



SOUTH LOS ANGELES
CONFERENCE CENTER

SOUTH LOS ANGELES CONFERENCE CENTER

July 2011

Preliminary Business Plan Developed by the
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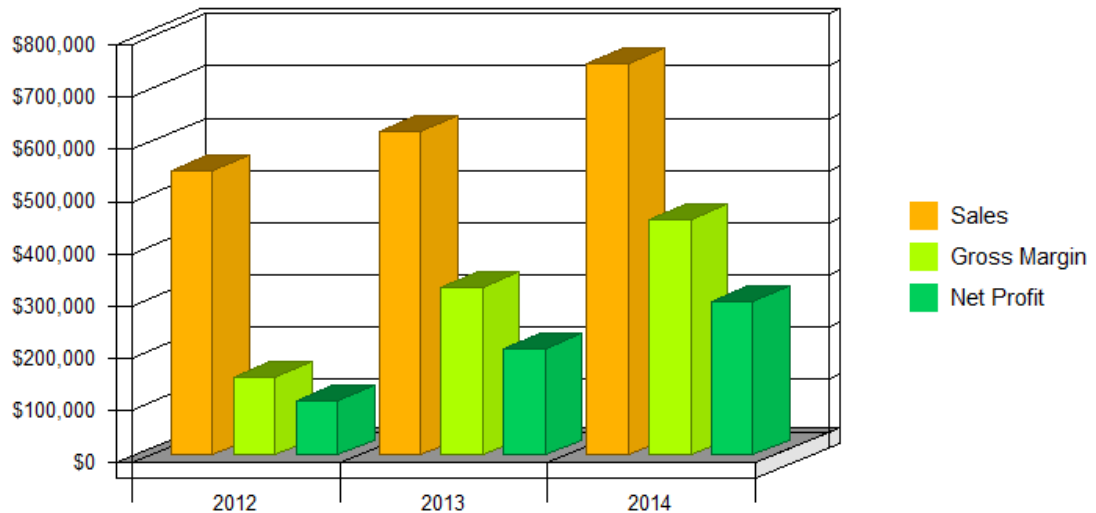
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1.0 Executive Summary

Highlights



1.1 Objectives

The **business goals** of the South Los Angeles Conference Center for the year 2012 are:

1. To confirm and serve 50 business conferences, luncheons, seminars, and/or workshops for major public/private organization space rental and catering service clients.
2. To generate over \$20,000 monthly in earned income by the end of the first year from meeting space fees and related banquet catering services.
3. To keep a strong gross profit margin of at least 60% from sales of services.
4. To receive at least \$125,000 in the first year from newly developed funding sources such as grants that will come over time depending on deadlines and qualifications.
5. To develop and maintain a strong client base of local community groups and faith-based organizations.
6. To develop an outreach program that includes new markets and opens the doors for the ultimate programming goal: The 100 Black Men, Crenshaw Chamber of Commerce, Vermont/Slauson Economic Development Corp, Neighborhood Empowerment Council, and the like.

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1.2 Mission

The South Los Angeles Conference Center (*SLACC*) is an emerging business venture with Teresa and Rudy Casasola as owners and proprietors, jointly teaming with two nonprofit organizations - the South Los Angeles Economic Development Partnership (dba, Southland Partnership Corporation) and United Latinos in America (dba, ULA). This is a working strategic alliance formed to help retain and expand event activity at 6236 S. Saint Andrews Place, Los Angeles, CA 90047. By using existing resources more effectively, the *SLACC* mission is to host business and social events in a first-class environment. It is a place to utilize, enjoy, learn, and discover.

The *SLACC* will work to attract film production and arts appreciation for a wide spectrum of local cultural communities and visitors alike. It will also be a workplace of inclusion and respect, with a main focus on the development of business and job growth. The *SLACC* mission includes special consideration for the cultural diversity of Los Angeles, thereby offering an economic benefit from this joint venture is that the *SLACC* is dedicated to open community residents sustainable work opportunity and experience with transferable skills associated with the hospitality/catering industry. Participants will be encouraged to gain additional work experience in the restaurant and food services industry while making the transition from school to work and will allow them to develop entrepreneurial skills that will be transferable to any job in the future.

1.3 Keys to Success

- Cultivate an identity (brand) for the South Los Angeles Conference Center among other nearby businesses with 15 or more employees.
- Expand our customer base from banquets to workshops and business training.
- Expand the donor/corporate partner base and corporate contributions that add to the financial resources of quarterly/monthly on-site 'Gourmet Truck Training' programs.
- Provide programs with entrepreneurial job skills that can open doors to future employment opportunities.

2.0 Company Summary

The South Los Angeles Conference Center (*SLACC*) consists of an expanded venture starting with the Good Times Banquet Hall business model with two non-profit 501(c)(3) organizations, both practicing public benefit services since 2000. Our newly designed mission focuses on the development of businesses growth for the south Los Angeles region by providing a space for year-round business exchange of training and a working environment for meetings and catered graduations or certifications.

The *SLACC* project serves to enlarge the Good Times Banquet Hall that solely focused on social activities, where the *SLACC* combines business services with other important aspects of growing and expanded small enterprises. The current surge in the mobile restaurant activity, in collaboration with nonprofit job/training needs, will help in building the meeting and banquet services business. Using the well-established Good Times Banquet Hall business, the *SLACC* programs will continue to meet those services provided for weekend events to include week-day business programs that augment our core business services.

The *SLACC* essentially takes up 10% of the space dedicated to Western Catering Company that accommodates 26+ mobile Meal Trucks, food/beverage warehousing, 8 industrial, office and commercial use tenants. These independently owned and operated mobile trucks have access to the

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warehousing food and beverage refreshing services 7 days a week from this location. The mobile units are essentially full-service kitchens, each staffing independent contractors with 2-4 people, serving an ethnically diverse community with refreshment of food, snacks and beverages.

