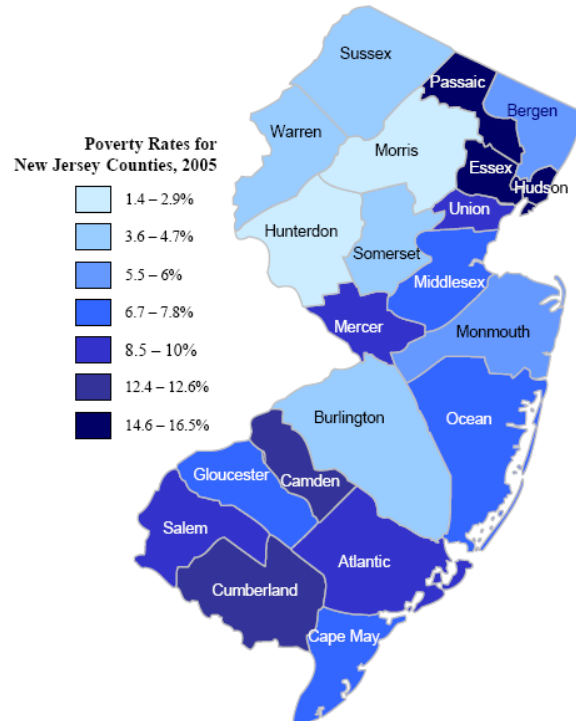


XIII. Appendices

Official Poverty Rates in New Jersey

Figure 25: Official Poverty Rates by County



Source: Calculated from U.S. Census Bureau, 2005 American Community Survey

XIV. Financials

Start up Expenses

Startup Expenses

Growing Home

SOURCES OF CAPITAL

Owners' Investment

Jody Veler	\$ 2,500
LSM/NJ In-Kind Donations	\$7,500
	-
	-

Total Investment	\$10,000
-------------------------	-----------------

STARTUP EXPENSES

Buildings/Real Estate

Lease	\$400.00
Cold Storage	\$4,000
Post Harvest Station	\$1,000
	-

Total Buildings/Real Estate	\$ 5,400
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Direct Materials

Plant Material/Seed/Supplies	\$4,500
Fertilizer	\$200
Packaging	\$1,000
	-

Total Direct Materials	\$ 5,700
-------------------------------	-----------------

Equipment

Van	\$3,000
Irrigation	\$2,000
Post Harvest Equipment	\$400
Tools	\$500
Other	-
Total Capital Equipment	\$ 5,900

Location and Admin Expenses

Office	In-Kind
Utility deposits	In-Kind
Legal and accounting fees	In-Kind
Farm Insurance	\$500
Pre-opening salaries	\$0
Other	-
Total Location and Admin Expenses	\$ 500

Opening Inventory

Boxes	In-Kind
Vehicle Insurance	In-Kind
	-
	-
	-
Total Inventory	\$0

Advertising and Promotional Expenses

Advertising	\$300
Signage	\$0
Printing	In-Kind
Travel/entertainment	\$1,200
Other/additional categories	\$0

Total Advertising/Promotional Expenses	\$ 1,500
---	-----------------

SUMMARY STATEMENT

Sources of Capital

Owners' and other investments	\$2,500
Bank loans	-
In-Kind	\$7,500
Total Source of Funds	\$10,000

Startup Expenses

Buildings/real estate	\$ 5,400
Leasehold improvements	5,700
Capital equipment	5,900
Location/administration expenses	500
Opening inventory	-
Advertising/promotional expenses	1,500
Other expenses	-
Contingency fund	-
Working capital	-
Total Startup Expenses	\$19,000

First year cash flow projections

Twelve-Month Cash Flow Growing Home

Fiscal Year Begins: Jan-08

	Pre-Startup EST	Jan- 07	Feb- 07	Mar- 07	Apr-07	May-07	Jun-07	Jul-07	Aug- 07	Sep- 07	Oct- 07	Nov- 07	Dec- 07	Total Item EST
Cash on Hand (beginning of month)	2,500	2,500	2,200	14,625	56,200	101,025	117,900	107,775	96,150	86,025	75,900	65,775	55,100	33,600
CASH RECEIPTS														
Cash Sales	0		27,500	55,000	55,000	27,500								
Collections fm CR accounts	0													
Loan/ other cash inj.														
TOTAL CASH RECEIPTS	0	0	27,500	55,000	55,000	27,500	0	0	0	0	0	0	0	0
Total Cash Available (before cash out)	2,500	2,500	29,700	69,625	111,200	128,525	117,900	107,775	96,150	86,025	75,900	65,775	55,100	33,600
CASH PAID OUT														
Materials and supplies in COGS			4,000	700										
Post-harvest			1,000											
Irrigation				2,000										
Gross wages (exact withdrawal)				10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Payroll expenses (taxes, etc.)														
Outside services														

Supplies (sales, packaging)			1,000											
Repairs & maintenance								1,500						
Advertising		100	50	100	50									
Car, delivery & travel			3,125	125	125	125	125	125	125	125	125	125		
Accounting & legal														
Rent		200	200											
Telephone														
Utilities														
Insurance			500											
Taxes (real estate, etc.)														
Interest														
Cold storage			4,000											
Tools			500											
Equipment			400											
Miscellaneous				500		500						550		
SUBTOTAL	0	300	14,775	13,425	10,175	10,625	10,125	11,625	10,125	10,125	10,125	10,675	10,000	0
Loan principal payment														
Capital purchase (specify)														
Other startup costs														
Reserve and/or Escrow														
Owners' Withdrawal			300										11,500	
TOTAL CASH PAID OUT	0	300	15,075	13,425	10,175	10,625	10,125	11,625	10,125	10,125	10,125	10,675	21,500	0
Cash Position (end of month)	2,500	2,200	14,625	56,200	101,025	117,900	107,775	96,150	86,025	75,900	65,775	55,100	33,600	33,600

