

2009

Building a Business: Baker & Associates CPA

Heath Baker
University of Northern Iowa

Let us know how access to this document benefits you

Copyright ©2009 Heath Baker

Follow this and additional works at: <https://scholarworks.uni.edu/hpt>



Part of the [Accounting Commons](#)

Recommended Citation

Baker, Heath, "Building a Business: Baker & Associates CPA" (2009). *Honors Program Theses*. 792.
<https://scholarworks.uni.edu/hpt/792>

This Open Access Honors Program Thesis is brought to you for free and open access by the Student Work at UNI ScholarWorks. It has been accepted for inclusion in Honors Program Theses by an authorized administrator of UNI ScholarWorks. For more information, please contact scholarworks@uni.edu.

Offensive Materials Statement: Materials located in UNI ScholarWorks come from a broad range of sources and time periods. Some of these materials may contain offensive stereotypes, ideas, visuals, or language.

BUILDING A BUSINESS:
BAKER & ASSOCIATES CPA

A Thesis Proposal
Submitted
in Partial Fulfillment
of the Requirements for the Designation
University Honors

Heath Baker
University of Northern Iowa
December 2009

This Study by: Heath Baker

Entitled: Building a Business: Baker & Associates CPA

, has been approved as meeting the thesis or project requirement for the Designation
University Honors.

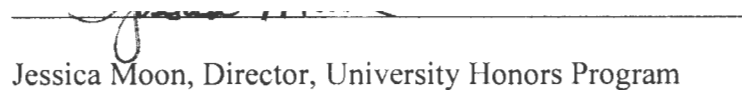
12/3/09

Date


Katherine Cota-Uyar, Honors Thesis Advisor, JPEC

12/18/09

Date


Jessica Moon, Director, University Honors Program



Baker & Associates CPA

Business Plan

**813 Lincoln Place SE
Orange City, IA 51041**

**Prepared By:
Heath Baker**

November 2009

Table of Contents

Executive Summary.....	3
The Business.....	5
Industry Segmentation.....	5
Concentration.....	6
Demand.....	6
Competition.....	6
Life Cycle.....	7
Barriers to Entry.....	7
Regulation.....	7
Cost Structure.....	8
Capital and Labor Intensity.....	8
Key Factors.....	8
The Service.....	9
Location.....	11
Facility and Equipment.....	12
The Management.....	14
Ownership Composition.....	14
Management.....	14
Personnel.....	14
Security.....	17
Consultants.....	18
Marketing.....	19
Service.....	19
Local Market.....	19
Target Market.....	23
Competition.....	24
Market Entry.....	27

Promotional Strategy.....	27
Pricing.....	29
Finances.....	32
Capital Requirements.....	32
Projections.....	32
Start-Up Funding & Expenditures.....	33
Sales Projections.....	34
Operating Expenses.....	37
Capital Budget Projections.....	40
Depreciation Schedules.....	43
Monthly Income Statement.....	44
Cash Flow Statement.....	47
Year-End Income Statement.....	50
Year-End Balance Sheet.....	51
Financial Ratios.....	52
Works Cited.....	53
Appendices.....	
Department of Transportation Map.....	A1
Software Detail.....	A2
Resume.....	A21
Non-Disclosure Agreement.....	A22
Non-Compete Agreement.....	A23
Business Market Calculation.....	A24
Direct Mail Postcard.....	A25
Value Pricing Advantages/Disadvantages.....	A26
Sample Fixed-Price Agreement.....	A28
Sample Change Order.....	A31
Income Tax Fee Schedule.....	A33

Executive Summary

Baker & Associates CPA is a start-up accounting firm that will offer traditional accounting services and business consulting. Located in Orange City, Iowa, Baker & Associates CPA will provide tax, audit, bookkeeping, payroll, business consulting, and financial planning services. Because of the owner, Heath Baker's, tax experience and the local market's demand for tax services, Baker & Associates CPA's core service will be tax. Baker & Associates CPA will be entering a fragmented industry that is in the growth stage. It has low barriers to entry, competes primarily on quality of service, and has fairly constant demand. By providing value-added solutions, being active in the community, and developing long-term relationships with its clients, Baker & Associates CPA will differentiate itself in the local market.

Baker & Associates CPA will be owned and operated as a Limited Liability Company, and Heath Baker will be the sole owner of the firm. He will bring four years of tax experience from Ernst & Young, a globally recognized firm. Baker & Associates CPA will use this experience to form its core service—tax. In year one, Baker & Associates CPA will hire an office assistant and accounting staff member, and in year three they will hire an additional accountant. Additionally, Baker & Associates CPA will utilize local consultants in law, banking, insurance, and information technology fields.

Baker & Associates CPA will enter the market in September of 2014. It will locate in Orange City, Iowa, and will also serve the surrounding communities. Orange City has a strong retail market, but shows opportunity in the service sector which Baker & Associates CPA will capitalize on. Baker & Associates CPA will target small businesses and high-net worth individuals in the area, and through being active in the community and providing quality

services, Baker & Associates CPA will penetrate the market and compete with the two existing accounting firms in Orange City. The primary promotional strategy will be through personal selling and public relations. Additionally, Baker & Associates CPA will promote themselves through direct mail and advertising in the local newspaper and yellow pages of the phone book. Baker & Associates CPA will utilize value pricing in order to align the interests of the client with the interests of the firm. Once-a-year tax preparation will have a fixed fee schedule.

The \$45,000 of start-up capital needed for Baker & Associates CPA will come from the personal equity of the owner, Heath Baker. The firm projects a profitable business and first year sales of \$193,489. The net income is projected to be \$85,015 in the first year.

The Business

Baker & Associates CPA is a public accounting firm that will offer traditional accounting services and business consulting. It will target local businesses and high net-worth individuals in northwest Iowa. By leveraging itself around the tax knowledge of the owner, Heath Baker, it will capitalize on the continuous demand for tax services by businesses and individuals. Baker & Associates CPA will specialize in tax. Additionally, it will offer audit, bookkeeping, payroll, business consulting, and financial planning services.

Industry Segmentation

Baker & Associates CPA falls within the accounting, tax, bookkeeping, and payroll services industry. According to IBISWorld Inc., the accounting industry has three primary segments. Certified Public Accountants make up the largest portion, accounting for almost 58% of the total industry revenue. This segment is dominated by the four largest public accounting firms in the nation (referred to as the Big Four—Ernst & Young, PricewaterhouseCoopers, Deloitte & Touche, and KPMG). The next largest segment is payroll services, which accounts for around 24% of industry revenue. This segment has grown in recent years due to increased outsourcing of this function by businesses. Lastly, tax return preparation services account for 6.5% of the total industry revenue. This segment is dominated by H & R Block (IBISWorld 8).

When it comes to segmenting the major markets of the accounting industry, approximately 75% of the market consists of corporate and government clients. The remaining 25% is made up of individual clients (IBISWorld 9). According to Datamonitor's industry analysis, the segmentation of the accounting market in the United States is 53.5% audit, 25.4% tax, and 21.1% advisory. Additionally, it forecasts that the compound annual growth rate for

the period spanning 2007-2012 will be 3.4%. This will bring the overall accounting industry to a value of \$119.7 billion by the end of 2012 (Datamonitor 7, 10).

Concentration

Overall, the industry concentration is low. While the Big Four accounting firms account for 27.5% of the available market, almost 66% of the accounting establishments have between one and four employees. Additionally, about 17% of the establishments have between five and nine employees. Baker & Associates CPA will fall within this 83% of the firms that have nine or fewer employees. This fragmented industry will provide opportunities for mergers and acquisitions, giving Baker & Associates CPA an opportunity to grow and eventually exit with a sound strategy. Further, IBISWorld Inc. states that medium-sized companies are continuing to increase their market share at a faster rate than the Big Four because of industry regulation that has forced big firms to sell many of their non-audit and accountancy specific services (IBISWorld 9).

Demand

The demand for general accounting, tax, and auditing service is fairly constant, regardless of the business cycle. The demand for insolvency/bankruptcy services increases as the economy declines. Consulting services generally move in line with the business cycle and the overall economy, as they are tied to discretionary income. Changes in tax laws and other legislation can also lead to an increase in demand (IBISWorld 12).

Competition

The competition in the industry is high and steady. Accounting firms are able to compete based on service and price. According to IBISWorld Inc., "Clients are more likely to

change their accountants because they are dissatisfied with the level of service rather than to obtain a lower price” (13). Part of this shift to the importance of quality service has been due to the importance of federal government regulation, risk management, and more intense auditing standards (IBISWorld 14).

Life Cycle

The accounting industry is in the growth stage of the business life cycle. There are several reasons for this. First, the demand for accounting services is growing due to increasing regulation and stricter auditing standards. Next, the continuous changes made to corporate tax create an ongoing demand for tax advice. Also, opportunities have arisen due to the Big Four selling off their non-auditing/advisory functions after the passing of the Sarbanes-Oxley Act. Last, financial planning advice for individuals nearing retirement is becoming a growth area (IBISWorld 14).

Barriers to Entry

The barriers to entry in the accounting industry are low. One barrier can be obtaining the necessary qualifications, such as a Certified Public Accounting license, or becoming an Enrolled Agent. Another barrier to entry is attracting a large number of clients and developing relationships with them. Further, the time it takes to get licensed or attract clients can be a barrier. A final reason the barriers to entry are low is because set-up costs are low and the industry is fragmented (IBISWorld 15).

Regulation

The level of regulation in the accounting industry is considered medium, but is increasing. The increased regulation has stemmed from the collapses of Enron and WorldCom,

which led to the passing of the Sarbanes-Oxley Act. The following regulatory agencies are involved in the accounting industry: Securities and Exchange Commission (SEC), State Accountancy Boards, Public Oversight Board (POB), and the Internal Revenue Service (IRS) (IBISWorld 15-16). Baker & Associates CPA would only need to be concerned with the State Accountancy Boards and IRS, as it won't be providing service to any public companies.

Cost Structure

The primary cost for accounting firms is wages. This is due to the knowledge-intensive industry it is a part of. Wages make up approximately 52% of the costs for an accounting firm. Profit makes up about 27.5% of the cost structure. Other expenses include, but are not limited to, rent, utilities, purchases, and depreciation. Each of these expenses range from two to five percent of the total costs of the firm (IBISWorld 16).

Capital and Labor Intensity

Capital intensity is low in the accounting industry. The basic capital expenditures are on office equipment such as computers, software, and office furniture. The level of labor intensity is high. This is due to the high level of education and skill that is required for the job, as well as the time required to keep in frequent contact with clients. IBISWorld Inc. states that the labor intensity in the accounting industry is determined by the ratio of labor to capital costs, and is 1:0.04, which shows that for every dollar spent on wages, four cents is spent on depreciable assets (17).

Key Factors

Key success factors in the accounting industry according to IBISWorld Inc. include:

- Ability to quickly adopt new technology
- Access to highly skilled workforce

- Having a good reputation
- Effective quality control
- Having a loyal customer base
- Having a clear market position
- Competitive pricing in the local market place (19-20)

The Service

Baker & Associates CPA's core service will be tax preparation and tax planning.

According to Randy Myers in *Start Your Own Practice*, "Your market niche will come from your background and experience" (Myers 53). Heath's experience with Ernst & Young is in the tax industry. Further, there is a continuous demand for tax work and the majority of revenues for small CPA firms are tax-related (Kroese). Therefore, Baker & Associates CPA sees the biggest opportunity in the tax service line. This will be the core of the company and will account for approximately 75% of the sales. Additionally, Baker & Associates CPA will offer other traditional accounting services such as audit, bookkeeping, payroll, financial planning, and business consulting. These services will make up the remaining 25% of sales. Baker & Associates CPA will seek niches in these areas in order to penetrate the market.

First, Heath and his accounting clerk will become Certified QuickBooks ProAdvisors through Intuit's program. This will provide access to premium software, listing on the Find-a-ProAdvisor website, product discounts, and unlimited technical support through Intuit ("QuickBooks Certification"). Additionally, being a QuickBooks ProAdvisor affords a way to gain and retain new clients. Baker & Associates CPA will offer QuickBooks classes in Orange City for local businesses. This will get clients in the door, and when they run into future QuickBooks questions, they will call Baker & Associates CPA to receive answers from someone whom they know is qualified. This will be a valuable way to gain sales and repeat customers. This is a niche

market recommended by Judy Schindel, partner of Grant & Schindel, Certified Public Accountants in Waterloo, IA. It is a valuable part of their firm, and the classes she teaches provides her continuous access to new clients. Additionally, it results in repeat sales because companies continue to run into different QuickBooks problems and have questions (Schindel). This niche will fall under the business consulting portion of Baker & Associates CPA and will primarily be handled by an accounting clerk starting in the second year of operations.

IBISWorld Inc. cites financial planning and advice for individuals nearing retirement age as a growth area (14). Baker & Associates CPA plans to capitalize on this growth market. By specializing in tax preparation and tax advice, Baker & Associates CPA will have an in depth knowledge of the financial positions of the clients it helps. This leads into a natural opportunity. Baker & Associates CPA will offer financial planning as a part of the firm. This will allow the firm to help its individual clients manage their assets, and ensure that they will be ready for retirement when that time comes. This will lead to additional sales for the firm, and another way to gain loyal customers through building relationships with the clients.

Baker & Associates CPA will offer general accounting, bookkeeping, and payroll services. IBISWorld, Inc. notes the growth opportunities for smaller firms from the outsourcing of these general accounting, bookkeeping, and payroll services (37). According to Randy Myers, author of *Start Your Own Practice*, "As industry, midtier accounting firms and the Big Four scramble to meet the new mandates, the needs of smaller businesses have, in many cases, taken a backseat—and those clients need help sooner rather than later. There's a lot of low hanging fruit out there, including good clients some of the bigger firms don't want" (51). Baker & Associates CPA feels that the outsourcing of these general accounting duties will provide an

additional revenue stream for the firm. Baker & Associates CPA will provide clients with an analysis showing the savings that can be provided to the firms by outsourcing these functions to Baker & Associates CPA. Further, many small business owners are very skilled at their trade, but don't want anything to do with preparing financial statements. Baker & Associates CPA will serve these businesses by taking care of their books and preparing their financial statements.

It is through the quality of service provided in these specialty areas and the core tax practice that Baker & Associates CPA will have a competitive advantage. Baker & Associates CPA will focus on gaining loyal customers, which will result in repeat sales. In a service industry, it is harder to differentiate the product, and Baker & Associates CPA plans to do so through the relationships it builds with its customers and the quality of the services it provides.

Location

Baker & Associates CPA will initially locate at 813 Lincoln Place SE in Orange City, Iowa (see appendix A1 for DOT map). This will provide access to a high visibility area. The daily traffic count provided by the Iowa Department of Transportation is approximately 8,300 (Iowa DOT). Additionally, it offers relatively low-cost space, which is essential for a start-up. The office also provides room to expand, which may be needed within the first few years of business. The lease agreement includes 1,750 square feet of space, and everything except for utilities. Baker & Associates CPA will be required to pay \$12 per square foot for the year, which equals a monthly lease payment of \$1,750.

Baker & Associates CPA plans to be open from 8:00 a.m. to 5:00 p.m., Monday through Friday from April 16 through December 31. Due to peak tax season, January 1 through April 15 will have expanded hours of 8:00 a.m. to 7:00 p.m., Monday through Friday. Additionally,

Baker & Associates CPA will be open on Saturday from 9:00 a.m. to 12:00 p.m. during tax season.

Facility, Equipment, and Supplies

The office will be equipped with desks, chairs, computers, and telephones for Heath and his employees. There will be an area with a printer and fax machine, as well as a furnished reception area for the clients. Baker & Associates CPA will utilize Dell computers and an HP printer/scanner/fax machine based on rankings from the 2009 Reader's Choice Awards from CPA Technology Advisor. Additionally, Baker & Associates CPA will need to invest in special software for the services it provides. It will use CCH Small Firm Services-ATX for tax software. It was the best option based on an analysis included in the appendix. It is geared towards small firms, is reasonably priced at \$1,100, and includes payroll software. It is given a 4.5 out of 5 ranking by CPA Technology Advisor, and ranks second in the 2009 Reader's Choice Awards. Baker & Associates CPA will utilize The American Dream Planner PRO for estate and financial planning software. It is made for professional service firms who help multiple clients and provides "what if" scenario building tools to help analyze all aspects of a client's wealth and the effects of certain actions. Priced at \$799, it is the perfect option for Baker & Associates CPA ("CPA Technology Advisor"). Because Baker & Associates CPA doesn't foresee much audit business early on, it will purchase Thomson Reuters PPC's Workpapers for Nonpublic Companies. It is targeted at small firms, costs only \$108, and automates key steps in audits of small businesses. It provides templates for determining planning materiality, audit risk, substantive testing, and other key parts of the audit ("Shop for Audit"). While it costs \$599 per year to become a Quickbooks ProAdvisor, the Quickbooks software is included. This can be

used for handling companies' general accounting, bookkeeping, and financial statement preparation. Additionally, Baker & Associates CPA will utilize AccountantsWorld's Accountant's Office Online. This software includes a professional website, up to 10 email addresses (mail@yourfirmname.com), and secure document transfer capabilities for \$695 per year ("CPA Technology Advisor"). Accountants Office Online was ranked second in website builders for accounting firms according to the 2009 Reader's Choice Awards from CPA Technology Advisor. It will provide clients with the option of securely transferring important information to Baker & Associates CPA, as well as the access to a professional and client-friendly website (see appendices A2-A20 for supporting documentation and additional details regarding software).