The *SLACC* strives to become a conference/banquet hall "anchor" for the Canteberry Knowles Los Angeles community. Besides a presentation space unlike any other, we will have a "training" aspect, concentrating specifically on our realm of expertise mobile food truck operations, complementing the other light industrial tenants occupying 6236 South Saint Andrews, to form a well rounded business network. The following highlights the history of the mobile truck operations:

- 1984, 12 Trucks at Adams and Western - 8th CD
- 2005, eminent domain from two buildings at 46th Street & Western Avenue, doing lunch truck catering services for fourteen years.
 - LAUSD made way to build Barack Obama Global Preparatory Academy
- 2006, a \$3.3 million acquisition of 79K sq. ft. two-story mixed-use building at Gage Avenue and Saint Andrews Place.
 - DWP parking, cancelled easement with 70 mobile truck capacity
- 2006-10, a \$2.5 million code compliance, restoration and utilization standards
 - 2009, Birth of Good Times Banquet Hal
- July 2011, a joint project to develop the South Los Angeles Conference Center (*SLACC*)

The Los Angeles Council District-8 is an important ally, as a supporter of the *SLACC* and co-presenting groups, Southland Partnership Corporation and United Latinos in America, as well as other city and county collaborative community supporters, including, but not limited to;

- Los Angeles Police Department
- Los Angeles Unified School District
- Los Angeles County Sheriff's Department
- United Latinos In America
- Southland Partnership Corporation
- POWER Collaborative Network
- St. Michaels Catholic School
- Neighborhood Empowerment Council
- So. CA Falcons Youth Football & Cheer Organization

There will be of tremendous importance the need to develop business programs and alliances. For example, Rudy Casasola, Proprietor and General Manager for the *SLACC* facility and programs, will direct all operational areas, including sponsorship and programming. Teresa Casasola, is the Director of Event Integrity, to ensure programs operate properly in maintaining the facility. Dean Jones is the marketing arm responsible for building training programs and *SLACC* branding among business and residents alike. Billy Williams and Roberto Recillas have strong ties to public school student motivation and parenting education that tie perfectly in training programs for *SLACC*.

2.1 Company Ownership

This business will continue as a simple proprietorship, owned by its founders Rodolfo 'Rudy' and Teresa Casasola. As the operation grows, the owners will consider re-registering as a limited liability company or as a corporation, whichever will better suit the future business needs of the joint venture between the Southland Partnership Corporation and United Latinos in America.

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2.2 Company History

The *SLACC* is new, but adds to an ongoing concern that begins with very little debt, and our idea behind this type of start-up plan is to keep overhead at a bare minimum so that the service business can thrive on the knowledge and expertise of Teresa and Rudy Casasola. The second largest expense upon startup and the largest ongoing expense affecting free cash flow is the facility maintenance, i.e. water, power, and building maintenance.

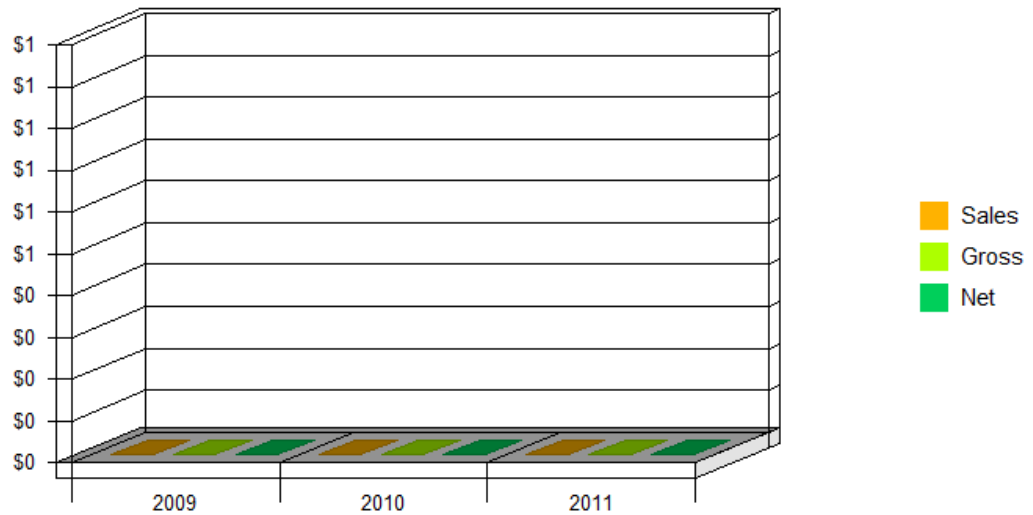
The Good Times Banquet Hall was established at the beginning of 2009, and experienced losses resulting from inadequate parking and operating permit restrictions. These obstacles are under review and will hopefully be resolved by January 2012.

Table: Past Performance

Past Performance	2009	2010	2011
Sales	\$0	\$0	\$0
Gross Margin	\$0	\$0	\$0
Gross Margin %	0.00%	0.00%	0.00%
Operating Expenses	\$0	\$0	\$0
<hr/>			
Balance Sheet	2009	2010	2011
<hr/>			
Current Assets			
Cash	\$0	\$0	\$0
Other Current Assets	\$0	\$0	\$0
Total Current Assets	\$0	\$0	\$0
<hr/>			
Long-term Assets			
Long-term Assets	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0
<hr/>			
Total Assets	\$0	\$0	\$0
<hr/>			
Current Liabilities			
Accounts Payable	\$0	\$0	\$0
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities (interest free)	\$0	\$0	\$0
Total Current Liabilities	\$0	\$0	\$0
<hr/>			
Long-term Liabilities			
Total Liabilities	\$0	\$0	\$0
<hr/>			
Paid-in Capital	\$0	\$0	\$0
Retained Earnings	\$0	\$0	\$0
Earnings	\$0	\$0	\$0
Total Capital	\$0	\$0	\$0
<hr/>			
Total Capital and Liabilities	\$0	\$0	\$0
<hr/>			
Other Inputs			
Payment Days	0	0	0

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Past Performance



3.0 Services

Roughly 10% of the 6236 S. Saint Andrews Place, Los Angeles, CA 90047 offers upstairs 6,000+ sq. ft., of the building dedicated to multi-use social events and business programs.

4.0 Market Analysis Summary

SLACC is focused on hosting events and programs that including the following;

- Banquets/Luncheons
- Business Seminars
- Ballroom Dancing Clubs
- Community Meetings
- Filming
- Educational Training Sessions
- Motion Picture Production
- Theatrical Plays
- Receptions
- Rehearsals
- Warehouse Close-out Expos
- Youth Programs:
 - Bar Mitzvahs & Bat Mitzvahs
 - Quinceañeras

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Additionally, the *SLACC* strives, through the fine arts, to create a welcoming environment in which facility participants represent a broad cross-section of all families, without regard to racial, educational, or economic background.

4.1 Market Segmentation

Using a broad definition of our market, every business and organization is a potential event client of services offered by the *SLACC*. If we were to temper that broad definition with a geographic boundary of a thirty-mile radius, we still have the opportunity to reach a vast market, the entire south, east, north and west areas of Los Angeles. Simply stated, there are literally millions of people representing our market definition. Although our unique and high-quality event services are very modest compared to hotels with banquet accommodations, our marketing focus all efforts on a smaller market segment. By any measure, we operate in a richly populated market of approximately businesses, organizations, and residents requiring access to nice event services.