ESSENTIAL OPERATING DATA (non cash flow information)														
Sales Volume (dollars)														
Accounts Receivable														
Bad Debt (end of month)														

Inventory on hand (eom)														
Accounts Payable (eom)														
Depreciation														

Four Year Profit Projection

Growing Home

	2008	%	2009	%	2010	%	2011	%
Sales	\$ 165,000	100.00%	\$198,000	100.00%	\$209,000	100.00%	\$220,000	100.00%
Cost/ Goods Sold (COGS)	\$4,700	2.85%	5,000	2.53%	\$5,500	2.63%	\$5,900	2.68%
Gross Profit	<u>\$ 160,300</u>	<u>97.15%</u>	<u>\$193,000</u>	<u>97.47%</u>	<u>\$203,500</u>	<u>97.37%</u>	<u>\$214,100</u>	<u>97.32%</u>
Operating Expenses								
Salary (Office & Overhead)	\$120,000	72.73%	\$150,000	75.76%	\$150,000	71.77%	\$150,000	68.18%
Payroll (taxes etc.)	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Outside Services	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Supplies (off and operation)	\$2,500	1.52%	-	0.00%	-	0.00%	-	0.00%
Repairs/ Maintenance	\$1,500	0.91%	\$1,700	0.86%	\$3,000	1.44%	\$800	0.36%
Advertising	\$300	0.18%	\$900	0.45%	\$1,100	0.53%	\$800	0.36%

Car, Delivery and Travel	\$1,500	0.91%	\$2,500	1.26%	\$8,000	3.83%	\$2,500	1.14%
Accounting and Legal	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Rent	\$400	0.24%	\$400	0.20%	\$400	0.19%	\$400	0.18%
Telephone	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Utilities	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Insurance	\$500	0.30%	\$500	0.25%	\$550	0.26%	\$500	0.23%
Taxes (real estate etc.)	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Interest	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Depreciation	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Other expense (specify)	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Other expense (specify)	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total Expenses	<u>\$ 126,700</u>	<u>76.79%</u>	<u>\$156,000</u>	<u>78.79%</u>	<u>\$163,050</u>	<u>78.01%</u>	<u>\$155,000</u>	<u>70.45%</u>
Net Profit Before Tax	33,600		37,000		40,450		59,100	
Income Taxes	-		-		-		-	
Net Profit After Tax	33,600		37,000		40,450		59,100	
Owner Draw/ Dividends	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	
Adj. to Retained Earnings	<u>\$ 33,600</u>		<u>\$ 37,000</u>		<u>\$ 40,450</u>		<u>\$ 59,100</u>	

Breakeven Analysis

Breakeven Analysis

Growing Home Year 1

Amounts shown in U.S. dollars

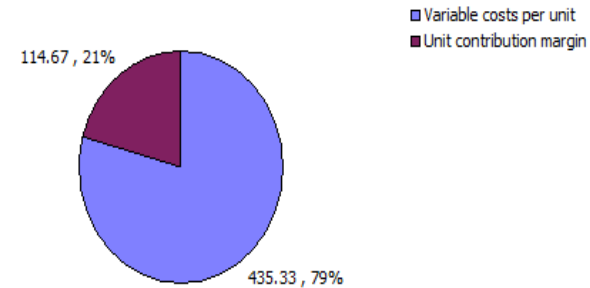
Sales		
Sales price per unit	550.00	
Sales volume per period (units)	300	
Total Sales		165,000

Variable Costs		
Commission per unit	0.00	
Direct material per unit	15.67	
Shipping per unit	0.00	
Supplies per unit	13.00	
Other variable costs per unit	406.66	
Variable costs per unit	435.33	
Total Variable Costs		130,599

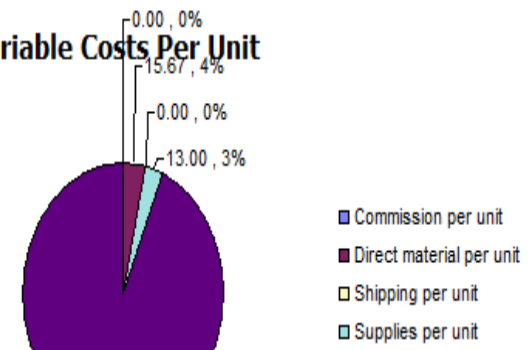
Unit contribution margin	114.67	
Gross Margin		34,401.

Fixed Costs Per Period	
Administrative costs	0.00
Insurance	500.00

Unit Contribution Margin



Variable Costs Per Unit



Property tax	0.00	
Rent	400.00	
Other fixed costs	0.00	
Total Fixed Costs per period		900.00
Net Profit (Loss)		33,501.

Results:

Breakeven Point (units):

8

Sales volume analysis:

Sales volume per period (units)

Sales price per unit

Fixed costs per period

Variable costs

Total costs

Total sales

Net profit (loss)

0	30	60	90	120	150	180	210	240	270	300
550	550	550.00	550.00	550	550	550	550	550	550	550
900	900.00	900.00	900.00	900	900	900	900	900	900	900
0.00	13,059	26,119	39,179	52,239	65,299	78,359	91,419	104,479	117,539	130,599
900	13,959	27,019	40,079	53,139	66,199	79,259	92,319	105,379	118,439	131,499
0.00	16,500	33,000	49,500	66,000	82,500	99,000	115,500	132,000	148,500	165,000
(900)	2,540	5,980	9,420	12,860	16,300	19,740	23,180	26,620	30,060	33,501