The Management

Ownership Composition

Baker & Associates CPA will be organized as a Limited Liability Company. Initially, Heath Baker will be the sole owner of the firm. Eventually he will offer equity in the firm to valuable employees in order to retain them and reward them for their work. However, Heath will always retain majority control of Baker & Associates CPA.

Management

As mentioned above, Heath Baker will be the owner and manager of the firm. Heath will have graduated from the University of Northern Iowa with a Bachelor of Arts in accounting and will have a certificate in entrepreneurship. He will have completed accounting internships at John Deere and Ernst and Young. Additionally, he will have four years of public accounting experience in the tax practice at Ernst and Young in Des Moines, Iowa (see appendix A21 for current resume). Because of this experience, Heath's primary responsibility will be the tax practice at Baker & Associates CPA. He will prepare the majority of the tax returns and be responsible for business consulting. Heath will do the majority of face-to-face interaction with the clients. He will also be responsible for the financial planning portion of the firm. He will be in charge of planning for the future and making any operational changes in the firm.

Personnel

Initially, Baker & Associates CPA will hire one office assistant and one accounting staff member. The ideal office assistant will have graduated with at least a 3.2 grade point average and a bachelor's degree. This assistant will be responsible for answering phone calls, setting appointments, and welcoming clients to Baker & Associates CPA. The assistant will also do a lot

of data entry. He/she will input the basic information into the tax return, as well as do any client data entry into Quickbooks. The assistant will also input Baker & Associates CPAs daily accounting entries, and will go through a tax return checklist with clients to make sure that they have all the information they need before meeting with Heath. Also, the assistant will put the tax return in final form and will be responsible for marketing the firm.

In future years there will be more responsibility assigned to the assistant, including increased payroll and Quickbooks work. A very important criterion for the office assistant will be that he/she needs to be outgoing, friendly, and active in the community. Baker & Associates CPA's image is vital, and this person will have to portray the personal and friendly culture that Baker & Associates CPA believes in. The office assistant is the first person clients will encounter when they enter Baker & Associates CPA, so he/she must make the client feel comfortable and welcomed to the firm. Based on the Laborshed Analysis performed by the Iowa Workforce Development on Orange City, Iowa, the median non-salary wage for someone in the professional services industry is \$11.39 per hour ("Orange City/Alton"). Baker & Associates CPA will start the office assistant at \$10.00 per hour. The office assistant will work approximately 20 hours per week, with potentially fewer hours in the summer and more during tax season. There will be room for advancement. There will be an annual job performance review, with an annual raise and opportunities for bonuses.

Additionally, the office assistant will receive the following benefits based upon research from the Bureau of Labor Statistics and researching benefit offerings in the area:

- 8 paid holidays (New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Day after Thanksgiving, Christmas Eve, Christmas)
- 2 weeks paid vacation for first five years, increasing one day a year each year after that

- 2 days paid personal leave each year
- 65% employer paid health care
- Employer 401k match of 2% of the employee's wages
- 50% reimbursement of professional attire each year (\$150 max)
("Orange City/Alton") ("Benefits Home Page")

Baker & Associates CPA will also hire a part-time accounting staff. This staff member will perform accounting work. The candidate will have graduated with at least a 3.2 grade point average and a degree in accounting. Ideally the staff member will have a couple years of public accounting experience. The primary responsibilities of this staff member will be bookkeeping and general accounting work for businesses, tax work, and he/she will also become a Certified QuickBooks ProAdvisor. According to the Laborshed Analysis, the median non-salary wage for someone in the professional services industry is \$11.39 per hour ("Orange City/Alton"). Baker & Associates CPA plans to start this accounting staff member out at \$14 per hour. This staff member will work 20 hours per week, increasing to around 30 hours per week during tax season. The accounting staff will receive the same benefits as the office assistant, and will additionally receive reimbursement of costs to take the CPA exam if they are not already certified. Just like the office assistant, the accounting staff member needs to be outgoing, friendly, active in the community, and fit the image of Baker & Associates CPA. There will be room for advancement. There will be an annual job performance review, with an annual raise and opportunities for bonuses. As business increases, so will the hours for this job. When the accounting staff member becomes full-time, the staff will be promoted to Associate. Baker & Associates CPA projects that this will happen before the third year of business. The Associate will become salaried at this time. According to the Laborshed Analysis, the median salary for a professional services worker in Orange City, IA is \$33,500 ("Orange City/Alton"). The Associate

will start at an annual salary of \$35,000. The Associate will take on increased tax, financial planning, and consulting work. The Associate will have more face-to-face interaction with clients. If the Associate fits the culture and sees a long-term relationship with Baker & Associates CPA, Heath will eventually provide an option for a small percentage of equity in the firm.

Additionally, at the start of Year Three, Baker & Associates CPA will fill the staff member position. This staff member will basically fit the mold of the previous staff member. This new member will have graduated with at least a 3.2 grade point average, a degree in accounting, and ideally a couple years of public accounting experience. The primary responsibilities will be bookkeeping, general accounting work for businesses, and tax work. The staff member will also become a Certified QuickBooks ProAdvisor, and handle a lot of payroll work. The staff member will start out at \$14 per hour, and will work approximately 20 hours per week and more during tax season. Benefits will be the same as the previous staff member. Again, this person needs to be personable, friendly, and willing to be active in the community. There will be an annual job performance review, with an annual raise and opportunities for bonuses. If the staff member fits the culture of Baker & Associates CPA, promotion and equity in the company are possible.

Security

Some of the most valuable assets of Baker & Associates CPA will be intangible. Primarily, it will come in the form of clients' information. It will also include the processes that Baker & Associates CPA utilizes. For this reason, a background check will be performed on all employees. Further, they will be required to sign non-disclosure and non-compete agreements

(see appendices A22 to A23) to prevent the loss of important information and the risk of an employee trying to take a valuable client if they leave Baker & Associates CPA. Last, there will be strict controls placed on the computers. Baker & Associates CPA will outsource all information technology related issues to Amiracle Computers & Consulting. They will be responsible for securing the computers and all client information in order to protect our most valuable asset—client information. Any problems with the online software through AccountantsWorld will also be handled by Amiracle Computers & Consulting.

Consultants

Brad De Jong, Partner	Klay, Veldhuizen, De Jong, Attorneys at Law-Orange City, IA
Jim Plagge, President	Northwestern Bank, Orange City, IA
Dale Hiemstra, Agent	AmBank Insurance, Orange City, IA
Erik Fritsch, Owner	Amiracle Computers & Consulting, Sioux Center, IA

Marketing

Service

Baker & Associates CPA is a professional services firm. As discussed in the business section, Baker & Associates CPA will offer services in tax, bookkeeping, audit, payroll, financial planning, and business consulting. By seeking niches within these areas, Baker & Associates CPA is confident that it can penetrate the local market. The overall strategy of Baker & Associates CPA is to provide professional services that add value for businesses and individuals. Trust and confidence is an integral part of the relationships formed with clients in a professional services firm. In order to strategically grow the firm, Baker & Associates CPA strives to provide a service that can not be matched. The services are centered on building relationships with clients through providing timely and value-added solutions. The firm focuses on being easy to reach and friendly in order to gain loyal customers. Baker & Associates CPA strives to be viewed by clients as friends and trusted advisors.

Local Market

Baker & Associates CPA will be located in Orange City, Iowa. Orange City's population was 5,872 in 2008. It grew 16.9 percent in the past 15 years. Fifty-two percent of the residents claim Dutch ancestry. Orange City has a median age of 27.9, which is young compared to the state median of 35.3 ("Demographics").

In 2008, Iowa State University did a retail trade analysis of Orange City. The following statistics are derived from this source for fiscal year 2008 (8).

Real retail sales (\$ millions)

Orange City	86.7
Sioux County	308.3
State of Iowa	33,089.0

Real Per capita retail sales (\$)

Orange City	14,762
Sioux County	9,529
State of Iowa	11,074

Real Retail sales per business (\$)

Orange City	390,457
Sioux County	263,925
State of Iowa	378,122

This data illustrates that in comparison to Sioux County and the state of Iowa, Orange City is a relatively strong retail town. It has retail sales per capita (per person) that are much greater than Sioux County and the State of Iowa. Additionally, sales per business are significantly higher than the average business in Sioux County.

Perhaps even more relevant data relates Orange City's sales to its peer towns. These towns are close in proximity, and relatively close in population. They would be considered competitors of Orange City ("Retail Sales Analysis" 17).

Real retail sales (\$ millions, 2008 \$)

Orange City	86.7
Sheldon	64.4
Cherokee	65.6
Sioux Center	110.4
Le Mars	129.6
Spencer	256.9
Sioux City	1319.0

Real per capita retail sales (\$)

Orange City	14,762
Sheldon	13,531
Cherokee	13,700
Sioux Center	16,383
Le Mars	14,108
Spencer	23,369
Sioux City	15,952

Real retail sales per business (\$)

Orange City	390,457
Sheldon	259,139

Cherokee	234,172
Sioux Center	392,541
Le Mars	327,652
Spencer	458,168
Sioux City	637,720

By examining the sales per capita and sales per business numbers, the peer analysis shows that Orange City is competitive in the local market.

The analysis also broke the \$86.7 million in sales into categories to provide a deeper analysis of Orange City sales. Baker & Associates CPA falls within the service category. In 2008 Orange City had \$5,431,860 in service sales. This averages out to \$925 per person (“Retail Sales Analysis” 19). A measure used to compare service company sales to its peers is a per capita sales (PCS) index. This can be used as an indicator of a city’s relative strengths and weaknesses. If the PCS is greater than one, the city’s per capita sales are greater than the state average. If less than one, the city’s per capita sales are less than the state average. The lower the number, the weaker the sales are in that town. Below are the PCS index numbers specific to the service category that Baker & Associates CPA would fall within (“Retail Sales Analysis” 20).

Orange City	Sheldon	Cherokee	Sioux Center	Le Mars	Spencer	Sioux City
0.62	1.30	1.14	1.04	1.47	1.58	1.34

The analysis points out that where the PCS index is less than one, leakage of sales may be occurring in that category. This shows that the service industry in Orange City is very weak compared to its competitors. This seems to provide an opportunity for Baker & Associates CPA to gain clients that may currently be leaving Orange City to find a provider of public accounting services.

One more statistic that is useful to Baker & Associates CPA in regards to the local market is the “city trade area capture.” This number represents the population the retail sector serves,

regardless of where their residence is. For Orange City this number is 9,000. Because Orange City's population is approximately 5,900, this number tells us that Orange City serves approximately 3,100 people from outside the city limits ("Retail Sales Analysis" 15). Because the market serves 9,000 individuals and the average household size is 2.58 ("Demographics"), this means that there are approximately 3,488 households in the local market ($9,000/2.58=3,488$). This represents the pool of individual customers for Baker & Associates CPA. In addition to the individual market there are local businesses. Currently, Baker & Associates CPA's local market includes 697 businesses (see appendix A24 for calculation). Below are future estimates for the local market assuming a 1.5% growth rate for the individual market, and a 1% growth rate for the business market.

	2008...	2014	2015	2016
Individuals	3,488	3,814	3,871	3,929
Businesses	697	740	747	755

The local market includes Orange City and the following surrounding towns that are part of Orange City's MOC-Floyd Valley school district: Alton (population 1,195), Hospers (population 666), Maurice (population 261), and Granville (population 321) ("City Data"). These communities will be the primary market area for Baker & Associates CPA; however, Baker & Associates CPA will not limit its service region to this area. It will additionally seek clients from surrounding communities. Sioux Center (population 6,581), Le Mars (population 9,127), and Sheldon (population 4,757) are three surrounding communities that Baker & Associates CPA would consider its secondary geographic market ("City Data"). These towns are larger markets and have established public accounting firms that provide services similar to those that Baker &

Associates CPA will provide. Additionally, these towns are farther away and have their own school districts, which lead to stronger ties to their communities. For these reasons, Baker & Associates CPA is less likely to draw clients from these towns.

Target Market

Within the geographic market that Baker & Associates CPA will serve are specific types of clients that are ideal. These are the target markets of the firm, and Baker & Associates CPA will focus on two.

Target Market 1

Baker & Associates CPA's primary target market will be small businesses. Baker & Associates CPA feels that this will comprise approximately 75% of their total clients. The reason that this is the primary market is the repeat business that it produces. As opposed to a once-a-year individual taxpayer, a small business has ongoing needs. An example of an ideal customer that would fit the profile of this target market would be a general contractor. First, this client could be provided with assistance with payroll throughout the year. Next, either the client would use QuickBooks, which will lead to consulting opportunities, or Baker & Associates CPA would handle all of the client's general accounting. This would include bookkeeping and the preparation of quarterly financial statements. Baker & Associates CPA would provide annual tax planning in addition to the preparation of the tax return. If the company were large enough, it may also need an audit of its pension plan or a need for audit services may arise if it needs audited financial statements in order to secure more financing. The client would have ongoing consulting needs as different situations arise. Last, through providing valuable services to these target companies, Baker & Associates CPA would develop a relationship with the

owner, and would be in an ideal position to prepare individual tax returns. These ongoing needs lead to continued work and billings for Baker & Associates CPA. Each of the clients that fit this target market would generate between \$2,500 and \$10,000 of revenue annually.

Target Market 2

The second target market for Baker & Associates CPA is high net-worth individuals. The first way to gain access to these individuals would be through serving the companies they own or where they are employed. Business owners and company executives make-up a large part of this market. Individuals with a high net-worth will have more complex tax returns, which will lead to higher billings. Additionally, these individuals often have questions during the year involving tax planning and wealth management. Baker & Associates CPA will be the first place they turn to when they have questions regarding complex situations such as property transactions and estate planning. These individuals will provide revenues of between \$300 and \$2,500 annually. This market would make up approximately 15% of Baker & Associates CPA client base.

The remaining 10% of Baker & Associates CPA client base will be made up of other businesses and individuals. This will include one-time projects for larger businesses, businesses that utilize only one of Baker & Associates CPA's service lines, and individuals that come in once a year for tax preparation services.

Competition

Based on a competitive analysis of the Orange City market there is opportunity to succeed in Orange City. Baker & Associates CPA feels it has an advantage over F.H. Anderson Co because of the professional environment of Baker & Associates CPA and the CPA

certifications that Baker & Associates CPA will have. Baker & Associates CPA will be able to gain a lot of small business clients because of its active involvement in the community and free QuickBooks seminars. Van Bruggen & Vande Vegte PC are not as involved in the community, or actively pursuing these small businesses. Finally, by simply being a CPA firm, and its core service being tax, Baker & Associates CPA has a large advantage over all of the law firms that provide tax services in the area. Below is a detailed analysis of the three tiers of competitors for Baker & Associates CPA.

Tier 1: Direct Competition

Company: F.H. Anderson Co
 City: Orange City, IA
 Services: Tax, Accounting, Special Projects, Consulting
 Strengths: Affordable, Laid-back, Friendly
 Weaknesses: Aggressive, Hasty, Unprofessional, Not involved in community, No audit, not CPA's
 Employees: 12

Company: Van Bruggen & Vande Vegte PC
 City: Orange City, IA
 Services: Tax, Assurance/Audit, Consulting, Accounting, Financial Planning
 Strengths: Variety of services, specialize in dairy, three offices
 Weaknesses: Not active in community
 Employees: 28

Company: Klay, Veldhuizen, Bindner, De Jong & Jacobsma, P.L.C. (Law office)
 City: Orange City, IA
 Services: Tax
 Strengths: Client base established through law services, client confidentiality
 Weaknesses: Only tax services, specialty is in law, primarily simple tax returns, only do tax work during tax season
 Employees: 10

Company: Rensink, Pluim, & Vogel (Law office)
City: Orange City, IA
Services: Tax
Strengths: Client base established through law services, client confidentiality
Weaknesses: Only individual taxes, specialty is in law, primarily simple tax returns
Employees: 6

Company: Tepaske & Krull (Law office)
City: Orange City, IA
Services: Tax
Strengths: Client base established through law services, client confidentiality
Weaknesses: Only tax services, specialty is in law, primarily simple tax returns
Employees: 3

Tier 2: Less Direct Competition-12 Miles away

Accounting:

Kroese & Kroese, PC
Reichert Tax and Bookkeeping Services
Seibrecht & Co PC
H & R Block Income Tax Preparation Services

Law:

Oostra Bierma Law Offices
Evans Law Office
Jacobsma & Clabaugh, PLC
Kramer Law Firm

Tier 3: Other competitors within 25 Miles

Accounting:

15 more CPA and tax preparation firms within 25 miles of Orange City, Iowa

Law:

19 more law offices within 25 miles (may or may not provide tax services)

Indirect competition:

Approximately 40% of tax returns are not completed by a paid preparer (Grassley).

Market Entry

Baker & Associates CPA will enter the market in September of 2014. This timing is primarily based upon when the owner, Heath Baker, will have gained the experience needed to own and operate a public accounting firm. At this point he will have had four years of public accounting experience at Ernst and Young, a globally recognized firm. This will allow him to gain the skills and expertise needed before starting a business of his own. During these four years Heath will gain experience in tax preparation, business consulting, and building client relationships that he feels will be necessary to start a top-notch public accounting firm. Additionally, during these four years, Heath will be able to acquire the capital needed to start a business. Entering the market in September will allow the firm to get established in the community and allow the firm to begin gaining clients before tax season. January through April will be an extremely busy time, so starting in September will allow Baker & Associates CPA to get established and develop efficient operations before the busiest time of the year. This will also allow Heath to promote the firm to businesses and individuals around the area before tax season.