The *SLACC* program is building strong ties within the local community, local media, and educational institutions. To drive awareness, we will supplement the support we receive from local institutions with a broad sweeping outreach program, focused social Internet media campaigns, and local newspaper media placement. Catenberry Knowles is a stable light industrial/commercial area with a history of supporting family-oriented programs offered both locally and throughout the greater metropolitan area.

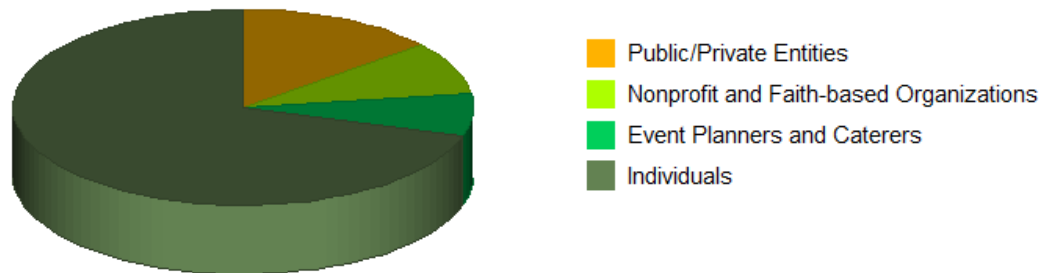
Our outreach programs will focus primarily on serving business in low to moderate income areas of the city of Los Angeles. Entrepreneurial endeavors are encouraged with small business rentals, 600 to 1,000 square foot facilities. We are in the process of developing relationships with Los Angeles-area galleries and arts organizations with the intent of extending our outreach into communities outside the thirty-mile radius of our location. We will combine programming, special events, and gallery shows with these organizations.

Table: Market Analysis

Market Analysis		2012	2013	2014	2015	2016	CAGR
Potential Customers	Growth						
Public/Private Entities	10%	400	440	484	532	585	9.97%
Nonprofit and Faith-based Organizations	20%	250	300	360	432	518	19.98%
Event Planners and Caterers	30%	200	260	338	439	571	29.99%
Individuals	25%	2,000	2,500	3,125	3,906	4,883	25.00%
Total	23.16%	2,850	3,500	4,307	5,309	6,557	23.16%

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Market Analysis (Pie)



4.2 Target Market Segment Strategy

Some examples of the strategy to bring in targeted markets are shown below:

Invite local adjacent and south Los Angeles region businesses. Solicit targeted businesses for meeting space, seminars, luncheons, graduations, office parties, and the like using the *SLACC* services.

Invite local nonprofit and faith-based organizations. Outreach to schools, universities, arts and film, churches, by marketing directly to them, advertising in their publications, and sponsoring their events. Keep in constant touch with this market to provide written information, web sites, and schedule guide of events, including groups like the following customers;

- Community Redevelopment Agency - South LA Region
- St. Michaels Catholic School
- Los Angeles Police Department
- POWER Collaborative Network
- Los Angeles Office of Education
- Los Angeles Sheriff's Department
- United Latinos in America
- El Sembrador
- Power of Love Christian Fellowship Church

4.3 Service Business Analysis

The core operations of *SLACC* activity will center on building revenue from business meetings, training and social events. The event functions will operate seamlessly with the mobile truck business at this same location that functions under a unique niche of servicing local university or school district. A positive sign for the catering and restaurant industries means that the *SLACC* will have greater opportunities for new clients. The current predictors indicate that over 50% of Los Angeles' business and personal food budgets are spent on food prepared outside of their own kitchens, presenting an interesting opportunity for caterers (National Restaurant Association, <http://www.restaurant.org/>).

4.3.1 Competition and Buying Patterns

SLACC meets customer expectation by ensuring several qualities including, but not limited to:

- Reliable and consistently high-quality service.
- Good value for money.
- Good quality foods.
- Sound Reputation for event management.

Because *SLACC* principles are comprised with the highest integrity, we believe that as long as we can maintain the above characteristics, repeat and new customers will choose our service and realize the benefit it has for the community. To deliver upon these aforementioned attributes will undoubtedly have consider community benefits, including, but not limited to;

- Broadens Community Engagement
- Raises Contracting and Job Opportunities
- Appreciates Property Value
- Progresses Neighborhood Curb Appeal
- Appealing Destination Point for Visitors
- Promotes Business Expansion
- Retains Adjacent/Local Business Interests
- Attracts New Enterprise

5.0 Web Plan Summary

Our website address is www.SouthLAConferenceCenter.com that offers the opportunity to share information on special events, menu offerings, public service announcements and loads of photos and a virtual tour of the facility.



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5.1 Website Marketing Strategy

Our website will be promoted on all of our menus, and promo pieces. We will use Facebook, Twitter, Craig's List and other social media outlets that attract links to www.SouthLAConferenceCenter.com. By joining the Crenshaw Chamber of Commerce and other business organizations that employ social media tools will enhance this project's marketing strategy.

5.2 Development Requirements

The *SLACC* website is completed using a Wordpress platform and initially developed by Netbased Infostudios. A Small Orange is the Internet Service Provider hosting the site. On going maintenance and updating is taken care by Dean Jones, Southland Partnership Corporation. We also have www.GoodTimesBanquetHall.com in place using a Wordpress platform as well. The website logos, and graphics are adapted to the business cards and will be applied to all marketing material.

6.0 Strategy and Implementation Summary

6.1 SWOT Analysis

The SWOT analysis provides us with an opportunity to examine the internal strengths and weaknesses *SLACC* must address. It also allows us to examine the opportunities presented to JavaNet as well as potential threats.

The *SLACC* has a valuable inventory of **strengths** that will help it expand upon its experience. These strengths include: a knowledgeable and friendly staff, well maintained facility, and a clear vision of the market need. Strengths are valuable, but it is also important to realize the **weaknesses** *SLACC* must address. These weaknesses include: a dependence on leased parking, contracted security services, and potential of zoning permit restrictions.

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The SLACC's strengths will help it capitalize on emerging opportunities. These **opportunities** include, but are not limited to, a growing awareness of services and word-of-mouth referrals. **Threats** that The SLACC should be aware of include, the rapidly rising costs for utilities.

