name	Title	Years With Company
Bob Smith	Project Manager	4.0
Bob manages all plumbing projects in the field.		
Mary Jane	Office Manager	9.0
Mary manages most aspects of daily customer relations and maintains the company's bookkeeping system.		

The management team is one of the Company`s key strengths, and Operations Manager Michelle Smith is highly experienced and able to operate all facets of the business.

### Employees

In addition to the owners, there are 5 full-time employees, 1 part-time employee and a variety of contract employees as needed.

## F. COMPANY LOCATIONS & FACILITIES

---

### Business Location(s)

The company occupies the following location(s):

<u>Nature of location(s)</u>	<u>Address</u>	<u>Status</u>
North Broadway Condo	1200 North Broadway Broomfield, Georgia	For sale or lease

### **Location Detail**

Detailed data for each location listed above, including detailed descriptions, offering price and lease terms, as applicable, begins on the next page.



## Location Details

### Location 1: North Broadway Condo

1200 North Broadway , Broomfield, Georgia

This location is for sale with the business opportunity; however, a lease may be considered with the general terms outlined below under Lease Terms.

Offering Price: \$449,000.00

### **Building Description & Space Utilization**

This is a "condo-ized" industrial warehouse unit of 3,000 sf.

*Note: All measurements are approximate and are subject to verification by any buyer.*

<b>North Broadway Condo</b>		<b>Total S.F.: 4,000 s.f.</b>
Reception Area		100
Offices		200
Workshop		2700
don		1200

### **Lease Terms**

<b>LeaseTerms</b>		
1	Estimated Total Monthly Lease Payments including all CAMS, % Rent, etc.	\$3,500.00
2	Base Rent	\$2,500.00
3	Approximate Triple Nets	\$1,000.00
4	Percentage Rent	0%
5	Security Deposit	\$3,500.00
6	Original Lease Term in Years	5
7	Renewal Options	1, 5 year option
8	Original Date of Lease	3/10/2006
9	End Date of current term/option	3/10/2011

## G. FINANCIAL SUMMARY

---

### Sales and Profitability

#### Sales

The sales results for 2004 and 2005 establish an increasing trend and add support to the annual sales projection of \$1,125,000 for 2006. The projected increase is based on an increase in advance orders, a price increase and a more aggressive marketing program planned for 2006.

#### Profitability

Net income has increased substantially in 2005 due to better cost controls and improved margins resulting from a price increase initiated in January. Discretionary Cash Flow has also increased each of the last three years, from \$162,000 in 2004 to \$251,000 for 2005, and a projected \$265,000 for 2006.

<b>Table 2</b>	<b>2004</b>	<b>2005</b>	<b>2006 Projected</b>
Sales	\$814,060	\$1,080,860	\$1,125,000
Net Income	\$70,738	\$146,076	\$158,200

### Recasting Cash Flow

Since privately owned companies tend to keep reported profits and thus taxes as low as possible, financial recasting is a critical ingredient to understanding the earnings of the business enterprise. Recasting provides an economic view of the company allowing meaningful comparisons with other investment opportunities.

Financial recasting eliminates such items as excessive and discretionary expenses and non-recurring revenues and expenses from the historical financial presentation, along with debt and interest expenses since they reflect the financing decisions of the current owner and may not represent financing preferences of a new owner.

Recasting of pro forma financial information are based upon assumptions and estimates of future transactions or events that may or may not occur, or assumptions as to events or

transactions that might occur with new ownership. Additionally, the opinion of what constitutes a “discretionary” item may differ between management teams.

**Table 4: Recasting Cash Flow**

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Source Of Information	<b>Financial Statement</b>	<b>Financial Statement</b>	<b>Financial Statement</b>	<b>Projected</b>
Net Income	\$63,156	\$70,738	\$146,076	\$158,200
<b>Adjustments</b>				
Sales	-	(\$5,952)	\$10,500	-
Cost Of Sales	-	-	-	-
Depreciation	\$28,389	\$6,310	-	-
Insurance--Life/Health Owners	\$37,734	\$33,509	\$36,873	\$38,000
Interest Expense	\$12,806	\$8,211	\$4,873	\$4,500
Meals & Entertainment	\$1,206	\$1,496	\$1,391	\$1,500
Payroll--Owner's--If NOT in Cost of Sales	\$70,300	\$61,895	\$64,979	\$65,000
Payroll Taxes	\$5,600	\$4,800	-	\$800
Bank Fees	-	-	\$2,500	-
Retirement Plan Contributions	-	-	\$7,369	\$2,000
Auto Expense	-	-	-	\$5,000
Other Income	-	-	-	-
Other Expenses	-	-	-	-
Income Taxes (if C Corp)	-	-	-	-
Total Adjustments	\$156,035	\$110,269	\$128,484	\$116,800
Discretionary Cash Flow	\$219,191	\$181,007	\$274,560	\$275,000

## Accounting System Notes

<i>Fiscal year end:</i>	December 31
<i>Financial Statement accounting method:</i>	Accrual
<i>Financial Statements prepared by:</i>	Internal Bookkeeper
<i>Tax Return accounting method:</i>	Accrual
<i>Tax preparation:</i>	CPA
<i>Payroll prepared by:</i>	Internal Bookkeeper
<i>Audit history:</i>	An outside firm has not audited the Company's financial statements.

## Status of Tax Payments

All taxes due and payable, including but not limited to, sales, use, property, income and payroll, are current.