Promotional Strategy

Because Baker & Associates CPA is a start-up firm, it will not have a large advertising budget. For this reason, the primary form of promotions will be through personal selling and public relations/publicity. Joining the Chamber of Commerce would include a ribbon-cutting ceremony that will be recognized in the local newspaper. This will inform the community that the doors are open. Baker & Associates CPA will be active in the Chamber of Commerce and will participate in the annual business expo and Chamber golf outing. Next, Heath will be

targeting executives and Chief Financial Officers of local companies. He will set-up lunches or personal meetings with these business professionals to sell the services of Baker & Associates CPA. Because these targeted companies would be the most valuable clients for the firm, Heath thinks it is vital to be able to personally sell both himself and Baker & Associates CPA to these potential clients.

Next, as mentioned in The Business section, Baker & Associates CPA will put on QuickBooks seminars in Orange City. The seminars will be free and will allow companies to learn about a module of QuickBooks from a QuickBooks ProAdvisor. Baker & Associates CPA sees this as a great way to gain clients, because when businesses encounter future QuickBooks questions, they will come to Baker & Associates CPA.

A primary form of public relations that Baker & Associates CPA will utilize is being active in the community. By being involved with the Jaycees, participating on the board of a non-profit, being a member of the golf course, getting involved at church, and simply showing his face around the community as much as possible, Heath and Baker & Associates CPA will gain a reputation and image in the community. As a provider of professional services, this is a vital part of the business, and the trust and relationships that form from this involvement will lead to new clients and additional sales for the firm.

Baker & Associates CPA will also use other forms of promotion. In the middle of January, the firm will send out direct mail postcards to promote the business. The postcards will be sent primarily to the target markets, and they will be focused around the firm's competitive advantage of having a personal touch. Baker & Associates CPA wants their clients to know that their personal financial information is secure and that they can develop long-term

relationships with the firm. The postcard will state that Baker & Associates CPA would like to help with tax returns. The postcards can be purchased, printed, and put in the mail through directmail.com. Baker & Associates CPA will send out 2,500 postcards at a price of \$946. An example can be seen in appendix A25, but would be customized to Baker & Associates CPA (“Postcard Printing”). Additionally, Baker & Associates CPA will run weekly ads in the local newspaper from January through March, and will place an advertisement in the yellow pages of the local phone books.

Pricing

A business is defined by the value that it provides to its customers, and Baker & Associates CPA will strive to provide exceptional value. Instead of creating a pricing strategy around the firm’s costs, Baker & Associates CPA will price its services based on their value to customers. In *Pricing on Purpose: How to Implement Value Pricing in Your Firm* Ronald Baker calls this value pricing. Basically, Baker & Associates CPA will sit down with the client and ask them questions to gauge what level of services they are expecting and what their price sensitivity is. Baker & Associates CPA will then provide them with different levels of service and corresponding prices. Ronald Baker provides the following illustration to show how Baker & Associates CPA could come up with a pricing strategy after talking to the client.

Figure 1

	Reservation	Hope For	Pump Fist
Platinum	\$C	\$B	\$A
Gold	\$N	\$M	\$L
Green	\$Z	\$Y	\$X

In this illustration by Ronald Baker, the green, gold, and platinum rows represent the level of service the client expects. If they choose a lower level of service, the price will be lower. Based on the price sensitivity of the client, Baker & Associates CPA would choose to present the reservation, hope for, or pump fist column to the client. The “reservation” column is the least amount that Baker & Associates CPA would take and would provide an average margin on the services. The “hope for” column would be higher prices, and would increase the margins for the firm. Last, is the “pump fist” column, which provides margins large enough that Baker & Associates CPA would “give a pump fist” afterwards. These prices would be provided to a client insensitive to price and willing to pay for the best service. Baker & Associates CPA would not provide all nine options to a client, but perhaps just one column. This allows the client the flexibility to choose the level of service they desire, as well as the corresponding price they are willing to pay. This provides the client with a fixed price before the services are provided. Clients love to know exactly what they will be charged up front as opposed to an estimate or hourly rate. Additionally, it aligns the interests of the firm with those of the client. Baker & Associates CPA wants to provide value to the client and do it as efficiently and effectively as possible. Charging by the hour would cause Baker & Associates CPA to want to spend more hours on a client, where the client wants us to spend as few as possible. There are many more advantages to value pricing and disadvantages to hourly pricing provided in *Pricing on Purpose: How to Implement Value Pricing in Your Firm* (see appendices A26 to A27 for list).

After the client chose the option they wanted, Baker & Associates CPA would set up a fixed-price agreement. It will lay out the exact services the firm will provide and the price it will charge. If there would happen to be a change in scope during the work, Baker & Associates CPA

could create a change order that would list the additional services that would be provided and what it would charge to do so (see appendices A28 to A32 for examples of both forms). Value pricing will be primarily used for business clients. It is for ongoing clients that will be continuously using services such as payroll, bookkeeping, general accounting, consulting, and ongoing tax needs (Baker).

For individual clients, Baker & Associates CPA will have a pricing structure for prepared tax returns. The pricing structure will have a normal and discount price for each type of return, and will list the prices for each additional schedule/form. Baker & Associates CPA's price schedule is based upon Buck, CPA's pricing schedule out of Schaller, IA ("Buck, CPA Fee Schedule"). The prices were increased by 10% because Baker & Associates CPA is serving a town of almost 6,000, as opposed to a population of only 700 in Schaller, IA (see appendices A33 to A34 for fee schedule). For example, Baker & Associates CPA will charge \$156.00 for preparation of Form 1040. If the client itemizes their deductions they will use Schedule A, and it would cost an additional \$58.00 for a total of price of \$214. According to a survey by the National Society of Accountants, the average price for preparation of a 1040 and Schedule A in the West North Central region (which includes Iowa) is \$169 ("Tax Preparation Fees"). There are two reasons Baker & Associates CPA is priced a little higher than this. First, generally CPA firms are a little higher priced because people are willing to pay for CPA expertise. Second, the survey is now two years old, and prices have been adjusted.

Finances

Capital Requirements

Baker & Associates CPA's start-up capital will come solely through an equity investment of \$45,000 by the owner, Heath Baker. The original uses of this capital will be for start-up expenditures and the first four months of operating capital.

Projections

Baker & Associates CPA projects sales of \$193,489 and a net income of \$85,015 in the first year of operation. In year two, it expects sales of \$277,383 and a net income of \$150,614, with these numbers increasing to sales of \$400,896 and a net income of \$216,399 by year three. Additionally, the amount of revenues that are needed to cover operating expenses are \$96,011 in year one, \$120,698 in year two, \$176,808 in year three.

Cash flow is expected to be negative for the first four months, but should reach a positive inflow in January, the first month of tax season. At the end of year one, the cash balance is projected to be \$48,465. The ending cash balance is projected to be \$71,956 at the end of year two, and \$102,615 at the end of the third year. These numbers include the owner's draw.

As this strategic business plan demonstrates, Baker & Associates CPA will become a profitable business venture by filling niches within the Orange City, Iowa, market and providing valuable services to clients.

START-UP FUNDING & EXPENDITURES**Baker & Associates CPA**

--	--

Start-up Cash

Equity Investments	45,000
Loan Proceeds	-
Real-Estate Loans	-
Total Start-up Cash	45,000

Start-up Expenditures**Security Deposits**

Rent (last month's)	1,750
Telephone Deposit	-
Utilities Deposit	-
Other Deposits	-
Total Security Deposits	1,750

Start-up Expenses

Accounting Fees	-
Activation Fee	-
Corporate Fees & Taxes	-
Federal Tax ID	50
Fictitious Name Costs	-
Insurance	2,507
Legal & Consulting Fees	-
Meals & Entertainment	-
Office Supplies	340
Payroll Expenses (training/setup)	
Salaries & Wages	576
Payroll Taxes	69
Benefits	144
Pre-opening advertising	-
Printing (cards, stationery, brochures)	-
Miscellaneous	
Software/Literature	3,294
Total Start-up Expenses	6,980

Other Costs

Opening Inventory	-
-------------------	---

Capital Expenditures

Computer Equipment	10,007
Equipment/Machinery	350
Furniture & Fixtures	5,200
Vehicles	-
Leasehold Improvements	-
Buildings	-
Land	-
Total Start-up Capital Expenditures	15,557

Total Start-up Expenditures

	24,287
--	--------

SALES PROJECTIONS
Baker & Associates CPA

Year 1	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
Sales Budget													
Product/Service Category A	6,047	6,047	6,047	6,047	36,279	36,279	36,279	36,279	6,047	6,047	6,047	6,047	193,489
Product/Service Category B													-
Product/Service Category C	-	-	-	-	-	-	-	-	-	-	-	-	-
Product/Service Category D	-	-	-	-	-	-	-	-	-	-	-	-	-
Product/Service Category E	-	-	-	-	-	-	-	-	-	-	-	-	-
Product/Service Category F	-	-	-	-	-	-	-	-	-	-	-	-	-
Product/Service Category G	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Sales	6,047	6,047	6,047	6,047	36,279	36,279	36,279	36,279	6,047	6,047	6,047	6,047	193,489
Less: Returns & Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Sales	6,047	6,047	6,047	6,047	36,279	36,279	36,279	36,279	6,047	6,047	6,047	6,047	193,489
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	6,047	6,047	6,047	6,047	36,279	36,279	36,279	36,279	6,047	6,047	6,047	6,047	193,489
Credit Management													
Sales (cash)	1,209	1,209	1,209	1,209	7,256	7,256	7,256	7,256	1,209	1,209	1,209	1,209	38,698
Sales (credit)	4,837	4,837	4,837	4,837	29,023	29,023	29,023	29,023	4,837	4,837	4,837	4,837	154,791
Received on Account	-	4,837	4,837	4,837	4,837	29,023	29,023	29,023	29,023	4,837	4,837	4,837	149,954
Bad Debt Expense	42	42	42	42	254	254	254	254	42	42	42	42	1,354

Year 1 Assumptions	
Product/Service Category A	see sales calculations page
Product/Service Category B	
Product/Service Category C	
Product/Service Category D	
Product/Service Category E	
Product/Service Category F	
Product/Service Category G	
Less: Returns & Allowances	
Other Income	
Sales (cash)	
Sales (credit)	
Received on Account	
Bad Debt Expense	

SALES PROJECTIONS
Baker & Associates CPA

Year 2		SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
Sales Budget														
YEAR 2	Product/Service Category A	8,668	8,668	8,668	8,668	52,009	52,009	52,009	52,009	8,668	8,668	8,668	8,668	277,383
	Product/Service Category B	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category C	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category D	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category E	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category F	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category G	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Sales		8,668	8,668	8,668	8,668	52,009	52,009	52,009	52,009	8,668	8,668	8,668	8,668	277,383
Less: Returns & Allowances		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Sales		8,668	8,668	8,668	8,668	52,009	52,009	52,009	52,009	8,668	8,668	8,668	8,668	277,383
Other Income		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income		8,668	8,668	8,668	8,668	52,009	52,009	52,009	52,009	8,668	8,668	8,668	8,668	277,383
Credit Management														
YEAR 2	Sales (cash)	1,734	1,734	1,734	1,734	10,402	10,402	10,402	10,402	1,734	1,734	1,734	1,734	55,477
	Sales (credit)	6,935	6,935	6,935	6,935	41,607	41,607	41,607	41,607	6,935	6,935	6,935	6,935	221,906
	Received on Account	4,837	6,935	6,935	6,935	6,935	41,607	41,607	41,607	41,607	6,935	6,935	6,935	219,809
	Bad Debt Expense	61	61	61	61	364	364	364	364	61	61	61	61	1,942
Year 2 Assumptions														
YEAR 2	Product/Service Category A	see sales calculations page												
	Product/Service Category B													
	Product/Service Category C													
	Product/Service Category D													
	Product/Service Category E													
	Product/Service Category F													
	Product/Service Category G													
	Less: Returns & Allowances													
	Other Income													
	Sales (cash)													
Sales (credit)														
Received on Account														
Bad Debt Expense														

SALES PROJECTIONS
Baker & Associates CPA

Year 3		SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
Sales Budget														
YEAR 3	Product/Service Category A	12,528	12,528	12,528	12,528	75,168	75,168	75,168	75,168	12,528	12,528	12,528	12,528	400,896
	Product/Service Category B	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category C	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category D	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category E	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category F	-	-	-	-	-	-	-	-	-	-	-	-	-
	Product/Service Category G	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Sales		12,528	12,528	12,528	12,528	75,168	75,168	75,168	75,168	12,528	12,528	12,528	12,528	400,896
Less: Returns & Allowances		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Sales		12,528	12,528	12,528	12,528	75,168	75,168	75,168	75,168	12,528	12,528	12,528	12,528	400,896
Other Income		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income		12,528	12,528	12,528	12,528	75,168	75,168	75,168	75,168	12,528	12,528	12,528	12,528	400,896
Credit Management														
YEAR 3	Sales (cash)	2,506	2,506	2,506	2,506	15,034	15,034	15,034	15,034	2,506	2,506	2,506	2,506	80,179
	Sales (credit)	10,022	10,022	10,022	10,022	60,134	60,134	60,134	60,134	10,022	10,022	10,022	10,022	320,717
	Received on Account	6,935	10,022	10,022	10,022	10,022	60,134	60,134	60,134	60,134	10,022	10,022	10,022	317,629
	Bad Debt Expense	88	88	88	88	526	526	526	526	88	88	88	88	2,806
Year 3 Assumptions														
YEAR 3	Product/Service Category A	see sales calculations page												
	Product/Service Category B													
	Product/Service Category C													
	Product/Service Category D													
	Product/Service Category E													
	Product/Service Category F													
	Product/Service Category G													
	Less: Returns & Allowances													
	Other Income													
	Sales (cash)													
Sales (credit)														
Received on Account														
Bad Debt Expense														

Year 1	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
Operating Expenses													
Advertising	200	-	-	-	1,072	400	400	-	-	-	-	-	2,072
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues & Subscriptions	725	-	-	-	-	-	-	-	-	-	-	-	725
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses & Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Promotion	946	-	-	-	-	-	-	-	-	-	-	-	946
Meals & Entertainment	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Miscellaneous	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	19,344
Office Expense (postage)	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses													
Salaries & Wages	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	28,200
Payroll Taxes	282	282	282	282	282	282	282	282	282	282	282	282	3,384
Benefits	588	588	588	588	588	588	588	588	588	588	588	588	7,056
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone & Internet	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	167	167	167	167	167	167	167	167	167	167	167	167	2,004
Utilities	240	240	240	240	240	240	240	240	240	240	240	240	2,880
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-	-	-	-	-	-	-
Continuing Education	-	-	-	-	-	-	-	-	800	800	800	-	2,400
Software/Literature (start-up)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	9,360	7,489	7,489	7,489	8,561	7,889	7,889	7,489	8,289	8,289	8,289	7,489	96,011

Assumptions - Year 1	
Advertising	Big we're open ad in Ad-visor, a local newspaper--200 and yellow pages ad 672 and ad in newspaper \$100 per week for 12 weeks
Bank Charges	
Dues & Subscriptions	AICPA -\$65 yr 1 fee + 395 annual, Iowa Accountancy Examining Board fee \$50, Iowa Society of CPAs \$215, = \$725 total
Insurance	in start up for yr one
Licenses & Fees	
Marketing & Promotion	direct mailings to targeted markets through directmail.com--2500 postcards includes printing and mailing= 946
Meals & Entertainment	take business owners/cfo's out to eat to gain clients
Miscellaneous	10 % of sales-based on industry average .1*193,489=19348 annual/12=1612 monthly
Office Expense (postage)	
Office Supplies	stationary/binders/paper/random supplies
Outside Services	
Payroll Expenses	
Salaries & Wages	1000 hours *\$10 =10,000 & 1300 hours * \$14=18,200, so total 28,200 annual/12=2350 monthly
Payroll Taxes	calculated at 12% of wages=,so 2350 * .12=282
Benefits	calculated at 25% of wages--2350/month wages * .25= \$588 monthly
Professional Fees	
Property Taxes	
Rent	
Repairs & Maintenance	\$12 per square foot x 1750 sq ft=21,000 annual rent/12 months=1750 monthly rent---includes everything except utilities, telephone, internet
Shipping & Delivery	
Telephone & Internet	monthly bill
Training & Development	
Travel	2000/12=167 monthly based on industry averages
Utilities	monthly bill based on research of commercial utility bills in the area
Vehicle	
Software	
Continuing Education	approx \$30/hr and 2 people need continuing ed at 40 hrs annually each so 80*30=2400...will do in summer months
Software/Literature (start-up)	