6.1.1 Strengths

1. **Knowledgeable and friendly staff.** Working with a mature staff conveys a passion for coordinating and hosting events.
2. **Central location.** Easy to get to location with valet parking. Each event comes complete with large round tables and chairs, security and insurance.
3. **Promotes Jobs and Contracts for local businesses.** SLACC events promote a ripple effect with job generation. Every event sparks business in the following areas:
 - Floral/Decorations
 - Apparel Sales/Tailors/Dress Makers
 - Tuxedo Rental
 - Shoe Sales/Repair
 - Toiletries/Gifts/Accessories
 - Car Washes/Maintenance
 - Cake Decorating
 - Food/Beverage Sales
 - Barber/Beauty Shops
 - Photo/Videographers
 - Security Guard Service
 - DJ's/Musicians/Singers
 - Decorators/Furniture Set-up
 - Valet/Limousine/Taxi/Gas
 - Printing/Graphics
 - Caterers/Cooks/Servers
 - Cleaning/Janitorial
 - Linen/Stem Ware Sales
 - Dry Cleaners/Launders
 - Utilities/Telephone
 - On-site Event Staff

6.1.2 Weaknesses

- Access to off-street parking.
- Permanent zoning for special events.
- Access to elevator for physically limited patrons.
- Location is not evenly prepared for temperature control.
- On-site cooking is not permitted.

6.1.3 Opportunities

- Growing market with a significant percentage of our target market still not knowing SLACC exists.
- Strategic alliances offering sources for referrals and joint marketing activities to extend our reach.
- Promising activity from offering mobile gourmet truck training programs.
- Changes in the economy for celebrations can initiate more gatherings and therefore, generate sales.
- Increased sales will provide for capital investment in a commercial kitchen.
- Internet potential for selling rentals to markets outside of the immediate 30-mile radius.

6.1.4 Threats

- Refusal of off-street parking.
- Denial of commercial zoning permit.
- Dramatic downturn in the economy.

6.2 Competitive Edge

The SLACC competitive edge comes from our ability to communicate one-on-one through its owners Rudy and Teresa Casasola. Each have a deep love of family/business events. Like the entire The SLACC team members who have a rich history of the local community. The clean and neat appointments of The SLACC facility makes it south Los Angeles destination place.

6.3 Marketing Strategy

As shown by the Sales Forecast table and chart, the major sources of funding will each have its own strategic plan.

6.4 Sales Strategy

The SLACC selling plan is to provide a venue in which the visitors enjoy, supported with great service and offered at competitive prices resulting in a winning combination. At our facilities the value of customer provisions and timely presentation is highly important to exceed comparable banquet services per dollar spent. The SLACC services yield the *'biggest bang for your buck and you get your moneys worth'*. **Our sales strategy is set on the very basics of business, please our customers and they will return again and again.**

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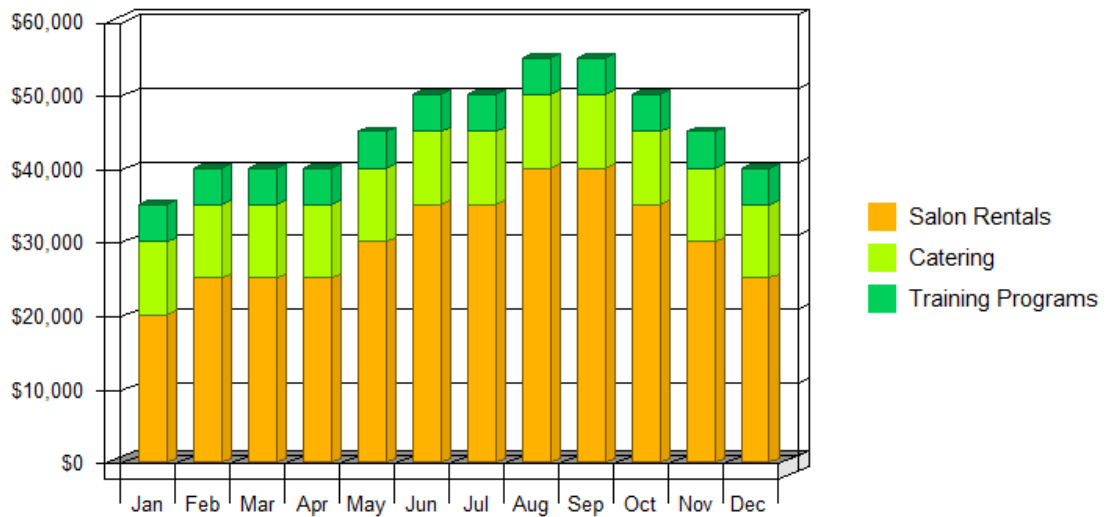
6.4.1 Sales Forecast

As the following table shows, the SLACC sales will deliver revenue of approximately \$545,000 in the year 2012, \$620,000 in the year 2013, and \$750,000 in the year 2014.

Table: Sales Forecast

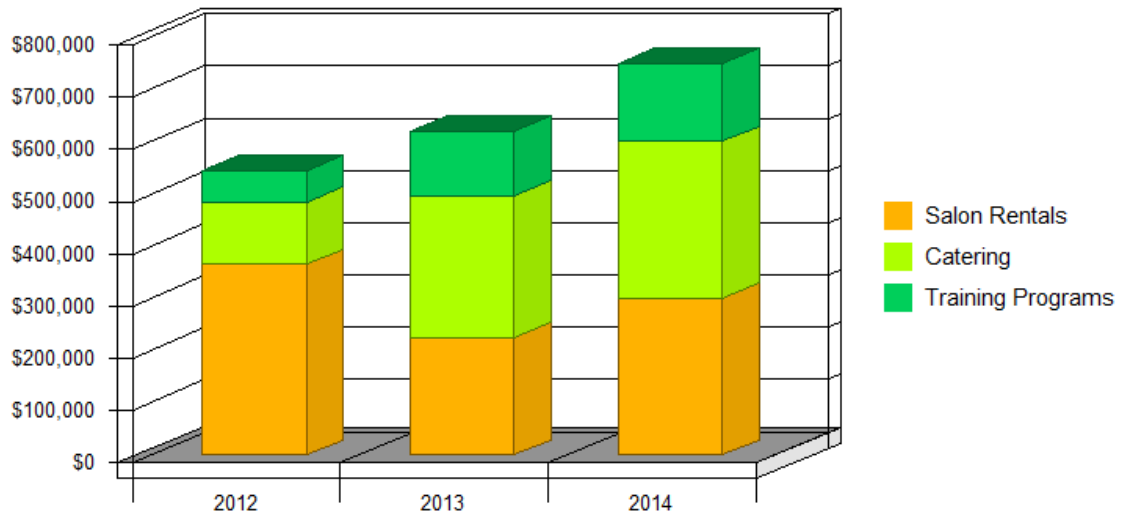
Sales Forecast			
	2012	2013	2014
Sales			
Salon Rentals	\$365,000	\$225,000	\$300,000
Catering	\$120,000	\$270,000	\$300,000
Training Programs	\$60,000	\$125,000	\$150,000
Total Sales	\$545,000	\$620,000	\$750,000
Direct Cost of Sales			
	2012	2013	2014
Mortgage	\$240,000	\$100,000	\$100,000
Utilities	\$120,000	\$120,000	\$120,000
Salaries/Commissions	\$36,500	\$80,000	\$80,000
Subtotal Direct Cost of Sales	\$396,500	\$300,000	\$300,000

