

# [Company Name]

## Expense Analysis

### For Period Ending [DATE]

Pro Forma Financial Statements—Income Statement, Balance Sheet, and Cash Flow Summary						
Pro forma annual income statement						
Headcount summary	Q1	Q2	Q3	Q4		Notes
Service operations	23.00	25.00	26.00	27.00	27.00	
Sales and marketing	16.00	16.00	19.00	20.00	20.00	
General and administrative	21.00	21.00	21.00	22.00	22.00	
Total headcount	60.00	62.00	66.00	69.00	69.00	
Revenues	\$500,000	\$500,000	\$500,000	\$500,000	\$2,000,000	
Cost of sales	50,000	50,000	50,000	50,000	200,000	
Gross margin	\$450,000	\$450,000	\$450,000	\$450,000	\$1,800,000	
Margin contribution %	90%	90%	90%	90%	90%	
Checkpoint: Revenue per employee from this budget					\$28,986	
Targeted revenue per employee					\$150,000	
Expenses	Q1	Q2	Q3	Q4		Notes
Service operations	\$664,940	\$725,310	\$746,880	\$781,380	\$2,918,510	
Sales and marketing	797,440	772,440	878,000	927,500	3,375,380	
General and administrative	775,230	786,680	778,280	800,000	3,140,190	
Total expenses	\$2,237,610	\$2,284,430	\$2,403,160	\$2,508,880	\$9,434,080	
Operating profit	-\$1,787,610	-\$1,834,430	-\$1,953,160	-\$2,058,880	-\$7,634,080	
Other gains (losses)	0	21,000	20,000	35,000	76,000	
Other income	5,000	5,000	5,000	5,000	20,000	
Total income	-1,782,610	-1,808,430	-1,928,160	-2,018,880	-7,538,080	
Taxes 30%	-534,780	-542,530	-578,450	-605,660	-2,261,420	
Net income	-1,247,830	-1,265,900	-1,349,710	-1,413,220	-5,276,660	
Pro forma annual balance sheet						
Assets	Beginning balance	Q1	Q2	Q3	Q4	Ending Balance
Cash	25,000	-1,321,080	-2,596,680	-3,958,490	-5,383,210	-5,383,210
Accounts receivable	10,000	40,000	40,000	40,000	40,000	40,000
Other current assets	50,000	20,000	20,000	20,000	20,000	20,000
Total current assets	85,000	-1,261,080	-2,536,680	-3,898,490	-5,323,210	-5,323,210
Depreciable assets	70,000	77,000	86,000	98,000	110,000	110,000
Accumulated depreciation	0	3,850	8,150	13,050	18,550	18,550
Land	40,000	640,000	640,000	640,000	640,000	640,000
Net property, plant, and equipment	110,000	713,150	717,850	724,950	731,450	731,450
Other assets	450,000	100,000	100,000	100,000	100,000	100,000
Total assets	\$645,000	(\$447,930)	(\$1,718,830)	(\$3,073,540)	(\$4,491,760)	(\$4,491,760)
Liabilities and equity						
Accounts payable	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Accrued liabilities	10,000	10,000	10,000	10,000	10,000	10,000
Other current liabilities	500,000	500,000	500,000	500,000	500,000	500,000
Total current liabilities	\$525,000	\$525,000	\$525,000	\$525,000	\$525,000	\$525,000
Long-term debt	\$150,000	\$145,000	\$140,000	\$135,000	\$130,000	\$130,000
Notes payable	50,000	0	0	0	0	0
Other long-term liabilities	45,100	5,000	5,000	5,000	5,000	5,000
Total long-term liabilities	\$245,100	\$150,000	\$145,000	\$140,000	\$135,000	\$135,000
Total liabilities	\$770,100	\$675,000	\$670,000	\$665,000	\$660,000	\$660,000
Common stock	\$15,212	\$15,212	\$15,212	\$15,212	\$15,212	\$15,212
Retained earnings	1,232	1,232	1,232	1,232	1,232	1,232
Cumulative net income	0	-1,247,830	-2,513,730	-3,863,440	-5,276,660	-5,276,660
Net equity	\$16,444	-\$1,231,386	-\$2,497,286	-\$3,846,996	-\$5,260,216	-\$5,260,216
Total liabilities and equity	\$786,544	-\$556,386	-\$1,827,286	-\$3,181,996	-\$4,600,216	-\$4,600,216
Pro forma annual cash flow summary						
Sources of funds	Q1	Q2	Q3	Q4		Notes
From operations	-\$1,252,830	-\$1,291,900	-\$1,374,710	-\$1,453,220		
Add depreciation	3,850	4,300	4,900	5,500		
Net changes in balance sheet accounts						
Current assets	0	0	0	0		
Current liabilities	0	0	0	0		
Other sources of funds						
Other gains (losses)	0	21,000	20,000	35,000		

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Other	5,000	5,000	5,000	5,000
Total sources	-\$1,243,980	-\$1,261,600	-\$1,344,810	-\$1,407,720
Uses of funds				
Repurchase of stock	0	0	0	0
Debt retirement	-95,100	-5,000	-5,000	-5,000
Purchase of equipment and assets	-7,000	-9,000	-12,000	-12,000
Other uses	0	0	0	0
Total uses	-\$102,100	-\$14,000	-\$17,000	-\$17,000
Net change in cash	-1,346,080	-1,275,600	-1,361,810	-1,424,720
Cumulative cash	-1,346,080	-2,621,680	-3,983,490	-5,408,210
Beginning balance	\$25,000	-\$1,321,080	-\$2,596,680	-\$3,958,490
Ending balance	-\$1,321,080	-\$2,596,680	-\$3,958,490	-\$5,383,210
Summary trend data for chart				
	Q1	Q2	Q3	Q4
Revenue	500,000	500,000	500,000	500,000
Margin	450,000	450,000	450,000	450,000
Net Income (Loss)	-1,247,830	-1,265,900	-1,349,710	-1,413,220
Cash Flow	-1,346,080	-1,275,600	-1,361,810	-1,424,720
Total Assets	-447,930	-1,718,830	-3,073,540	-4,491,760

Note: Enter data into the areas highlighted in 'Gray'

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