Year 2		SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
Operating Expenses														
Advertising		-	-	-	-	1,072	400	400	-	-	-	-	-	1,872
Bank Charges		-	-	-	-	-	-	-	-	-	-	-	-	-
Dues & Subscriptions		650	-	-	-	-	-	-	-	-	-	-	-	650
Insurance		210	210	210	210	210	210	210	210	210	210	210	210	2,520
Licenses & Fees		-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Promotion		946	-	-	-	-	-	-	-	-	-	-	-	946
Meals & Entertainment		120	120	120	120	120	120	120	120	120	120	120	120	1,440
Miscellaneous		2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	27,732
Office Expense (postage)		-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies		400	400	400	400	400	400	400	400	400	400	400	400	4,800
Outside Services		-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses														
Salaries & Wages		2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	35,004
Payroll Taxes		350	350	350	350	350	350	350	350	350	350	350	350	4,200
Benefits		730	730	730	730	730	730	730	730	730	730	730	730	8,760
Professional Fees		-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-
Rent		1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Repairs & Maintenance		-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery		-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone & Internet		100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development		-	-	-	-	-	-	-	-	-	-	-	-	-
Travel		250	250	250	250	250	250	250	250	250	250	250	250	3,000
Utilities		240	240	240	240	240	240	240	240	240	240	240	240	2,880
Vehicle		-	-	-	-	-	-	-	-	-	-	-	-	-
Software		2,294	-	-	-	-	-	-	-	-	-	-	-	2,294
Continuing Education		-	-	-	-	-	-	-	-	800	800	800	-	2,400
Software/Literature (start-up)		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses		13,268	9,378	9,378	9,378	10,450	9,778	9,778	9,378	10,178	10,178	10,178	9,378	120,698
Assumptions - Year 2														
Advertising		yellow pages ad 672 and ad in newspaper \$100 per week for 12 weeks												
Bank Charges														
Dues & Subscriptions		AICPA -\$395 annual, Iowa Accountancy Examining Board fee \$50, Iowa Society of CPAs \$215, = \$660 total												
Insurance		500 general liab + 2000 errors and omissions + workers comp .29 * 35 = 10 (.29 per thousand dollars wages)=2510/12=210												
Licenses & Fees														
Marketing & Promotion		direct mailings to targeted markets through directmail.com--2500 postcards includes printing and mailing= 946												
Meals & Entertainment		take business owners/cfo's out to eat to gain clients												
Miscellaneous		10 % of sales-based on industry average .1*277,383=27,738 annual/12=2311 monthly												
Office Expense (postage)														
Office Supplies		stationary/binders/paper/random supplies												
Outside Services														
Payroll Expenses														
Salaries & Wages		1000 hours *\$11 =11,000 & 1600 hours * \$15=24,000, so total 35,000 annual/12=2917 monthly												
Payroll Taxes		calculated at 12% of wages=,so 2917 * .12=350												
Benefits		calculated at 25% of wages--2917/month wages * .25= \$730 monthly												
Professional Fees														
Property Taxes														
Rent		\$12 per square foot x 1750 sq ft=21,000 annual rent/12 months=1750 monthly rent--includes everything except utilities, telephone, internet												
Repairs & Maintenance														
Shipping & Delivery														
Telephone & Internet														
Training & Development														
Travel		3000/12=250 monthly based on industry averages												
Utilities		monthly bill based on research of commercial utility bills in the area												
Vehicle														
Software		599 quickbooks + 695 annual website/email + other updates of 1000												
Continuing Education		approx \$30/hr and 2 people need continuing ed at 40 hrs annually each so 80*30=2400...will do in summer months												
Software/Literature (start-up)														

		Telephone & Internet Training & Development												
Year 3		SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
Operating Expenses														
Advertising		-	-	-	-	1,072	400	400	-	-	-	-	-	1,872
Bank Charges		-	-	-	-	-	-	-	-	-	-	-	-	-
Dues & Subscriptions		660	-	-	-	-	-	-	-	-	-	-	-	660
Insurance		210	210	210	210	210	210	210	210	210	210	210	210	2,520
Licenses & Fees		-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Promotion		946	-	-	-	-	-	-	-	-	-	-	-	946
Meals & Entertainment		150	150	150	150	150	150	150	150	150	150	150	150	1,800
Miscellaneous		3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	40,080
Office Expense (postage)		-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies		500	500	500	500	500	500	500	500	500	500	500	500	6,000
Outside Services		-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses														
Salaries & Wages		5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	64,200
Payroll Taxes		642	642	642	642	642	642	642	642	642	642	642	642	7,704
Benefits		1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	16,056
Professional Fees		-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-
Rent		1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Repairs & Maintenance		-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery		-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone & Internet		100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development		-	-	-	-	-	-	-	-	-	-	-	-	-
Travel		333	333	333	333	333	333	333	333	333	333	333	333	3,996
Utilities		240	240	240	240	240	240	240	240	240	240	240	240	2,880
Vehicle		-	-	-	-	-	-	-	-	-	-	-	-	-
Software		2,294	-	-	-	-	-	-	-	-	-	-	-	2,294
Continuing Education		-	-	-	-	-	-	-	-	1,200	1,200	1,200	-	3,600
Software/Literature (start-up)		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses		17,853	13,953	13,953	13,953	15,025	14,353	14,353	13,953	15,153	15,153	15,153	13,953	176,808
Assumptions - Year 3														
Advertising		yellow pages ad 672 and ad in newspaper \$100 per week for 12 weeks												
Bank Charges														
Dues & Subscriptions		AICPA -\$395 annual, Iowa Accountancy Examining Board fee \$50, Iowa Society of CPAs \$215, = \$660 total												
Insurance		500 general liab + 2000 errors and omissions + workers comp .29 * 64 = 19 (.29 per thousand dollars wages)=2519/12=210												
Licenses & Fees														
Marketing & Promotion		direct mailings to targeted markets through directmail.com--2500 postcards includes printing and mailing= 946												
Meals & Entertainment		take business owners/cfo's out to eat to gain clients												
Miscellaneous		10 % of sales-based on industry average .1*400,896=40,090 annual/12=3340 monthly												
Office Expense (postage)														
Office Supplies		stationary/binders/paper/random supplies												
Outside Services														
Payroll Expenses														
Salaries & Wages		1000 hours *\$12 =12,000 & 1300 hours * \$14=18,200 +34,000 so total 64,200 annual/12=5350monthly												
Payroll Taxes		calculated at 12% of wages=,so 5350 * 12=642												
Benefits		calculated at 25% of wages--5350/month wages * .25= \$1338 monthly												
Professional Fees														
Property Taxes														
Rent		\$12 per square foot x 1750 sq ft=21,000 annual rent/12 months=1750 monthly rent---includes everything except utilities, telephone, internet												
Repairs & Maintenance														
Shipping & Delivery														
Telephone & Internet														
Training & Development														
Travel		4000/12=333 monthly based on industry averages												
Utilities		monthly bill based on research of commercial utility bills in the area												
Vehicle														
Software		599 quickbooks + 695 annual website/email + other updates of 1000												
Continuing Education		approx \$30/hr and 3 people need continuing ed at 40 hrs annually each so 120*30=3600...will do in summer months												
Software/Literature (start-up)														

39

CAPITAL BUDGET PROJECTIONS

Year 1	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL	
Capital Budget														
Owner's Draw	2,000	2,000	2,000	2,000	2,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	38,000	
Investor's Draw	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	
Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation (existing assets)	344	344	344	344	344	344	344	344	344	344	344	344	4,129	
Capital Asset Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation (new purchases)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	
													Year 1 Total Depreciation	4,129
Assumptions - Year 1														
Owner's Draw														
Investor's Draw														
Dividends Paid														
Security Deposits														
Amortization														
Equipment														
Equipment Depreciation														
Furniture														
Furniture Depreciation														
Leasehold Improvements														
Leasehold Depreciation														
Vehicles														
Vehicle Depreciation														
Building														
Building Depreciation														
Land														

CAPITAL BUDGET PROJECTIONS

Year 2		SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
Capital Budget														
YEAR 2	Owner's Draw	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000
YEAR 2	Investor's Draw	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 2	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 2	Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 2	Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 2	Depreciation (existing assets)	344	344	344	344	344	344	344	344	344	344	344	344	4,129
YEAR 2	Capital Asset Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 2	Depreciation (new purchases)	-	-	-	-	-	-	-	-	-	-	-	-	-
YEAR 2	Land	-	-	-	-	-	-	-	-	-	-	-	-	-
													Year 2 Total Depreciation	4,129
Assumptions - Year 2														
YEAR 2	Owner's Draw													
YEAR 2	Investor's Draw													
YEAR 2	Dividends Paid													
YEAR 2	Security Deposits													
YEAR 2	Amortization													
YEAR 2	Equipment													
YEAR 2	Equipment Depreciation													
YEAR 2	Furniture													
YEAR 2	Furniture Depreciation													
YEAR 2	Leasehold Improvements													
YEAR 2	Leasehold Depreciation													
YEAR 2	Vehicles													
YEAR 2	Vehicle Depreciation													
YEAR 2	Building													
YEAR 2	Building Depreciation													
YEAR 2	Land													

CAPITAL BUDGET PROJECTIONS

Year 3		SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL		
YEAR 3	Capital Budget															
	Owner's Draw	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000		
	Investor's Draw	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Depreciation (existing assets)	344	344	344	344	344	344	344	344	344	344	344	344	4,129		
	Capital Asset Purchases	2,615	-	-	-	-	-	-	-	-	-	-	-	-	2,615	
	Depreciation (new purchases)	63	63	63	63	63	63	63	63	63	63	63	63	755		
	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
															Year 3 Total Depreciation	4,883
	Assumptions - Year 3															
YEAR 3	Owner's Draw															
YEAR 3	Investor's Draw															
YEAR 3	Dividends Paid															
YEAR 3	Security Deposits															
YEAR 3	Amortization															
YEAR 3	Equipment													purchase laptop and desktop for new hire=\$2000		
YEAR 3	Equipment Depreciation													telephone \$115		
YEAR 3	Furniture													purchase desk \$300 and chair \$200 for new hire		
YEAR 3	Furniture Depreciation															
YEAR 3	Leasehold Improvements															
YEAR 3	Leasehold Depreciation															
YEAR 3	Vehicles															
YEAR 3	Vehicle Depreciation															
YEAR 3	Building															
YEAR 3	Building Depreciation															
YEAR 3	Land															

DEPRECIATION SCHEDULES

Baker & Associates CPA

Year 1 Existing Assets	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
Set-up Assets (no detail entered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Set-up Assets (detail entered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Start-up Purchases	344	344	344	344	344	344	344	344	344	344	344	344	4,129
Total	344	344	344	344	344	344	344	344	344	344	344	344	4,129
Year 2 Existing Assets													
Set-up Assets (no detail entered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Set-up Assets (detail entered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Start-up Purchases	344	344	344	344	344	344	344	344	344	344	344	344	4,129
Total	344	344	344	344	344	344	344	344	344	344	344	344	4,129
Year 3 Existing Assets													
Set-up Assets (no detail entered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Set-up Assets (detail entered)	-	-	-	-	-	-	-	-	-	-	-	-	-
Start-up Purchases	344	344	344	344	344	344	344	344	344	344	344	344	4,129
Total	344	344	344	344	344	344	344	344	344	344	344	344	4,129

Year 1 New Purchases	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment/Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Building Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-

Year 2 New Purchases	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment/Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Building Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-

Year 3 New Purchases	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
Computer Equipment	2,000	-	-	-	-	-	-	-	-	-	-	-	2,000
Computer Equipment Depreciation	56	56	56	56	56	56	56	56	56	56	56	56	667
Equipment/Machinery	115	-	-	-	-	-	-	-	-	-	-	-	115
Equipment Depreciation	1	1	1	1	1	1	1	1	1	1	1	1	16
Furniture	500	-	-	-	-	-	-	-	-	-	-	-	500
Furniture Depreciation	6	6	6	6	6	6	6	6	6	6	6	6	71
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Building Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-

MONTHLY INCOME STATEMENT
Baker & Associates CPA

Yr. 1	Pre Start-up	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	Total
Net Sales (less returns & allowances)		6,047	6,047	6,047	6,047	36,279	36,279	36,279	36,279	6,047	6,047	6,047	6,047	193,489
Cost of Goods Sold		-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Income		6,047	6,047	6,047	6,047	36,279	36,279	36,279	36,279	6,047	6,047	6,047	6,047	193,489
Operating Expenses														
Advertising	-	200	-	-	-	1,072	400	400	-	-	-	-	-	2,072
Bad Debt Expense	-	42	42	42	42	254	254	254	254	42	42	42	42	1,354
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	-	344	344	344	344	344	344	344	344	344	344	344	344	4,129
Dues & Subscriptions	-	725	-	-	-	-	-	-	-	-	-	-	-	725
Insurance	2,507	-	-	-	-	-	-	-	-	-	-	-	-	2,507
Licenses & Fees	50	-	-	-	-	-	-	-	-	-	-	-	-	50
Marketing & Promotion	-	946	-	-	-	-	-	-	-	-	-	-	-	946
Meals & Entertainment	-	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Miscellaneous	-	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	19,344
Office Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	340	300	300	300	300	300	300	300	300	300	300	300	300	3,940
Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses														
Salaries & Wages	576	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	28,776
Payroll Taxes	69	282	282	282	282	282	282	282	282	282	282	282	282	3,453
Benefits	144	588	588	588	588	588	588	588	588	588	588	588	588	7,200
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	167	167	167	167	167	167	167	167	167	167	167	167	2,004
Utilities	-	240	240	240	240	240	240	240	240	240	240	240	240	2,880
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Continuing Education	-	-	-	-	-	-	-	-	-	800	800	800	-	2,400
Software/Literature (start-up)	3,294	-	-	-	-	-	-	-	-	-	-	-	-	3,294
Total Operating Expenses	6,980	9,746	7,875	7,875	7,875	9,159	8,487	8,487	8,087	8,675	8,675	8,675	7,875	108,474
Operating Income	(6,980)	(3,700)	(1,829)	(1,829)	(1,829)	27,120	27,792	27,792	28,192	(2,629)	(2,629)	(2,629)	(1,829)	85,015
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income (interest, royalties, etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Before Taxes	(6,980)	(3,700)	(1,829)	(1,829)	(1,829)	27,120	27,792	27,792	28,192	(2,629)	(2,629)	(2,629)	(1,829)	85,015

MONTHLY INCOME STATEMENT
Baker & Associates CPA

Yr. 2	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	Total
Net Sales (less returns & allowances)	8,668	8,668	8,668	8,668	52,009	52,009	52,009	52,009	8,668	8,668	8,668	8,668	277,383
Cost of Goods Sold	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Income	8,668	8,668	8,668	8,668	52,009	52,009	52,009	52,009	8,668	8,668	8,668	8,668	277,383
Operating Expenses													
Advertising	-	-	-	-	1,072	400	400	-	-	-	-	-	1,872
Bad Debt Expense	61	61	61	61	364	364	364	364	61	61	61	61	1,942
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	344	344	344	344	344	344	344	344	344	344	344	344	4,129
Dues & Subscriptions	650	-	-	-	-	-	-	-	-	-	-	-	650
Insurance	210	210	210	210	210	210	210	210	210	210	210	210	2,520
Licenses & Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Promotion	946	-	-	-	-	-	-	-	-	-	-	-	946
Meals & Entertainment	120	120	120	120	120	120	120	120	120	120	120	120	1,440
Miscellaneous	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	27,732
Office Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses													
Salaries & Wages	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	35,004
Payroll Taxes	350	350	350	350	350	350	350	350	350	350	350	350	4,200
Benefits	730	730	730	730	730	730	730	730	730	730	730	730	8,760
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Utilities	240	240	240	240	240	240	240	240	240	240	240	240	2,880
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	2,294	-	-	-	-	-	-	-	-	-	-	-	2,294
Continuing Education	-	-	-	-	-	-	-	-	800	800	800	-	2,400
Software/Literature (start-up)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	13,673	9,783	9,783	9,783	11,158	10,486	10,486	10,086	10,583	10,583	10,583	9,783	126,768
Operating Income	(5,005)	(1,115)	(1,115)	(1,115)	40,851	41,523	41,523	41,923	(1,915)	(1,915)	(1,915)	(1,115)	150,614
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income (interest, royalties, etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Before Taxes	(5,005)	(1,115)	(1,115)	(1,115)	40,851	41,523	41,523	41,923	(1,915)	(1,915)	(1,915)	(1,115)	150,614

MONTHLY INCOME STATEMENT
Baker & Associates CPA

Yr. 3	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	Total
Net Sales (less returns & allowances)	12,528	12,528	12,528	12,528	75,168	75,168	75,168	75,168	12,528	12,528	12,528	12,528	400,896
Cost of Goods Sold	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Income	12,528	12,528	12,528	12,528	75,168	75,168	75,168	75,168	12,528	12,528	12,528	12,528	400,896
Operating Expenses													
Advertising	-	-	-	-	1,072	400	400	-	-	-	-	-	1,872
Bad Debt Expense	88	88	88	88	526	526	526	526	88	88	88	88	2,806
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	407	407	407	407	407	407	407	407	407	407	407	407	4,883
Dues & Subscriptions	660	-	-	-	-	-	-	-	-	-	-	-	660
Insurance	210	210	210	210	210	210	210	210	210	210	210	210	2,520
Licenses & Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Promotion	946	-	-	-	-	-	-	-	-	-	-	-	946
Meals & Entertainment	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Miscellaneous	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	40,080
Office Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses													
Salaries & Wages	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	64,200
Payroll Taxes	642	642	642	642	642	642	642	642	642	642	642	642	7,704
Benefits	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	16,056
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	333	333	333	333	333	333	333	333	333	333	333	333	3,996
Utilities	240	240	240	240	240	240	240	240	240	240	240	240	2,880
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	2,294	-	-	-	-	-	-	-	-	-	-	-	2,294
Continuing Education	-	-	-	-	-	-	-	-	1,200	1,200	1,200	-	3,600
Software/Literature (start-up)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	18,348	14,448	14,448	14,448	15,958	15,286	15,286	14,886	15,648	15,648	15,648	14,448	184,497
Operating Income	(5,820)	(1,920)	(1,920)	(1,920)	59,210	59,882	59,882	60,282	(3,120)	(3,120)	(3,120)	(1,920)	216,399
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income (interest, royalties, etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Before Taxes	(5,820)	(1,920)	(1,920)	(1,920)	59,210	59,882	59,882	60,282	(3,120)	(3,120)	(3,120)	(1,920)	216,399