Sales Monthly



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Sales by Year



6.5 Milestones

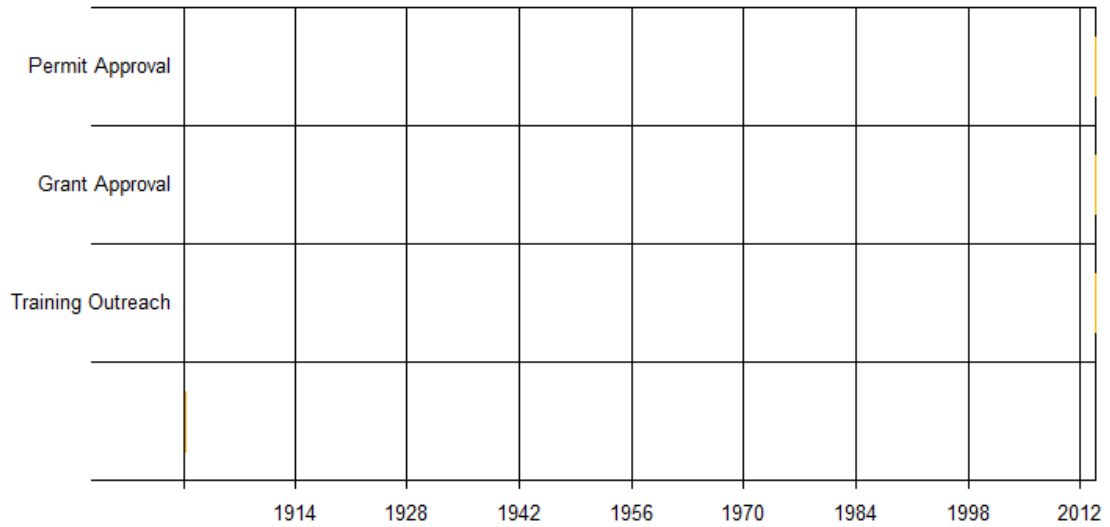
The SLACC management team has established some basic milestones to keep the business plan priorities in place. This Milestones Table below will be updated as the year progresses using the actual tables. New milestones will be added as the first year of operations commences.

Table: Milestones

Milestones						
Milestone	Start Date	End Date	Budget	Manager	Department	
Permit Approval	11/8/2013	12/8/2013	\$10,000	Carolina	Contract	
Grant Approval	11/8/2013	12/8/2013	\$125,000	SPC/ULA	nonprofit	
Training Outreach	11/8/2013	12/8/2013	\$5,000	SPC/ULA	nonprofit	
			\$0			
Totals			\$140,000			

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Milestones



7.0 Management Summary

The *SLACC* competitive edge comes from our ability to communicate one-on-one through its owners Rudy and Teresa Casasola. Each have a deep love of family/business events. Like the entire *SLACC* team members who have a rich history of the local community. The clean and neat appointments of the *SLACC* facility makes it south Los Angeles destination place. Team members include;

1. Rudy Casasola, Proprietor/General Manager
2. Teresa Casasola, Event Integrity Director
3. Billy Williams, On Site Event Management
4. Roberto Recillas, Parenting/Student Dev.
5. Dean Jones, Job/Business Dev./Outreach

7.1 Personnel Plan

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Table: Personnel

Personnel Plan	2012	2013	2014
Proprietor/General Manager	\$0	\$5,000	\$5,000
Event Integrity Director	\$0	\$5,000	\$5,000
Parenting/Student Dev.	\$0	\$5,000	\$5,000
Job/Business Dev./Outreach	\$0	\$5,000	\$5,000
On Site Event Management	\$0	\$5,000	\$5,000
Total People	0	5	6
Total Payroll	\$0	\$25,000	\$25,000

8.0 Financial Plan

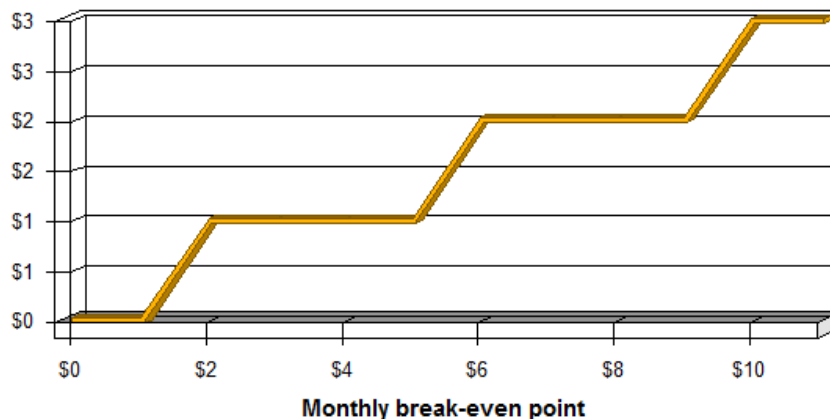
8.1 Important Assumptions

8.2 Break-even Analysis

Table: Break-even Analysis

Break-even Analysis	
Monthly Revenue Break-even	\$0
Assumptions:	
Average Percent Variable Cost	73%
Estimated Monthly Fixed Cost	\$0

Break-even Analysis



Break-even point = where line intersects with 0

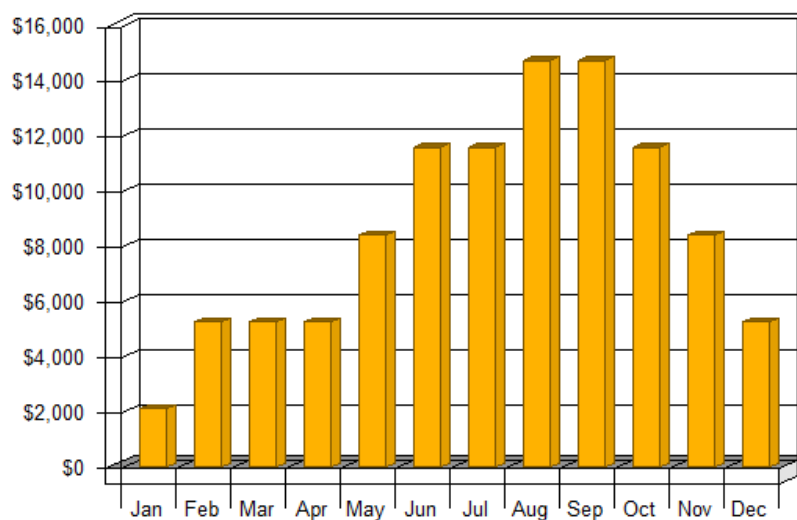
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8.3 Projected Profit and Loss