## H. EXHIBITS

---

## Income Statement

*Period Ending & Information Source*

	2003	2004	2005	2006
	Financial Statement	Financial Statement	Financial Statement	Projected
<b>Total Sales</b>	<b>\$758,942</b>	<b>\$814,060</b>	<b>\$1,080,860</b>	<b>\$1,125,000</b>
<b>Total Cost Of Sales</b>	<b>\$171,973</b>	<b>\$245,373</b>	<b>\$320,169</b>	<b>\$302,400</b>
<b>Gross Profit</b>	<b>\$586,969</b>	<b>\$568,688</b>	<b>\$760,691</b>	<b>\$822,600</b>
<b>Operating Expenses</b>				
Accounting	\$4,575	\$6,500	\$6,094	\$6,000
Advertising	\$17,628	\$33,760	\$61,203	\$65,000
Auto Expense	\$15,682	\$30,829	\$28,730	\$40,000
Bank Fees	\$613	\$846	\$5,251	\$5,000
Contract Labor	\$6,789	\$745	\$26,387	\$30,000
Depreciation	\$28,389	\$6,310	-	-
Dues/Fees/Subscriptions	\$250	\$785	\$530	\$500
Insurance--Life/Health Employees	\$15,726	\$19,243	\$36,791	\$38,000
Insurance--Life/Health Owners	\$37,734	\$33,509	\$36,873	\$38,000
Insurance--Liability	\$23,436	-	-	-
Insurance--Workman's Comp	\$14,570	\$31,231	\$18,732	\$20,000
Interest Expense	\$12,806	\$8,211	\$4,873	\$4,500
Leases--Equipment	\$6,463	\$3,470	\$492	\$500
Licenses & Permits	\$2,657	\$2,360	\$5,738	\$5,800
Meals & Entertainment	\$1,206	\$1,496	\$1,391	\$1,500
Miscellaneous	\$897	\$8,479	-	-
Office Supplies	\$14,957	\$15,270	\$13,297	\$14,000
Other Supplies	\$6,839	\$1,318	\$3,106	\$3,000
Payroll--Employee--If NOT in Cost of Sales	\$186,858	\$178,749	\$250,254	\$275,000
Payroll--Owner's--If NOT in Cost of Sales	\$70,300	\$61,895	\$64,799	\$65,000
Payroll Taxes	\$23,440	\$19,556	\$736	\$800
Postage & Shipping	\$280	\$1,766	\$2,189	\$2,500
Rent	\$13,759	\$20,209	\$25,200	\$26,000
Repairs & Maintenance	\$192	-	\$140	\$200
Retirement Plan Contributions	\$5,130	-	\$7,369	\$8,000
Telephone	\$11,017	\$9,445	\$12,406	\$13,000
Utilities	\$1,621	\$1,968	\$2,037	\$2,100
<b>Total Operating Expenses</b>	<b>\$523,813</b>	<b>\$497,950</b>	<b>\$614,615</b>	<b>\$664,400</b>
Other Income	-	-	-	-
Other Expenses	-	-	-	-
<b>Net Income Before Taxes</b>	<b>\$63,156</b>	<b>\$70,738</b>	<b>\$146,076</b>	<b>\$158,200</b>
Interest Expenses	\$12,806	\$8,211	\$4,873	\$4,500
<b>EBIT</b>	<b>\$75,962</b>	<b>\$78,949</b>	<b>\$150,949</b>	<b>\$162,700</b>
Depreciation & Amortization	\$28,389	\$6,310	-	-
<b>EBITDA</b>	<b>\$104,351</b>	<b>\$85,259</b>	<b>\$150,949</b>	<b>\$162,700</b>
Business Income Taxes (if C Corp)	-	-	-	-
<b>Net Income After Taxes</b>	<b>\$63,156</b>	<b>\$70,738</b>	<b>\$146,076</b>	<b>\$158,200</b>

## Balance Sheet

Period Ending

Dec 31, 2005

### ASSETS

#### Current Assets

Cash	\$1,259
Accounts Receivable	\$55,444
Inventory	\$16,016
Other Current Assets	\$1,791
Total Current Assets	\$74,510

#### Long Term Assets

Land	-
Building	-
Leasehold Improvements	\$59,000
Furniture Fixtures & Equipment	\$133,731
Vehicles	-
Other Depreciable Assets	\$25,000
Franchise/Licensing Agreements	-
Other Intangible Assets	-
Other Long Term Assets	\$4,041
Subtotal	\$221,772
Less Accumulated Depreciation	\$124,365
Net Long Term Assets	\$97,407

#### Other Assets

Notes Receivable	-
Investments	-
Deposits	-
Total Other Assets	-

#### Total Assets

\$171,916

### LIABILITIES & EQUITY

#### Current Liabilities

Trade Accounts Payable	\$52,593
Accruals	\$33,654
Credit Line(s)	\$3,478
Other Current Liabilities	\$102
Total Current Liabilities	\$89,827

#### Liabilities Long-Term

Total Notes Payable	\$67,173
Other Long Term Liabilities	-
Total Long Term Liabilities	\$67,173

#### Owner's Equity

General Equity Account	\$35,000
Current Earnings	\$123,045
Retained Earnings	(\$227,129)
Total Equity	(\$69,084)

#### Total Liabilities & Equity

\$87,916



# Tax Returns

Available upon request