Baker & Associates CPA

Cash Flow Statement (Projected)

Yr. 1	Pre Start-up	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
Cash In														
Cash Sales		1,209	1,209	1,209	1,209	7,256	7,256	7,256	7,256	1,209	1,209	1,209	1,209	38,698
Collections from Accounts Receivables		(42)	4,795	4,795	4,795	4,583	28,769	28,769	28,769	28,981	4,795	4,795	4,795	148,599
Equity Received	45,000	-	-	-	-	-	-	-	-	-	-	-	-	45,000
Loans Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (receipts from other assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (interest, royalties etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash In	45,000	1,167	6,004	6,004	6,004	11,839	36,025	36,025	36,025	30,190	6,004	6,004	6,004	232,297
Total Cash Available	45,000	21,880	16,524	13,039	9,555	11,905	37,369	49,881	74,017	92,719	70,427	64,143	57,858	253,010
Cash Out														
Inventory Expenditures														
Inventory/Raw Material (Cash)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory/Raw Material (Paid on Account)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses														
Advertising	-	200	-	-	-	1,072	400	400	-	-	-	-	-	2,072
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues & Subscriptions	-	725	-	-	-	-	-	-	-	-	-	-	-	725
Insurance	2,507	-	-	-	-	-	-	-	-	-	-	-	-	2,507
Licenses & Fees	50	-	-	-	-	-	-	-	-	-	-	-	-	50
Marketing & Promotion	-	946	-	-	-	-	-	-	-	-	-	-	-	946
Meals & Entertainment	-	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Miscellaneous	-	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	1,612	19,344
Office Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	340	300	300	300	300	300	300	300	300	300	300	300	300	3,940
Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses														
Salaries & Wages	576	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	28,776
Payroll Taxes	69	282	282	282	282	282	282	282	282	282	282	282	282	3,453
Benefits	144	588	588	588	588	588	588	588	588	588	588	588	588	7,200
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	167	167	167	167	167	167	167	167	167	167	167	167	2,004
Utilities	-	240	240	240	240	240	240	240	240	240	240	240	240	2,880
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Continuing Education														
Software/Literature (start-up)	3,294	-	-	-	-	-	-	-	-	800	800	800	-	2,400
Paid on Account	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating Costs														
Capital Purchases	15,557	-	-	-	-	-	-	-	-	-	-	-	-	15,557
Estimated Income Tax Payments	-	-	-	-	-	-	11,624	-	-	16,007	-	-	(2,126)	25,504
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Draw	-	2,000	2,000	2,000	2,000	2,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	38,000
Other Cash Out	1,750	-	-	-	-	-	-	-	-	-	-	-	-	1,750
Total Cash Out	24,287	11,360	9,489	9,489	9,489	10,561	23,513	11,889	11,489	28,296	12,289	12,289	9,363	183,802
Monthly Cash Flow (cash in - cash out)	20,713	(10,193)	(3,485)	(3,485)	(3,485)	1,278	12,512	24,136	24,536	1,895	(6,285)	(6,285)	(3,359)	48,495
Beginning Cash Balance	-	20,713	10,520	7,035	3,550	66	1,344	13,856	37,992	62,528	64,423	58,138	51,854	-
Ending Cash Balance	20,713	10,520	7,035	3,550	66	1,344	13,856	37,992	62,528	64,423	58,138	51,854	48,495	48,495

47

Cash Flow Statement (Projected)

Yr. 2	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
Cash In													
Cash Sales	1,734	1,734	1,734	1,734	10,402	10,402	10,402	10,402	1,734	1,734	1,734	1,734	55,477
Collections from Accounts Receivables	4,777	6,874	6,874	6,874	6,571	41,243	41,243	41,243	41,547	6,874	6,874	6,874	217,867
Equity Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (receipts from other assets)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (interest, royalties etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash In	6,510	8,608	8,608	8,608	16,972	51,645	51,645	51,645	43,280	8,608	8,608	8,608	273,344
Total Cash Available	55,005	43,344	35,574	27,803	28,398	62,593	75,252	110,119	137,022	103,992	95,421	86,851	321,838
Cash Out													
Inventory Expenditures													
Inventory/Raw Material (Cash)	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory/Raw Material (Paid on Account)	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses													
Advertising	-	-	-	-	1,072	400	400	-	-	-	-	-	1,872
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues & Subscriptions	650	-	-	-	-	-	-	-	-	-	-	-	650
Insurance	210	210	210	210	210	210	210	210	210	210	210	210	2,520
Licenses & Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Promotion	946	-	-	-	-	-	-	-	-	-	-	-	946
Meals & Entertainment	120	120	120	120	120	120	120	120	120	120	120	120	1,440
Miscellaneous	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	27,732
Office Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses													
Salaries & Wages	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	35,004
Payroll Taxes	350	350	350	350	350	350	350	350	350	350	350	350	4,200
Benefits	730	730	730	730	730	730	730	730	730	730	730	730	8,760
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Utilities	240	240	240	240	240	240	240	240	240	240	240	240	2,880
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	2,294	-	-	-	-	-	-	-	-	-	-	-	2,294
Continuing Education	-	-	-	-	-	-	-	-	800	800	800	-	2,400
Software/Literature (start-up)	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid on Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating Costs													
Capital Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated Income Tax Payments	-	-	-	-	-	22,208	-	-	24,460	-	-	(1,483)	45,184
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Draw	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000
Other Cash Out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Out	20,268	16,378	16,378	16,378	17,450	38,986	16,778	16,378	41,638	17,178	17,178	14,895	249,882
Monthly Cash Flow (cash in - cash out)	(13,758)	(7,770)	(7,770)	(7,770)	(478)	12,659	34,867	35,267	1,643	(8,570)	(8,570)	(6,287)	23,461
Beginning Cash Balance	48,495	34,737	26,966	19,196	11,425	10,948	23,607	58,474	93,741	95,384	86,814	78,243	48,495
Ending Cash Balance	34,737	26,966	19,196	11,425	10,948	23,607	58,474	93,741	95,384	86,814	78,243	71,956	71,956

Cash Flow Statement (Projected)

Yr. 3	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
Cash In													
Cash Sales	2,506	2,506	2,506	2,506	15,034	15,034	15,034	15,034	2,506	2,506	2,506	2,506	80,179
Collections from Accounts Receivables	6,847	9,935	9,935	9,935	9,496	59,608	59,608	59,608	60,047	9,935	9,935	9,935	314,823
Equity Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans Received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (receipts from other assets)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash In (interest, royalties etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash In	9,352	12,440	12,440	12,440	24,530	74,642	74,642	74,642	62,552	12,440	12,440	12,440	395,002
Total Cash Available	81,308	63,281	51,768	40,255	40,832	90,449	108,484	158,773	197,372	149,546	136,833	124,121	466,958
Cash Out													
Inventory Expenditures													
Inventory/Raw Material (Cash)	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory/Raw Material (Paid on Account)	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses													
Advertising	-	-	-	-	1,072	400	400	-	-	-	-	-	1,872
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues & Subscriptions	660	-	-	-	-	-	-	-	-	-	-	-	660
Insurance	210	210	210	210	210	210	210	210	210	210	210	210	2,520
Licenses & Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Promotion	946	-	-	-	-	-	-	-	-	-	-	-	946
Meals & Entertainment	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Miscellaneous	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	3,340	40,080
Office Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Outside Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses													
Salaries & Wages	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	5,350	64,200
Payroll Taxes	642	642	642	642	642	642	642	642	642	642	642	642	7,704
Benefits	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	16,056
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Training & Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	333	333	333	333	333	333	333	333	333	333	333	333	3,996
Utilities	240	240	240	240	240	240	240	240	240	240	240	240	2,880
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	2,294	-	-	-	-	-	-	-	-	-	-	-	2,294
Continuing Education	-	-	-	-	-	-	-	-	1,200	1,200	1,200	-	3,600
Software/Literature (start-up)	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid on Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating Costs													
Capital Purchases	2,615	-	-	-	-	-	-	-	-	-	-	-	2,615
Estimated Income Tax Payments	-	-	-	-	-	32,254	-	-	35,113	-	-	(2,448)	64,920
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Principal Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Draw	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Other Cash Out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Out	30,468	23,953	23,953	23,953	25,025	56,607	24,353	23,953	60,266	25,153	25,153	21,505	364,343
Monthly Cash Flow (cash in - cash out)	(21,116)	(11,513)	(11,513)	(11,513)	(495)	18,035	50,289	50,689	2,286	(12,713)	(12,713)	(9,065)	30,659
Beginning Cash Balance	71,956	50,840	39,328	27,815	16,302	15,807	33,842	84,131	134,820	137,106	124,393	111,680	71,956
Ending Cash Balance	50,840	39,328	27,815	16,302	15,807	33,842	84,131	134,820	137,106	124,393	111,680	102,615	102,615

Baker & Associates CPA
Year-End
Income Statement (Projected)

	Yr. 1	Yr. 2	Yr. 3
Net Sales (less returns & allowances)	193,489	277,383	400,896
Cost of Goods Sold	-	-	-
Gross Income	\$ 193,489	\$ 277,383	\$ 400,896
Operating Expenses			
Advertising	2,072	1,872	1,872
Bad Debt Expense	1,354	1,942	2,806
Bank Charges	-	-	-
Depreciation & Amortization	4,129	4,129	4,883
Dues & Subscriptions	725	650	660
Insurance	2,507	2,520	2,520
Licenses & Fees	50	-	-
Marketing & Promotion	946	946	946
Meals & Entertainment	1,200	1,440	1,800
Miscellaneous	19,344	27,732	40,080
Office Expense	-	-	-
Office Supplies	3,940	4,800	6,000
Outside Services	-	-	-
Payroll Expenses			
Salaries & Wages	28,776	35,004	64,200
Payroll Taxes	3,453	4,200	7,704
Benefits	7,200	8,760	16,056
Professional Fees	-	-	-
Property Taxes	-	-	-
Rent	21,000	21,000	21,000
Repairs & Maintenance	-	-	-
Shipping & Delivery	-	-	-
Telephone	1,200	1,200	1,200
Training & Development	-	-	-
Travel	2,004	3,000	3,996
Utilities	2,880	2,880	2,880
Vehicle	-	-	-
Software	-	2,294	2,294
Continuing Education	2,400	2,400	3,600
Software/Literature (start-up)	3,294	-	-
Total Operating Expenses	\$ 108,474	\$ 126,768	\$ 184,497
Operating Income	\$ 85,015	\$ 150,614	\$ 216,399
Interest Expense	-	-	-
Other Income (interest, royalties, etc.)	-	-	-
Income Before Taxes	\$ 85,015	\$ 150,614	\$ 216,399
Income Taxes (if C Corp)	-	-	-
Net Income	\$ 85,015	\$ 150,614	\$ 216,399

**Baker & Associates CPA
Year-End
Balance Sheet (Projected)**

	Yr. 1	Yr. 2	Yr. 3
Assets			
Current Assets			
Cash & Equivalents	48,495	71,956	102,615
Accounts Receivable	4,837	6,935	10,022
Inventory	-	-	-
Security Deposits	1,750	1,750	1,750
Other Current Assets	-	-	-
Total Current Assets	\$ 55,082	\$ 80,641	\$ 114,388
Fixed Assets			
Property, Plant & Equipment	15,557	15,557	18,172
Less: Accumulated Depreciation	(4,129)	(8,257)	(13,140)
Other Non-Current Assets	-	-	-
Total Non-Current Assets	\$ 11,428	\$ 7,300	\$ 5,032
Total Assets	\$ 66,510	\$ 87,940	\$ 119,420
Liabilities			
Current Liabilities			
Accounts Payable	-	-	-
Line of Credit	-	-	-
Other Current Liabilities	-	-	-
Total Current Liabilities	\$ -	\$ -	\$ -
Long-term Liabilities			
Loans	-	-	-
Mortgages	-	-	-
Other Non-Current Liabilities	-	-	-
Total Non-Current Liabilities	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -
Equity			
Equity Investments	45,000	45,000	45,000
Retained Earnings	85,015	235,629	452,028
Less: Owner's & Investor's Draws	(63,504)	(192,689)	(377,608)
Total Equity	\$ 66,510	\$ 87,940	\$ 119,420
Total Liabilities and Equity	\$ 66,510	\$ 87,940	\$ 119,420

Baker & Associates CPA
Financial Ratios

		Yr. 1	Yr. 2	Yr. 3
Profitability Ratios				
Gross Margin	$\frac{\text{Gross Income}}{\text{Net Sales}}$	100.00%	100.00%	100.00%
Operating Margin	$\frac{\text{Operating Income}}{\text{Net Sales}}$	43.94%	54.30%	53.98%
Net Margin	$\frac{\text{Net Income}}{\text{Net Sales}}$	43.94%	54.30%	53.98%
Return on Assets (ROA)	$\frac{\text{Net Income}}{\text{Total Assets}}$	127.82%	171.27%	181.21%
Return on Equity (ROE)	$\frac{\text{Net Income}}{\text{Total Equity}}$	127.82%	171.27%	181.21%
Liquidity Ratios				
Current Ratio	$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$	#DIV/0!	#DIV/0!	#DIV/0!
Quick Ratio	$\frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$	#DIV/0!	#DIV/0!	#DIV/0!
Risk Ratios				
Debt Ratio	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	0.00	0.00	0.00
Debt to Equity	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	0.00	0.00	0.00
Efficiency Ratios				
Inventory Turnover	$\frac{\text{Cost of Goods Sold}}{\text{Inventory}}$	#DIV/0!	#DIV/0!	#DIV/0!
Days Sales Outstanding (DSO)	$\frac{\text{Accounts Receivable}}{\text{Net Sales}/365}$	9.13	9.12	9.13
Investment Turnover Ratio	$\frac{\text{Net Sales}}{\text{Total Assets}}$	2.91	3.15	3.36

Works Cited

- "Accountancy in the United States." Datamonitor Industry Profile. Sep 2008. *Datamonitor*.
University of Northern Iowa Library, Cedar Falls, IA. Web. 8 Aug 2009.
<<http://www.datamonitor.com>>.
- "Accounting, Tax, Bookkeeping & Payroll Services in the US: 54121." IBISWorld Industry
Report. Web. 17 Nov 2008. *IBISWorld*. University of Northern Iowa Library, Cedar Falls,
IA. 6 Jun 2009. <<http://www.ibisworld.com>>.
- Baker, Ronald J. "Pricing on Purpose: How to Implement Value Pricing in Your Firm." *Journal of
Accountancy*. May 2009. Web. 20 Oct. 2009.
<<http://www.journalofaccountancy.com/issues/2009/Jun/20091530.htm>>.
- "Benefits Home Page." U.S. Bureau of Labor Statistics. 2009. Web. 22 Oct. 2009.
<<http://www.bls.gov/ncs/ebs/>>.
- "Buck, CPA Fee Schedule." Tom Buck, CPA. The Certified Public Accountant with a Personality.
Buck, CPA, 2008. Web. 20 Oct. 2009. <<http://www.buckcpa.com/index.php>>.
- "City Data." Stats about all US cities. Advameg, Inc., 2009. Web. 19 Oct. 2009.
<<http://www.city-data.com/>>.
- CPA Technology Advisor. Cygnus Interactive, 2009. Web. 21 Oct. 2009.
<<http://www.cpatechnologyadvisor.com/>>.
- "Demographics." City of Orange City. 2008. Web. 12 Oct. 2009.
<<http://www.orangecityiowa.com/index.asp>>.
- Grassley, Chuck. "Preparing Your Taxes: How Costly Is It?" U.S. Senate Committee on Finance. 4

Apr. 2009. Web. 20 Oct. 2009.

<<http://finance.senate.gov/hearings/statements/040406cgopen.pdf>>.

"Iowa DOT - Office of Transportation Data - County and City Traffic Maps." Iowa DOT - Office of Transportation Data. Iowa DOT, 5 June 2009. Web. 12 Oct. 2009.

<<http://www.iowadotmaps.com/msp/traffic/index.html>>.

Kroese, Rob. Personal Interview. 3 Oct. 2009.

Myers, Randy. "Start Your Own Practice." *Journal of Accountancy* 201.4 (Apr. 2006): 51-57.

Business Source Elite. EBSCO. University of Northern Iowa. Web. 28 Feb. 2009

<<http://search.ebscohost.com/login.aspx?direct=true&db=bsh&AN=20389539&ite=ehost-live>>.

"Orange City/Alton, Iowa: Laborshed Analysis." Rep. Iowa Workforce Development. Des Moines, IA. Print.

"Postcard Printing - Print Postcards at DirectMail.com." Direct Mail Marketing - Mailing List.

DirectMail.com, 2009. Web. 12 Oct. 2009.

<http://www.directmail.com/directory/printing/postcard_printing/>.

"QuickBooks Certification: ProAdvisor, Advanced, Point-of-Sale, Enterprise Solutions."

QuickBooks ProAdvisor Member Web Site Login. June 2009. Web. 12 Oct. 2009.

<<http://proadvisor.intuit.com/content/certification/index.jsp>>.

"Retail Sales Analysis & Report for Orange City, Iowa Fiscal Year 2008". Rep. Iowa State University Regional Capacity Analysis Program, Ames, IA. Print.

Schindel, Judy. Personal Interview. 20 Feb. 2009.

"Shop for Audit and Attest Products." Ppc.thomson.com. 2009. Web. 21 Oct. 2009.