Table: Profit and Loss

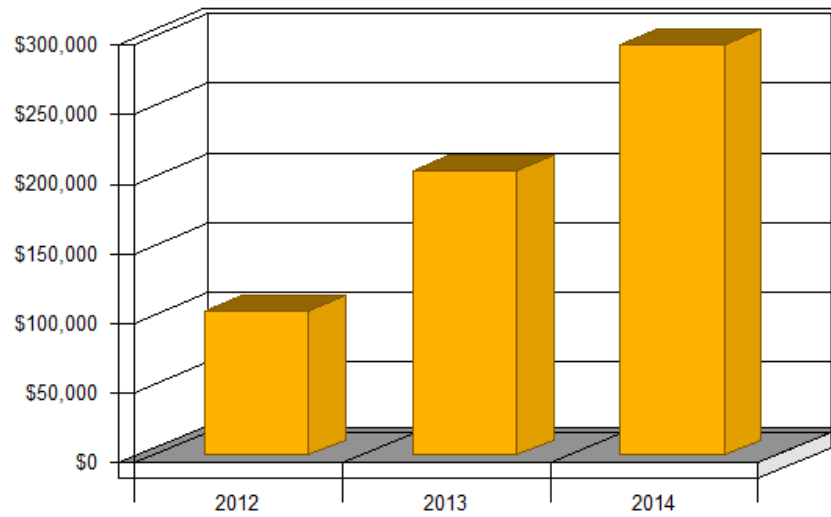
Pro Forma Profit and Loss			
	2012	2013	2014
Sales	\$545,000	\$620,000	\$750,000
Direct Cost of Sales	\$396,500	\$300,000	\$300,000
Other Costs of Sales	\$0	\$0	\$0
Total Cost of Sales	\$396,500	\$300,000	\$300,000
Gross Margin	\$148,500	\$320,000	\$450,000
Gross Margin %	27.25%	51.61%	60.00%
Expenses			
Payroll	\$0	\$25,000	\$25,000
Marketing/Promotion	\$0	\$0	\$0
Depreciation	\$0	\$0	\$0
Rent	\$0	\$0	\$0
Utilities	\$0	\$0	\$0
Insurance	\$0	\$0	\$0
Payroll Taxes	\$0	\$3,750	\$3,750
Other	\$0	\$0	\$0
Total Operating Expenses	\$0	\$28,750	\$28,750
Profit Before Interest and Taxes	\$148,500	\$291,250	\$421,250
EBITDA	\$148,500	\$291,250	\$421,250
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$44,550	\$87,375	\$126,375
Net Profit	\$103,950	\$203,875	\$294,875
Net Profit/Sales	19.07%	32.88%	39.32%