<<http://ppc.thomson.com/SiteComposer2/index.cfm?txtFuse=dspShellProductDetail&fuseAction=SHELL&numSiteID=2&numTaxonomyID=232&numTaxonomyTypeID=29&numProdClassID=341>>.

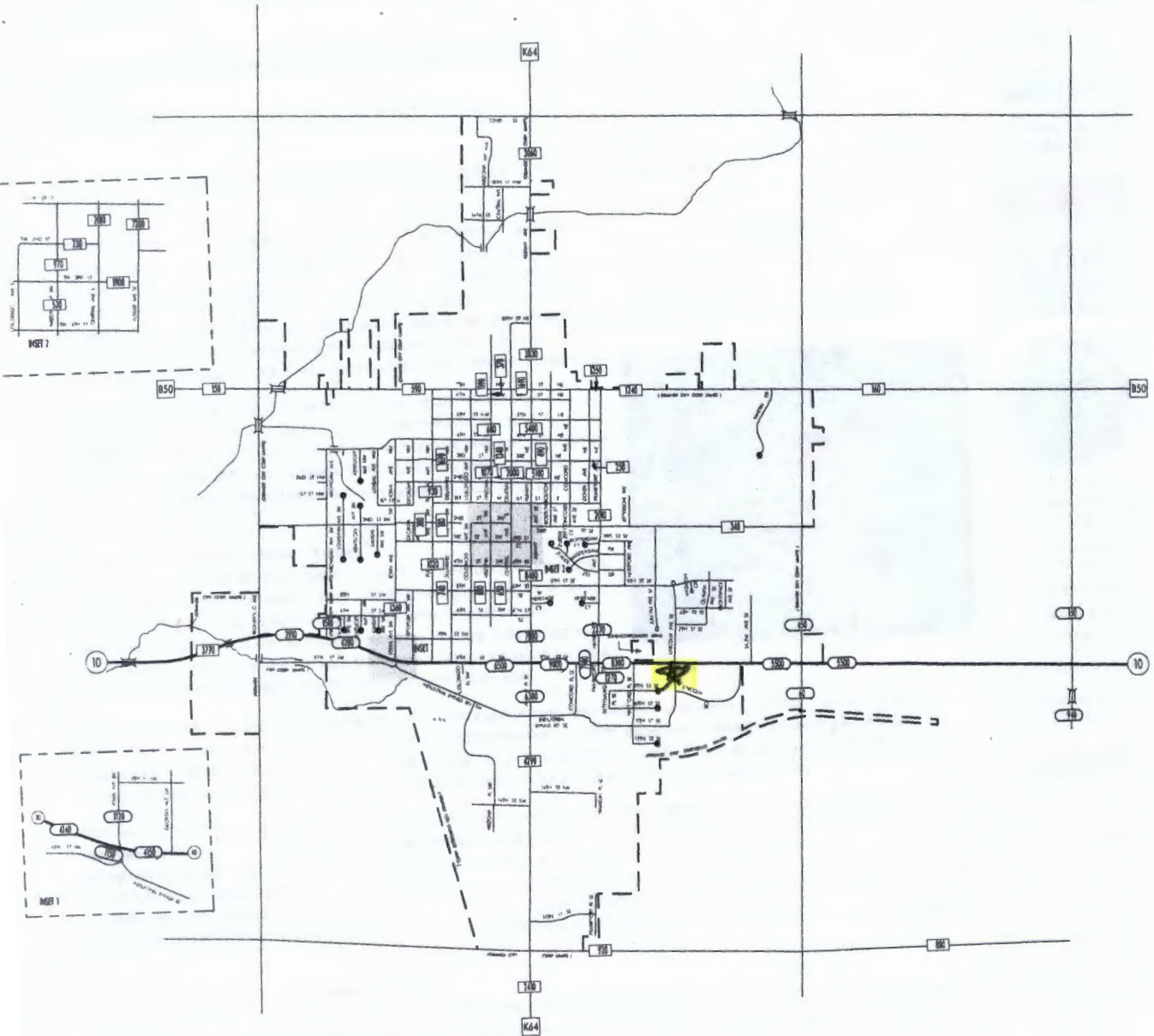
"Tax Preparation Fees Still Affordable, Says National Society of Accountants | Reuters."

Reuters.com. 17 Dec. 2007. Web. 20 Oct. 2009.

<<http://www.reuters.com/article/pressRelease/idUS164340+17-Dec-2007+MW20071217>>.

Appendices

TRAFFIC FLOW MAP OF ORANGE CITY SIOUX COUNTY 2007 ANNUAL AVERAGE DAILY TRAFFIC



PREPARED BY
DEPARTMENT OF TRANSPORTATION
PLANNING AND PROGRAMMING
DIVISION
OF TRANSPORTATION DATA
ROAD 435 228-1007

LEGEND
RECORDS ONLY
ANNUAL COUNT

A1

Home	Magazine	Reviews	Online Exclusives	Awards	Resources	Buyer's Guide	Contact Us	eNewsletter	Site Search
----------------------	--------------------------	-------------------------	-----------------------------------	------------------------	---------------------------	-------------------------------	----------------------------	-----------------------------	-----------------------------

CPATechViews

CCH Small Firm Services — ATX

800-681-1752

www.abinc.com

From the [April 2009 Review of Professional Tax Compliance Systems & Tax Specialty Products](#)

CCH's Small Firm Services division oversees both ATX and TaxWise, which the company acquired nearly three years ago. While some around the profession anticipate the two products to eventually be combined, CCH has continued to actively develop both brands separately. This includes adding new features to ATX, which this year include automatic transfer of K-1 information between associated returns. The ATX MAX system offers federal and state compliance for all entity types, includes unlimited e-filing, and has line-by-line integration with Kleinrock tax research.

Designed for smaller practices, CCH also bundles in a W-2/1099 and payroll compliance system. ATX MAX costs \$1,110 for a standard license that is networkable with up to three users. For firms with four or more preparers, an unlimited license is an additional \$565. Also available to ATX users are add-on systems for trial balance, document management, automated form population (Scan&Fill) and fixed asset management.

General Operations/Ease-of-Use — 5 Stars

ATX MAX opens within an intuitive and easy-to-use screen that provides tabs for the primary areas of the tax preparation system, including managing returns, rollovers, preparers, e-filing and bank products. Each of these areas also offers pull-down menus and icon shortcuts related to these functions, such as the Rollover Manager offering year or quarter views, and the Bank Manager providing a spreadsheet client return view as well as quick links to acknowledgements and transmittals.

The main work area of the program is housed in the Return Manager screen, which offers additional tabs for moving between a master client list, accounts receivable functions and the system's Tax Warehouse. The client list includes virtually all identifying information at-a-glance, and allows sorting and filtering by numerous methods. A collection of icons on the Return Manager screen also provide links to creating new returns, changing preferences, using built-in program tutorials and visiting ATX's training website.

When working on a client return, either when creating a new one or opening one from the client list, MAX opens to a replica of the master form, with associated forms accessible via tabs. The preparer can add any forms to a client return by simply selecting the Add Forms icon and selecting from the program's more than 10,000 federal, state and local forms, schedules and worksheets. The list is sortable by entity type, jurisdiction and other methods, and is also searchable. Data is entered directly onto the form replicas, with information from supported schedules and forms automatically transferred (W-2, K-1, Sch. C, etc.). The MAX system also offers an alternative Interview mode for data entry, with a split screen that displays the actual form, while data-entry fields above guide the preparer through category-based information entry.

Workflow & Productivity Tools — 4 Stars

The MAX system is very well organized, with its various Manager tabs offering quick access to various areas of tax practice management. The program provides great organization of client returns, making finding and working with client data simple to accomplish. The system automatically performs calculations as data is entered, transfers information from related forms, and offers data transfer between parent/child returns. Smaller firms will also find value in the built-in accounts payable module, as well as with optional add-on options for trial balance and document management.

ATX partners with four banks for lending products like refund anticipation loans, simplifying the "instant refund" process with management utilities built into the program, and enabling practices to compete against the national chains for the basic prep market. Another optional feature is ATX's FeeCollect program, which allows firm's to deduct preparation fees directly from e-filed returns due a refund in cases where a bank product is not being used.

Article Tools

[Print This Article](#)[Email This Article to a Friend](#)[Save This Article](#)[Order a Reprint](#)

YOUR DOLLAR GOES FURTHER WITH DRAKE



SAVE \$100
866.923.8156



Professional Services
Time and Billing

Business
Benchmarking



SAAS for
CS PROFESSIONAL
SUITE[®]

A Total Software
Leasing Solution

24/7 Online
Convenience

One Monthly Price

Free Product
Support

[Learn More](#)

800.968.8900

CS.Sales@
ThomsonReuters.com



THOMSON REUTERS



JOIN US FOR A FREE SEMINAR!

Form 1099 Year-End Reporting:
Change and New Requirements for 2009



1-888-303-1099

[REGISTER NOW](#)

Home	Magazine	Reviews	Online Exclusives	Awards	Resources	Buyer's Guide	Contact Us	eNewsletter	Site Search
CPATechViews									

CCH Small Firm Services — ATX

800-681-1752
www.abxinc.com

While ATX is generally intended for practices with less complex needs, the program does offer a respectable automated population system. The ATX Scan&Fill add-on (\$725) was introduced last year, allowing preparers to quickly scan in client W-2s and 1099s, then automatically pulling the financial data from the forms and transferring it into their return. Scan&Fill also creates PDF versions of the documents, which are stored in digital folders.

Integration/Import & Export – 4 Stars

Data flows well between associated returns and forms, with the program automatically performing calculations as necessary. The ATX MAX system has line-by-line links to form instructions and to Kleinrock and CCH tax research and reference materials, providing easy access to these offerings. Users can import client financial data from QuickBooks, Peachtree and Excel. The system can save returns in PDF format, and also offers a document management solution for paperless archiving.

Support/Training & Help System – 4 Stars

The program is exceptionally easy to use, and includes a well stocked Help utility, as well as tutorials and access to the vendor's University, an online source for training and other assistance. Through its support website, users can also check FAQs, consult the knowledgebase, download system updates, or participate in user forums. Technical support is included in pricing.

Relative Value – 4.5 Stars

Overall, the ATX MAX system is very easy to learn and use, and provides good assistive features for less experienced or seasonal staff. The all-inclusive package also provides good ancillary functions, such as bank products and basic AR, making it well-suited to smaller practices that may have large client bases with a variety of tax compliance needs.

Article Tools

- [Print This Article](#)
- [Email This Article to a Friend](#)
- [Save This Article](#)
- [Order a Reprint](#) 






Do ADP or
Paychex
let you run
payroll from
an iPod
touch?

TRY IT FOR FREE!

✓ E-File 1099s/W2s



ACCOUNT ABILITY



NETWORK READY 1099
 1098
 W2
 W2G
 5498
 Tax Form
 Preparation Software

NEW!
Practical Tax Professional™

More content on the topics that matter most to you

- Developed for the small firm tax practitioner
- Easy-to-use
- Dozens of tax planning tools and interactive aids
- Daily and weekly updates and news reports

[Learn More](#)

CCH
a Wolters Kluwer business

2009 OVERALL RATING:



[previous](#) 1 2

 [Click here for copyright permissions!](#)
 Copyright 2009 Cygnus Business Media



Executive's Guide
to Time & Billing

Get
White Paper

[XML](#) | [Subscribe to RSS Feeds](#)
[About Us](#) | [Advertise With Us](#) | [Subscribe](#) | [Contact Us](#) | [Privacy Statement](#) | [User Agreement](#) | [Submit Bug](#)
 Copyright © 2009 All rights reserved. Cygnus Interactive, a Division of Cygnus Business Media.

A3

Home	Magazine	Reviews	Online Exclusives	Awards	Tools	Buyer's Guide	Contact Us	eNewsletter	Site Search	CPATechViews Blog
------	----------	---------	-------------------	--------	-------	---------------	------------	-------------	-------------	-------------------



2008 Review of Estate Planning Systems

Relationships Form Bedrock of Estate Planning

By [Isaac M. O'Bannon](#)

From the June/July 2008 Issue

Prudent planning is a cornerstone of successfully managing finances, whether for a business entity, or an individual or family. Preparing for major transitional events is a core component of sound financial management. Just as valuation techniques help ensure that stakeholders in a business are best compensated when readying a small business for sale, [estate planning](#) is the key to helping an individual maximize the value of their personal wealth by minimizing potential tax liabilities that will follow their "transition" and ensure that their wishes for these assets are properly carried out.

In contrast to the services provided by Certified Financial Planners and other investment strategists, whose goal is to find the most effective ways to increase wealth, estate planning entails assessment of overall assets and dissolution of an individual's wealth, either through transference to family, friends or charitable organizations through inheritance or planned gifting, or the establishment of a trust which will, itself, eventually need to be dissolved.

Although often thought of as a legal function by many people, estate planning is as much a role for financial professionals since the processes involved are inherently related to taxation issues. But even more integral to the planning process, an individual who uses a tax and accounting professional for other services has developed a relationship with this professional — one that enables that professional to have a more complete picture of the individual's financial holdings.

Executive Summary:

- Federal estate tax gone in 2010.
- Tax returns in 2011, reset to \$1 Million Exemption.
- Tax-free gifting up to \$11,000.
- ...
- In 2006, about 3 percent of estates were subject to federal estate tax.
- Consider Revocable Living Trusts.

Not that the role of an experienced tax lawyer is not vital to the process. Attorneys are, of course, experts on drafting legal instruments, and many are experts in the area of taxation, specifically those who have concentrated on the areas of estate law. But their interaction with clients is much less frequent. Whereas tax and accounting professionals often have more intimate knowledge of his or her client's real and personal property, other wealth, and the [financial goals](#) the client has.

Since few people seek both legal and tax or accounting accreditations, many firms who offer estate planning services partner with a tax attorney to provide their clients with the best combination of this experience. The financial professional monitors the needs of the individual and their family and brings in the counsel of the attorney when drafting or amending trusts, wills and other legal documents. With many lawyers charging higher hourly rates than tax preparers,

this can also be the most prudent system for the client financially.

This review section focuses on products designed primarily for tax and accounting professionals who provide estate planning services to their clients. They all deal with the central issues of setting up various "what if" scenarios to help identify the strategies with the most advantageous (or least penalizing) tax outcomes, while some also offer reporting tools that can help explain the strategy to clients.

But while using a specialized estate tax planning system gives the professional a powerful tool for providing these services, one of the most valuable things the tax and accounting professional offers his clients is the relationship that has already been established, providing a cornerstone of trust and respect from which to start the occasionally uncomfortable conversation about what will happen when they're gone.

Article Tools

[June-July 2008 Issue](#)

[Print This Article](#)

[Email This Article to a Friend](#)

[Save This Article](#)

[Order a Reprint](#)



Payroll Relief
The hottest solution.

\$997
Unlimited Payroll
The coolest price.

Learn more

2008 Review of Estate Planning Sys...

The American Dream Planner PRO is an estate and financial planning system for professional advisors who provide service to multiple clients, offering extensive Monte Carlo-style "what-if" scenario building tools for analyzing all aspects of a client's wealth and the effects or potential effects of certain actions upon future wealth and taxation issues.



10 client - 449
50 client - 799

[BNA Software - BNA Estate & Gift Tax Planner](#)

The Estate & Gift Tax Planner from BNA Software is a planning solution designed for accountants, attorneys and tax professionals serving multiple clients. The system is among the most comprehensive on the market, offering tools for designing various estate scenarios that take the best advantage of existing and pending estate taxation legislation.



1499 - single user - each
add'l - 205

[Brentmark Software - Estate Planning Tools](#)

Brentmark Software's Estate Planning Tools provides an extensive collection of more than 100 calculation tools for estate-related planning, including GSTs, GRATs, GRITs and GRUTs, as well as Dynasty and Charitable trusts.



439

CCH's View Plan Advanced is a professional system designed to focus specifically on estate planning and gift taxation as methods of reducing or eliminating wealth transfer taxes. The program offers full support for the spectrum of family, grantor and charitable trusts, as well as pooled income funds. It provides scenario creation tools that enable comparison of various plans and the effects of variables on outcomes.



1659 single user

[EISI - NaviPlan Extended](#)

EISI offers two professional financial planning systems, the NaviPlan program reviewed here, and the Profiles system, which the company acquired about two years ago. NaviPlan, which is available in Standard and Extended versions as either a traditional stand-alone desktop program or in a web-based format, is a professional cashflow-based planning system geared toward managing all aspects of high net worth clients with complex personal and business financial structures.



std - 799
extended - 1299

[Click here for copyright permissions!](#)

Copyright 2009 Cygnus Business Media

PayrollRelief **\$997** Unlimited Payroll **The hottest solution.** **The coolest price.** [Click Here](#)

[XML](#) [Subscribe to RSS Feeds](#)

[About Us](#) | [Advertise With Us](#) | [Subscribe](#) | [Contact Us](#) | [Privacy Statement](#) | [User Agreement](#) | [Submit Bug](#)

Copyright © 2009 All rights reserved. Cygnus Interactive, a Division of [Cygnus Business Media](#).