Profit Monthly

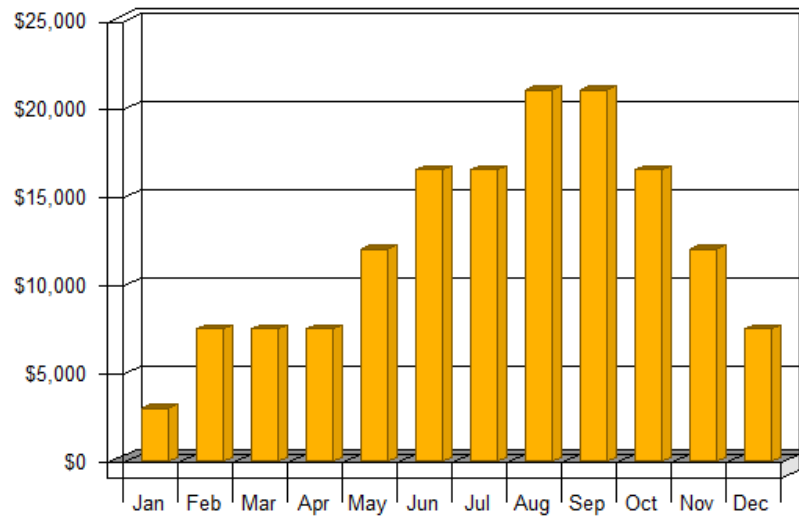


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Profit Yearly

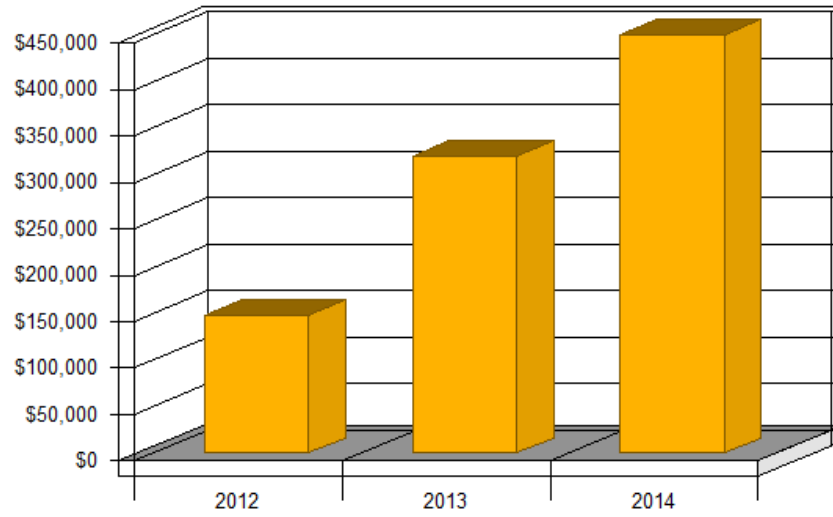


Gross Margin Monthly



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Gross Margin Yearly



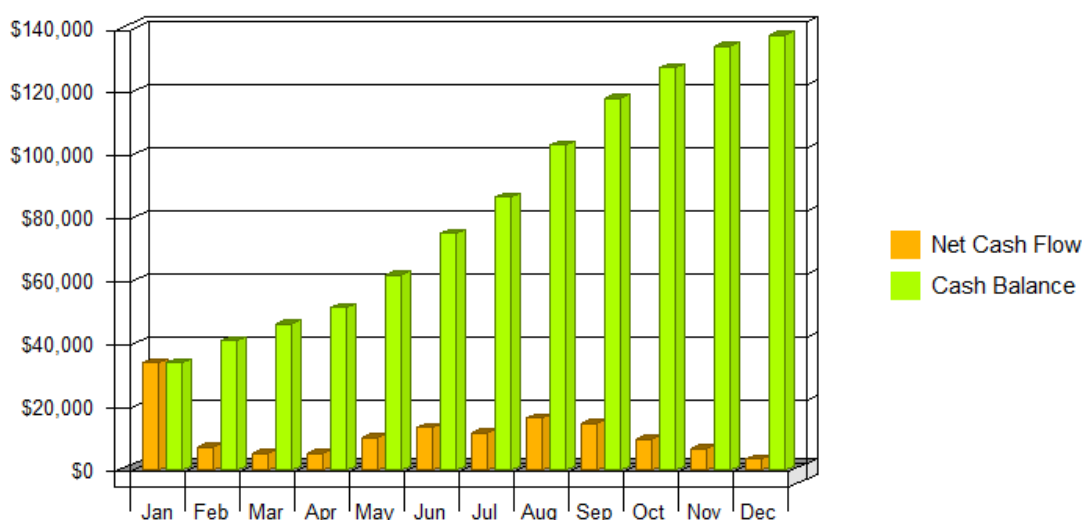
8.4 Projected Cash Flow

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Table: Cash Flow

Pro Forma Cash Flow			
	2012	2013	2014
Cash Received			
Cash from Operations			
Cash Sales	\$545,000	\$620,000	\$750,000
Subtotal Cash from Operations	\$545,000	\$620,000	\$750,000
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$545,000	\$620,000	\$750,000
Expenditures			
Expenditures from Operations			
Cash Spending	\$0	\$25,000	\$25,000
Bill Payments	\$407,458	\$392,569	\$426,920
Subtotal Spent on Operations	\$407,458	\$417,569	\$451,920
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$407,458	\$417,569	\$451,920
Net Cash Flow	\$137,542	\$202,431	\$298,080
Cash Balance	\$137,542	\$339,972	\$638,053

Cash



SOUTH LOS ANGELES CONFERENCE CENTER

8.5 Projected Balance Sheet

Table: Balance Sheet

Pro Forma Balance Sheet			
	2012	2013	2014
Assets			
Current Assets			
Cash	\$137,542	\$339,972	\$638,053
Other Current Assets	\$0	\$0	\$0
Total Current Assets	\$137,542	\$339,972	\$638,053
Long-term Assets			
Long-term Assets	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0
Total Assets	\$137,542	\$339,972	\$638,053
Liabilities and Capital			
Current Liabilities			
Accounts Payable	\$33,592	\$32,147	\$35,353
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$33,592	\$32,147	\$35,353
Long-term Liabilities			
Total Liabilities	\$33,592	\$32,147	\$35,353
Paid-in Capital	\$0	\$0	\$0
Retained Earnings	\$0	\$103,950	\$307,825
Earnings	\$103,950	\$203,875	\$294,875
Total Capital	\$103,950	\$307,825	\$602,700
Total Liabilities and Capital	\$137,542	\$339,972	\$638,053
Net Worth	\$103,950	\$307,825	\$602,700

8.6 Business Ratios

SOUTH LOS ANGELES CONFERENCE CENTER

Table: Ratios

Ratio Analysis	2012	2013	2014	Industry Profile
Sales Growth	0.00%	13.76%	20.97%	6.61%
Percent of Total Assets				
Other Current Assets	0.00%	0.00%	0.00%	36.38%
Total Current Assets	100.00%	100.00%	100.00%	45.37%
Long-term Assets	0.00%	0.00%	0.00%	54.63%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	24.42%	9.46%	5.54%	18.54%
Long-term Liabilities	0.00%	0.00%	0.00%	23.40%
Total Liabilities	24.42%	9.46%	5.54%	41.94%
Net Worth	75.58%	90.54%	94.46%	58.06%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	27.25%	51.61%	60.00%	48.89%
Selling, General & Administrative Expenses	8.17%	18.73%	20.68%	25.03%
Advertising Expenses	0.00%	0.00%	0.00%	2.52%
Profit Before Interest and Taxes	27.25%	46.98%	56.17%	1.70%
Main Ratios				
Current	4.09	10.58	18.05	1.09
Quick	4.09	10.58	18.05	0.69
Total Debt to Total Assets	24.42%	9.46%	5.54%	51.63%
Pre-tax Return on Net Worth	142.86%	94.62%	69.89%	5.84%
Pre-tax Return on Assets	107.97%	85.67%	66.02%	12.06%
Additional Ratios				
	2012	2013	2014	
Net Profit Margin	19.07%	32.88%	39.32%	n.a
Return on Equity	100.00%	66.23%	48.93%	n.a
Activity Ratios				
Accounts Payable Turnover	13.13	12.17	12.17	n.a
Payment Days	27	31	29	n.a
Total Asset Turnover	3.96	1.82	1.18	n.a
Debt Ratios				
Debt to Net Worth	0.32	0.10	0.06	n.a
Current Liab. to Liab.	1.00	1.00	1.00	n.a
Liquidity Ratios				
Net Working Capital	\$103,950	\$307,825	\$602,700	n.a
Interest Coverage	0.00	0.00	0.00	n.a
Additional Ratios				
Assets to Sales	0.25	0.55	0.85	n.a
Current Debt/Total Assets	24%	9%	6%	n.a
Acid Test	4.09	10.58	18.05	n.a
Sales/Net Worth	5.24	2.01	1.24	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Appendix

Table: Sales Forecast

Sales Forecast		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Sales													
Salon Rentals	40%	\$20,000	\$25,000	\$25,000	\$25,000	\$30,000	\$35,000	\$35,000	\$40,000	\$40,000	\$35,000	\$30,000	\$25,000
Catering	40%	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Training Programs	40%	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Total Sales		\$35,000	\$40,000	\$40,000	\$40,000	\$45,000	\$50,000	\$50,000	\$55,000	\$55,000	\$50,000	\$45,000	\$40,000
Direct Cost of Sales													
Mortgage		\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Utilities		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Salaries/Commissions		\$2,000	\$2,500	\$2,500	\$2,500	\$3,000	\$3,500	\$3,500	\$4,000	\$4,000	\$3,500	\$3,000	\$2,500
Subtotal Direct Cost of Sales		\$32,000	\$32,500	\$32,500	\$32,500	\$33,000	\$33,500	\$33,500	\$34,000	\$34,000	\$33,500	\$33,000	\$32,500

Appendix

Table: Personnel

Personnel Plan		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Proprietor/General Manager	20%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Event Integrity Director	20%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parenting/Student Dev.	10%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Job/Business Dev./Outreach	25%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
On Site Event Management	25%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total People		0	0	0	0	0	0	0	0	0	0	0	0
Total Payroll		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Appendix

Table: Profit and Loss

Pro Forma Profit and Loss												
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Sales	\$35,000	\$40,000	\$40,000	\$40,000	\$45,000	\$50,000	\$50,000	\$55,000	\$55,000	\$50,000	\$45,000	\$40,000
Direct Cost of Sales	\$32,000	\$32,500	\$32,500	\$32,500	\$33,000	\$33,500	\$33,500	\$34,000	\$34,000	\$33,500	\$33,000	\$32,500
Other Costs of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$32,000	\$32,500	\$32,500	\$32,500	\$33,000	\$33,500	\$33,500	\$34,000	\$34,000	\$33,500	\$33,000	\$32,500
Gross Margin	\$3,000	\$7,500	\$7,500	\$7,500	\$12,000	\$16,500	\$16,500	\$21,000	\$21,000	\$16,500	\$12,000	\$7,500
Gross Margin %	8.57%	18.75%	18.75%	18.75%	26.67%	33.00%	33.00%	38.18%	38.18%	33.00%	26.67%	18.75%
Expenses												
Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing/Promotion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Profit Before Interest and Taxes	\$3,000	\$7,500	\$7,500	\$7,500	\$12,000	\$16,500	\$16,500	\$21,000	\$21,000	\$16,500	\$12,000	\$7,500
EBITDA	\$3,000	\$7,500	\$7,500	\$7,500	\$12,000	\$16,500	\$16,500	\$21,000	\$21,000	\$16,500	\$12,000	\$7,500
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$900	\$2,250	\$2,250	\$2,250	\$3,600	\$4,950	\$4,950	\$6,300	\$6,300	\$4,950	\$3,600	\$2,250
Net Profit	\$2,100	\$5,250	\$5,250	\$5,250	\$8,400	\$11,550	\$11,550	\$14,700	\$14,700	\$11,550	\$8,400	\$5,250
Net Profit/Sales	6.00%	13.13%	13.13%	13.13%	18.67%	23.10%	23.10%	26.73%	26.73%	23.10%	18.67%	13.13%

Appendix

Table: Cash Flow

Pro Forma Cash Flow	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Cash Received												
Cash from Operations												
Cash Sales	\$35,000	\$40,000	\$40,000	\$40,000	\$45,000	\$50,000	\$50,000	\$55,000	\$55,000	\$50,000	\$45,000	\$40,000
Subtotal Cash from Operations	\$35,000	\$40,000	\$40,000	\$40,000	\$45,000	\$50,000	\$50,000	\$55,000	\$55,000	\$50,000	\$45,000	\$40,000
Additional Cash Received												
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$35,000	\$40,000	\$40,000	\$40,000	\$45,000	\$50,000	\$50,000	\$55,000	\$55,000	\$50,000	\$45,000	\$40,000
Expenditures												
Expenditures from Operations												
Cash Spending	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bill Payments	\$1,097	\$32,962	\$34,750	\$34,750	\$34,812	\$36,662	\$38,450	\$38,512	\$40,300	\$40,238	\$38,388	\$36,538
Subtotal Spent on Operations	\$1,097	\$32,962	\$34,750	\$34,750	\$34,812	\$36,662	\$38,450	\$38,512	\$40,300	\$40,238	\$38,388	\$36,538
Additional Cash Spent												
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$1,097	\$32,962	\$34,750	\$34,750	\$34,812	\$36,662	\$38,450	\$38,512	\$40,300	\$40,238	\$38,388	\$36,538
Net Cash Flow	\$33,903	\$7,038	\$5,250	\$5,250	\$10,188	\$13,338	\$11,550	\$16,488	\$14,700	\$9,762	\$6,612	\$3,462
Cash Balance	\$33,903	\$40,942	\$46,192	\$51,442	\$61,630	\$74,968	\$86,518	\$103,007	\$117,707	\$127,468	\$134,080	\$137,542

Appendix

Table: Balance Sheet

Pro Forma Balance Sheet													
		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Assets	Starting Balances												
Current Assets													
Cash	\$0	\$33,903	\$40,942	\$46,192	\$51,442	\$61,630	\$74,968	\$86,518	\$103,007	\$117,707	\$127,468	\$134,080	\$137,542
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$0	\$33,903	\$40,942	\$46,192	\$51,442	\$61,630	\$74,968	\$86,518	\$103,007	\$117,707	\$127,468	\$134,080	\$137,542
Long-term Assets													
Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Assets	\$0	\$33,903	\$40,942	\$46,192	\$51,442	\$61,630	\$74,968	\$86,518	\$103,007	\$117,707	\$127,468	\$134,080	\$137,542
Liabilities and Capital		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Current Liabilities													
Accounts Payable	\$0	\$31,803	\$33,592	\$33,592	\$33,592	\$35,380	\$37,168	\$37,168	\$38,957	\$38,957	\$37,168	\$35,380	\$33,592
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$31,803	\$33,592	\$33,592	\$33,592	\$35,380	\$37,168	\$37,168	\$38,957	\$38,957	\$37,168	\$35,380	\$33,592
Long-term Liabilities													
Total Liabilities	\$0	\$31,803	\$33,592	\$33,592	\$33,592	\$35,380	\$37,168	\$37,168	\$38,957	\$38,957	\$37,168	\$35,380	\$33,592
Equity													
Paid-in Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retained Earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Earnings	\$0	\$2,100	\$7,350	\$12,600	\$17,850	\$26,250	\$37,800	\$49,350	\$64,050	\$78,750	\$90,300	\$98,700	\$103,950
Total Capital	\$0	\$2,100	\$7,350	\$12,600	\$17,850	\$26,250	\$37,800	\$49,350	\$64,050	\$78,750	\$90,300	\$98,700	\$103,950
Total Liabilities and Capital	\$0	\$33,903	\$40,942	\$46,192	\$51,442	\$61,630	\$74,968	\$86,518	\$103,007	\$117,707	\$127,468	\$134,080	\$137,542
Net Worth	\$0	\$2,100	\$7,350	\$12,600	\$17,850	\$26,250	\$37,800	\$49,350	\$64,050	\$78,750	\$90,300	\$98,700	\$103,950