[Home](#) | [Magazine](#) | [Reviews](#) | [Online Exclusives](#) | [Awards](#) | [Resources](#) | [Buyer's Guide](#) | [Contact Us](#) | [eNewsletter](#) | [Site Search](#)

[CPATechViews](#)

American Dream Planner LLC — American Dream Planner PRO

866-375-2589

www.AmericanDreamPlanner.com

From the June/July 2008 *Review of Estate Planning Systems*

The American Dream Planner PRO is an estate and financial planning system for professional advisors who provide service to multiple clients, offering extensive Monte Carlo-style "what-if" scenario building tools for analyzing all aspects of a client's wealth and the effects or potential effects of certain actions upon future wealth and taxation issues. The system provides users with side-by-side views of plans with advanced graphical output options for client deliverables, and also includes user dashboards that display data input and results in the same window. A feature unique to American Dream Planner is the inclusion of a secure data sharing platform that enables all of the financial professionals involved with a client (accountant, CFP, attorney, bank, trust officers) to interact with the client and with each other regarding the client's data.

Pricing for American Dream Planner PRO is based on the number of clients supported, with a 10-client version costing \$449 and a 50-client system available for \$799. The vendor also offers the software in a Personal Edition for individual users, and provides links to professional financial advisors on its website.

Ease of Use/Basic Functionality – 5 Stars

American Dream Planner was initially designed as a personal finance application for use directly by individuals, but has since expanded into a professional system.

Because of its initial consumer background, the product has a masterfully designed interface that retains excellent ease-of-use and functionality, while also meeting the needs of professional users. The system opens into the client selection list, which initially includes sample data, and provides multiple columnar sorting options, as well as a list filtering option. ...

Within client files, American Dream Planner's interface offers a dashboard view that provides data input in a panel on the left, with graphical elements like pie and line charts and graphs in the output panels on the left. Users can easily select between several output options using pull-down selection menus for Pie Charts, Line Charts, Bar Charts and Tables. As data is entered, all calculations are automatically performed and the graphical elements and summary information is instantly refreshed.

This primary interface also includes tabbed access to various system features across the top of the screen, including Scenario Maintenance, individual planning settings (which spouse survives the other, if applicable), client Plans, No Plan, Tables, Comparisons and the ability to extend 2001, 2009 and 2010 codes. Traditional Windows pull-down menus are also offered. The data input panel provides tabs for jumping between more than a dozen categories, including General Information, Goals, Risk Tolerance, Investments, Income, Expenses, Real Property, Business and other options. Each of these selections provides additional subtopics for specific data types. An unlimited number of scenarios can be saved per client, with the ability to view up to three at one time.

Calculations – 4 Stars

American Dream Planner includes a broad selection of built-in calculators for planning specific events like business costs, cash flow, ROI, business sale, break-even and business investors, as well as personal and family goals, with a college expense calculator, IRS withholding, expenses, SSI benefits and economic inflation estimations. The program can be used to plan for state and federal inheritance and estate taxes and offers tools for planning wealth transfer, including establishment of family and individual trusts and charitable giving.

Client Presentation Tools – 5 Stars

American Dream Planner provides outstanding reporting and presentation options with extensive graphical output that includes line and

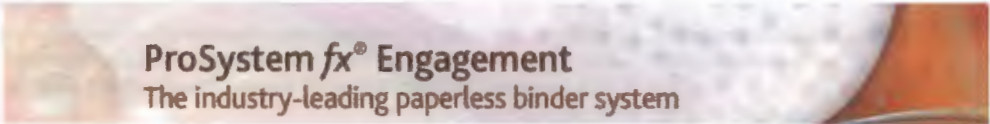
Article Tools

[Print This Article](#)

[Email This Article to a Friend](#)

[Save This Article](#)

[Order a Reprint](#) 



Home	Magazine	Reviews	Online Exclusives	Awards	Resources	Buyer's Guide	Contact Us	eNewsletter	Site Search
CPATechViews									

American Dream Planner LLC — American Dream Planner PRO

866-375-2589

www.AmericanDreamPlanner.com

Help, Support & Training Options — 4.8 Stars

American Dream Planner includes a traditional Help utility, along with additional options like right-click menus and assistive features. The company's website also offers dozens of tutorials, a collection of MP3 audio files, an online user's manual and downloadable program updates. Technical support is included in program pricing.

Relative Value — 4.5 Stars

American Dream Planner offers an innovative and advanced financial planning application that provides great tools for professionals who serve clients in preparing for retirement and wealth retention and growth strategies. The system is best suited to developing financial planning but also offers functionality geared toward trust and estate dissolution techniques.



2008 Overall Rating:

[previous](#) [1](#) [2](#)

[Click here for copyright permissions!](#)
Copyright 2009 Cygnus Business Media

Article Tools

[Print This Article](#)

[Email This Article to a Friend](#)

[Save This Article](#)

[Order a Reprint](#)



Web-based time and billing software that can conquer even the most challenging problems.

- Scalable
- Portable
- Customizable
- Affordable
- DCAA Compatible

1-866-EDISONS
sales@EdisonsAttic.com

Done BigTime:
www.EdisonsAttic.com



[Subscribe to RSS Feeds](#)


[About Us](#) | [Advertise With Us](#) | [Subscribe](#) | [Contact Us](#) | [Privacy Statement](#) | [User Agreement](#) | [Submit Bug](#)
Copyright © 2009 All rights reserved. Cygnus Interactive, a Division of Cygnus Business Media.

undefined

AT

bar charts and graphs, as well as financial statements, plan projections and scenario comparisons. The system enables export of reports into PDF or Excel formats, as well as into Crystal Reports for further data manipulation and formatting. Through its data sharing capabilities, users can share data files with other users of the system through the encrypted system.

1 2 [next](#)

 [Click here for copyright permissions!](#)
Copyright 2009 Cygnus Business Media

[XML](#) [Subscribe to RSS Feeds](#)

[About Us](#) | [Advertise With Us](#) | [Subscribe](#) | [Contact Us](#) | [Privacy Statement](#) | [User Agreement](#) | [Submit Bug](#)

Copyright © 2009 All rights reserved. Cygnus Interactive, a Division of [Cygnus Business Media](#).



A8

Accounting & Auditing
 Tax Compliance & Planning
 Consulting
 Practice Management
 CPE & Training Solutions

Customer Help Center
 PPC Product Catalog
 → Accounting & Auditing
 Tax Compliance & Planning
 Consulting
 Practice Management
 CPE/Training
 My Library
 Demos and Quicktours
 Educational Materials
 Press Releases
 Company Info
 Employment Opportunities

SHOP FOR AUDIT & ATTEST PRODUCTS

Alphabetical Index of Products – Select a Product

save this email this print this most popular

[Accounting & Auditing Products](#) [Audit & Attest Products](#)



PPC's
**Workpapers for
 Nonpublic
 Companies**

WPCE

Available Media:
 CD-ROM/DVD:
 \$108.00

**Call for multi-license
 pricing**

**Also available on
 Checkpoint - call
 800.323.8724,
 option 1 for more
 information.**

**Call 800-323-8724, option 6, for
 more information or to order
 PPC guidance and Practice Aids.**

Description **Self-Study CPE**

**The Best Time-saving Microsoft Excel-based
 Practice Aids and Engagement Tools in the
 Industry!**

PPC's Workpapers™ for Nonpublic Companies is just a part of *PPC's Checkpoint Tools™ Suite*—solutions powered by Excel and Word that save you both time and money.

From the source you've trusted for engagement guidance comes a collection of money-saving tools to automate your engagements. These MS Excel-based practice aids and templates save you setup and completion time, and help you follow professional standards and the PPC engagement process. Since they are built with MS Excel and based on the PPC guidance you already use, you can start saving money right away!

PPC's Workpapers™ for Nonpublic Companies is designed to work with *PPC's Engagement Manager®*, *Creative Solutions' Engagement Solution®* or with MS Excel® alone. *PPC's Workpapers™* give you tickmark capabilities that can be applied to any MS Excel workbook! You can customize your tickmark descriptions and automatically create customized tickmark legends.

Automate many of the key steps in audits of small commercial businesses with these templates, including:

- Determining planning materiality and assessing audit risk.
- Determining the extent of substantive testing, including audit sampling.

Customer Help Center

More Options

Use this menu to explore more choices in this section.

Accounting & Auditing Product Categories:

- [Accounting](#)
- [Audit & Attest](#)
- [Compilation & Review](#)
- [Nonprofit Organizations](#)
- [Governments](#)
- [Other Specialized Industries](#)
- [Bookkeeping Services](#)

Search the Product Catalog:

Shopping Cart

You are not logged in.

Sign in or setup an online account to purchase products on this site. When you sign in, we can fill in your account information and apply any discounts that may relate to your cart items.

- [Setup an online account](#)
- [Forgot your password?](#)

user name:

password:

A9

- Tracking confirmations received, summarizing results, and projecting misstatements.
- Evaluating important accounting decisions, such as lease classification and asset impairment.
- Developing appropriate disclosure information, such as for income taxes, investments, and loan maturities.

We also offer 3 other separate PPC's Workpapers™ for Audits:

- [PPC's Workpapers™ for Local Government Audits \(WPGE\)](#)
- [PPC's Workpapers™ for Nonprofit Organization Audits \(WPNE\)](#)
- [PPC's Workpapers™ for Employee Benefit Plan Audits \(WPEE\)](#)

Also see PPC's e-Workapers™ for Tax: [PPC's 1120 Workpapers™ \(W20E\)](#), [PPC's 1120S Workpapers™ \(W2SE\)](#), and [PPC's 1065 Workpapers™ \(W65E\)](#).

And see PPC's *Interactive Disclosure Library for Nonpublic Businesses (IDLR)*, *Governments (IDGR)*, and *Nonprofits (IDNR)*.

Also Applies to Compilation and Review Engagements!

You can save time using PPC's Workpapers™ on your compilation and review engagements. Each product provides templates that help you in applying accounting procedures, developing note disclosure information, and performing many other common engagement tasks!

System Requirements: Microsoft Excel® 2000 or 2002/XP w/SP2

[Click here for additional information](#)

 [Accounting & Auditing Products](#)

[PPC Home](#) | [About Us](#) | [Site Map](#)

[Copyright Notices](#) | [Terms of Use](#) | [Privacy Statement](#)

[Enroll Now](#)

For information or to enroll, **(888) 890-2919**



"With the support behind me from the ProAdvisor Program, I have taken clients and projects that I would have never dreamed of previously."

— **Judith Conant**,
Accounting Made Simple

A Certified ProAdvisor talks about Certification

[Watch Video](#)

The QuickBooks ProAdvisor® Program

Take your practice to a higher level.

On average, ProAdvisor Program support tools and training increased Certified ProAdvisors' productivity by nearly 20%*



Answers, solutions, and tips from Intuit experts and your peers:

Get fast and definitive answers to your questions with:

- Unlimited technical support from a team of over 100 U.S.-based agents who exclusively address accountant software issues†. (\$350 value— included in your low membership fee.)
- Dedicated-ProAdvisor technical support hours, from 6:00 a.m. to 6:00 p.m., PST.
- 24x7 access to our expert QuickBooks technical support team.

http://proadvisor.intuit.com/content/product/support_benefits.jsp

10/13/2009

All

- A comprehensive and easy-to-use Self-Service Site that quickly provides answers to many questions.
- The real-world expertise you'll find in our private online ProAdvisor community, The QuickBooks Accountant Discussion Forum. In this robust community, ProAdvisors exchange solutions to technical issues that work for them and their clients.

*
The 20% productivity increase is among those Certified ProAdvisors who expressed an opinion. Based on survey June 2009.

†ProAdvisors enjoy unlimited technical support from a team of over 100 U.S.-based agents who exclusively address accountant software issues. Extended U.S.-based technical support hours, from 6 a.m. to 6 p.m. PST. General QuickBooks technical support team available 24/7. Terms and conditions of ProAdvisor technical support, support features, pricing and support availability are subject to change at any time without notice. Intuit reserves the right to limit each telephone call to one hour and to limit each contact (telephone or electronic) to one incident. Inquiries are limited to the following QuickBooks product areas: installation, upgrade assistance, and basic functionality. Toll-free access available from the United States only. For complete Terms and Conditions for QuickBooks ProAdvisor Technical Support, please visit accountant.intuit.com/paptechsupportterms.

Learn the many things you can do to help
prevent your child's **asthma** attacks.



THE CPA **TECHNOLOGY ADVISOR**

April 27, 2005

AccountantsWorld - Accountant's Office Online

By Isaac M. O'Bannon
The CPA Technology Advisor

AccountantsWorld makes a suite of CD-based and online accounting, financial and business management software, in addition to offering its Accountant's Office Online, which is an open platform that enables accountants to conduct business and interact with their clients online. The platform provides a professional web site as an interface that clients and accountants can use to access accounting, payroll and practice management applications, as well as securely collaborate on files. Subscribers to the online versions of AccountantsWorld's software are able to use the firm's web site to remotely and securely log into these programs from any location, and clients can be given the ability to log into secure areas for data transfer, document access and other functions. More than 2,200 firms are currently using Accountant's Office for their web site management and practice applications.

AUTOMATED CONTENT - 4 Stars Accountant's Office provides a library of newsletters on various subjects, several financial calculators and tax calendars, as well as daily financial news headlines, all of which are automatically posted into the firm's web site and are accessible via links in the primary navigation menu. The newsletters can be customized and used on the site or sent to clients via e-mail. The system includes editable pre-written templates for service descriptions, such as payroll, tax and accounting services.

EDITING/UPDATING EASE-OF-USE - 5 Stars Accountant's Office utilizes a very easy-to-use interface with templates that help ensure web site consistency and an overall professional design. The templates are customizable with images and letterhead information, as well as basic visual elements, so that firm web sites maintain their originality. The company offers unlimited free technical support, as well as web seminars to help users optimize their web sites, and the system provides firms with a domain name (www.firmname.com) that is owned by the firm. Firm's that already have a domain name can keep that site name and use it with Accountant's Office Online. Web site content can be updated as often as needed, and users have the option of modifying templates and adding additional features when desired.

TOOLS - 5 Stars Purchase of Accountant's Office includes 10 e-mail addresses (mail@yourfirm name.com) with up to 50MB of storage space, and the ability to manage the e-mail through an Exchange server or leave it on the Accountant's Office system. The e-mail tool allows creation and management of client e-mail lists and sending of a single, personalized message to multiple clients with one click, including the newsletter and other content. The system supports secure document sharing through its included CyberCabinet feature. This client collaboration tool enables sharing and reviewing of client tax returns, financial statements and other documents electronically and securely. The Online Tax Organizer is designed for use by a firm staff and clients, enabling ongoing compilation of tax data throughout the year in a format that can be imported into tax preparation programs.

Accountant's Office also includes a CPE component that offers 40 hours of free CPE per year from a selection of more than 80 NASBA and QAS approved courses developed by WiseGuides. Time2Money, a new web-based practice management system, is also included and provides time, expense and task management, billing, and reporting and analysis functions. Accountant's Office is intended to be a portal for firm staff to access accounting applications and for users, if authorized, to access certain financial records and applications. This is one of the biggest system features: the ability to access client files and programs from anywhere. Among the web-based programs the system integrates with is the new Payroll Relief AC, which allows clients to log in and enter payroll data, which is then automatically prepared by the system and awaits review. The system also works with AccountantsWorld's sales tax and general accounting programs.

VISUAL QUALITY/USER NAVIGATION - 4.5 Stars Accountant's Office produces clean, well-designed web sites with standard navigation menus that provide good access to tools and content. Firms can create a virtually unlimited number of pages, and the system gets many of the common ones started by including template text for 'about us,' service descriptions and intro pages. The system currently includes the phrase 'Designed by AccountantsWorld' at the bottom of a web site's homepage, but the company says this is being discontinued. C&L Tax Service in Plano, Texas, uses the system for its web site (www.cltaxservice.com).

SITE MARKETING - 4.5 Stars Accountant's Office includes a directory listing service that continually promotes firm web sites to major search engines and local directory sites, and also includes a free listing on AccountantsWorld's directory of accounting firms, which was used 800,000 times last year. The system provides limited web site user statistics, but its e-mail tools, including the ability to send out 'broadcast' newsletters to all or select clients within a personalized e-mail, provide a good outreach technique. E-mail tracking and analysis tools further the value of this function.

PRICING/VALUE - 5 Stars Accountant's Office costs \$695 per year, with no setup costs. This price includes the purchase and registration of a domain name for the firm, as well as the practice management software Time2Money, secure document transfer capabilities through CyberCabinet, the system's strong e-mail functions with 10 addresses, and CPE credit.

SUMMARY Accountant's Office combines a good web site building solution with excellent tools and features that are included in the overall cost. But more than just a web site development kit, the system provides additional value by serving as a portal to accounting, tax and payroll applications, which enables professionals to securely access those programs and their client files from anywhere and relieves them of having to update software. AccountantsWorld offers a free demonstration of the online products, including the web site builder.

2004 OVERALL RATING: 4.5 Stars

This review looks at several web builder solutions that are designed for accountants, tax preparers and other financial professionals. They range in cost from free to more than \$1,000 per year and offer significantly varying degrees of content, tools and ease-of-use, so firms should identify the needs that are most important to them. Based on input from accounting professionals and the system vendors, we scored these systems in the following areas:

Automated Content: This section looks at the financial content provided by the vendor, including quality/reliability, whether it is automatically updated, newsletter offerings, and other material that would be valuable to a visitor of the web site.

Editing/Updating Ease-of-Use: After you build it, you still need to update contact and service information periodically. This section looks at the tools the vendor provides for creating and updating the site, which are usually accessed through a browser. Ease-of-use is an important factor here, because users may only work on the site a few times per year.

Tools: In addition to rich financial content, tools such as financial calculators, calendars, useful links and online tax preparation keep clients and prospects coming back to a web site. Additionally, options such as secure file transfer enhance the client relationship. This section considers such tools as well as e-mail and Intranet capabilities.

Visual Quality/User Navigation: How a web site looks and whether navigation is intuitive plays a very large role in whether visitors will return, and can certainly influence the impression the site has on clients and potential clients. This section also evaluates the templates used by the system, and how logos and other image files are incorporated.

Web Site Marketing Tools: If you build it, they still need to find it before they can come. This section identifies whether the vendor assists in registering the site with search engines and other directories, as well as other marketing assistance. And since measurement tells you how you're doing, the availability of web site visitor stats is also addressed. Who owns the web site? Firm's need to own their primary domain name (www.firmname.com).

Pricing/Value: Is there an initial setup cost? How much does it cost per month/year? Are there any other fees?

Users Rank 6/10/2009

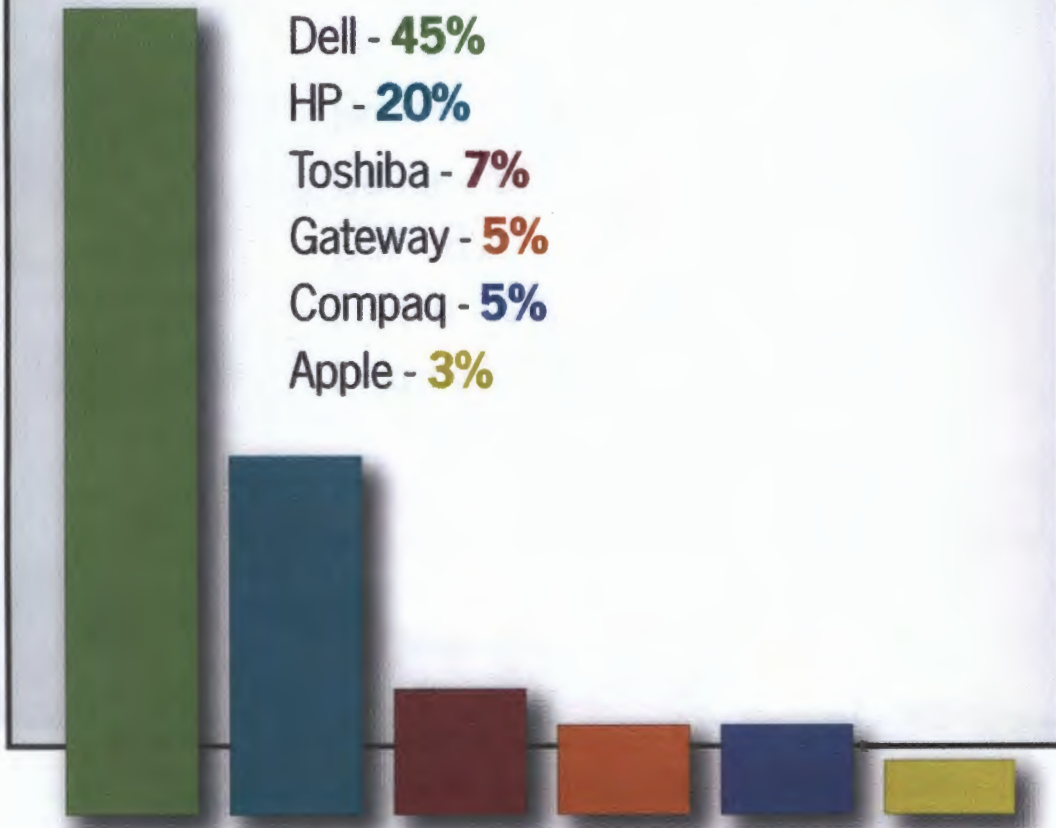
starchart.png (1155x840)

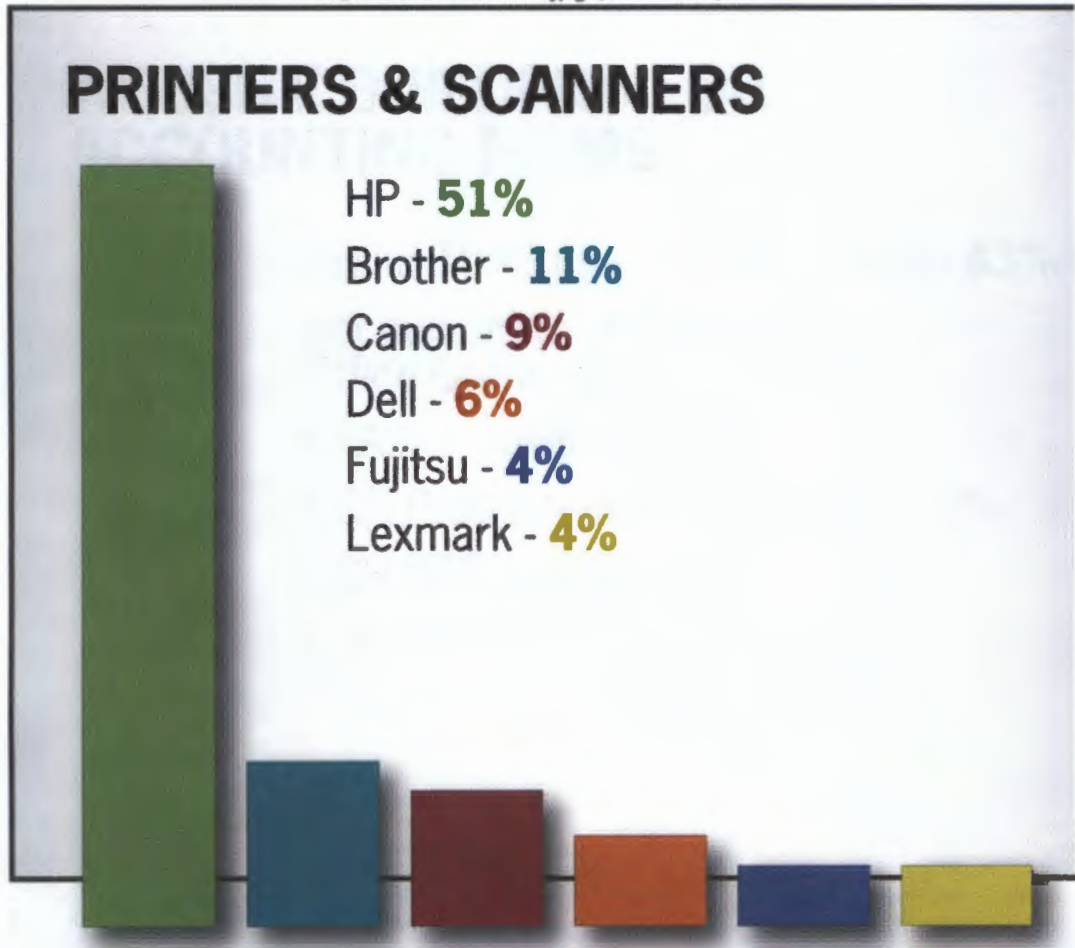
2
1
3

CATEGORIES COMPANY/PRODUCT	General Operations/ Ease of Use	Workflow & Productivity Tools	Integration/ Import & Export	Support/ Training/Help	Relative Value	2008 Overall Rating	
	BNA Software BNA 706 Preparer & BNA 709 Preparer	4.5	5	4.5	5	5	★
CCH a Wolters Kluwer business ProSystem fx Tax	4.5	5	5	4.5	5	★	See page 8 to
CCH Small Firm Services ATX	5	4	4	4	4.5	★	See page 20 to
CCH Small Firm Services TaxWise	5	4	4	5	4.5	★	See page 15 to
Drake Software Drake Tax	4.5	4	4.5	5	5.5	★	See page 16 to
Intell Lacerte Tax Software	4.5	5	5	4.5	5	★	See page 20 to
Intell ProSeries	5	4.5	4.5	5	5	★	See page 10 to
Orange Door, Inc. Orange Door Tax State	4	4.5	3.5	4.5	4	★	See page 16 to
Red Gear Technologies TaxWorks	5	4.5	4.5	5	4.5	★	See page 21 to
TaxSlayer Pro TaxSlayer Pro	4.5	4	3.5	4	4	★	See page 14 to
Thomson Reuters GoSystem Tax S	4.5	5	5	5	4.5	★	See page 14 to
Thomson Reuters UltraTax CS	4.5	5	4.5	5	5	★	See page 7 to

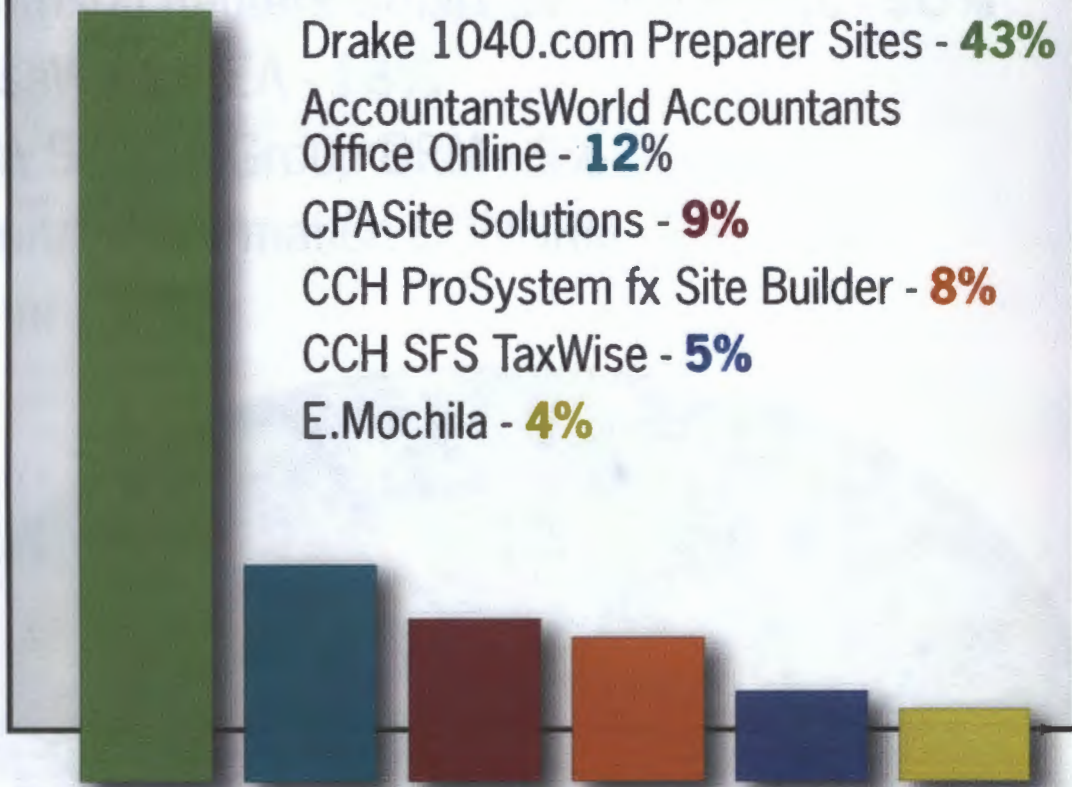
706-70
709-450
10,000 for all-c
be less
1100 includes
payroll
3625 include
payroll/research
955
-1395
large firms
615
1299
4299
large firms
large firms

LAPTOP & DESKTOP COMPUTERS





WEBSITE BUILDERS FOR ACCOUNTING FIRMS



A18

AUDIT/ENGAGEMENT TOOLS

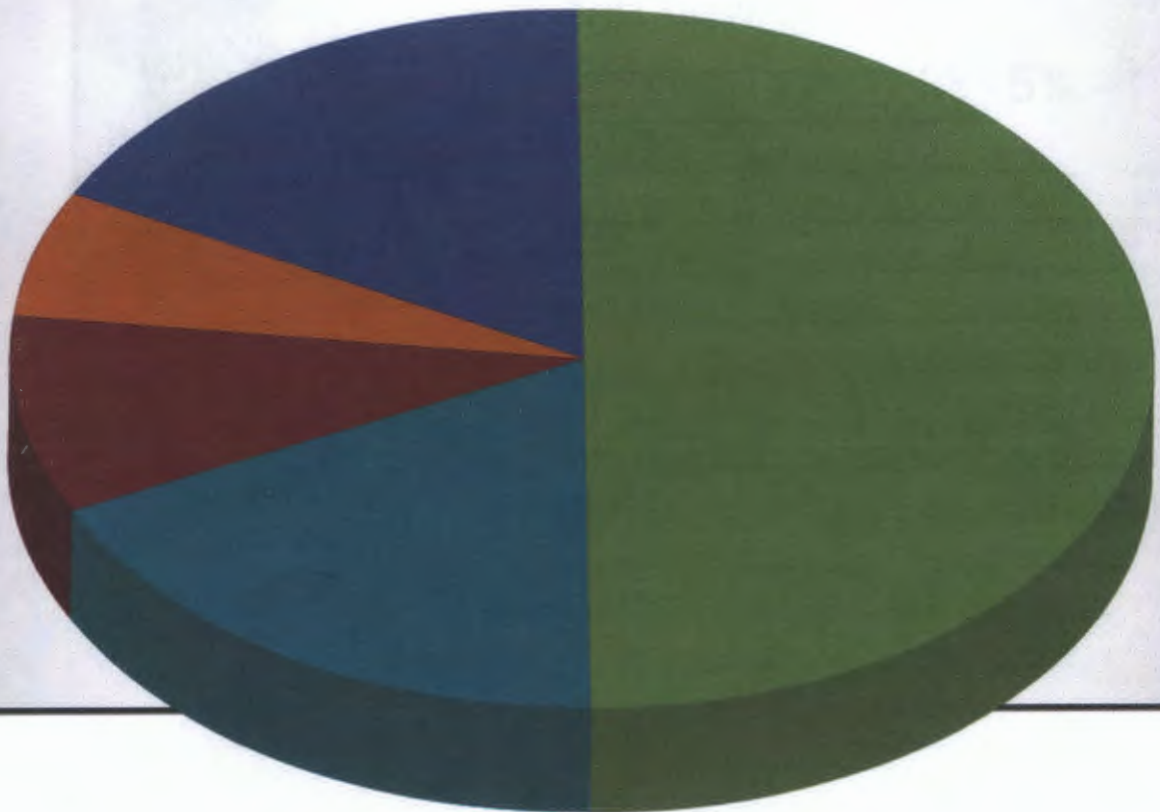
Thomson Reuters Smart e-Practice Aids - **50%**

CaseWare IDEA - **18%**

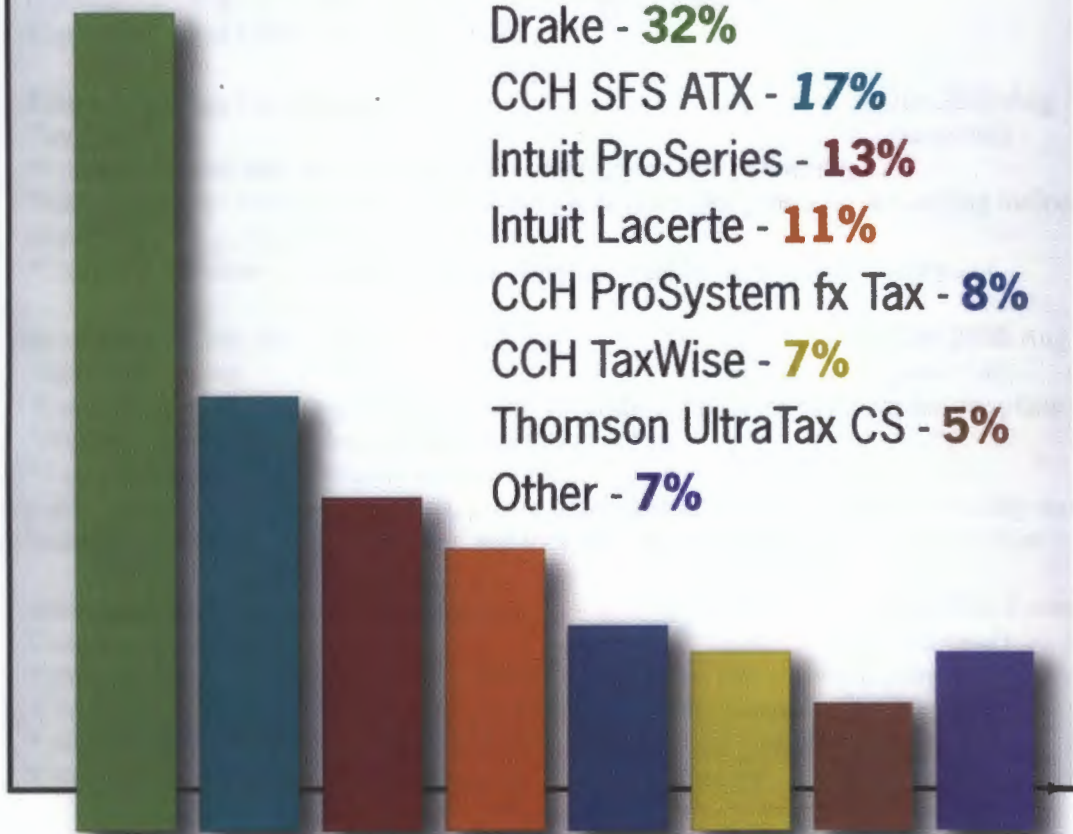
CPA Service Group DRM - **9%**

Capital Confirmation CONFIRM - **6%**

Other - **17%**



FEDERAL/STATE INCOME TAX COMPLIANCE



Heath Baker

Current Address

1115 W. 22nd St. #502
Cedar Falls, IA 50613

heathb@uni.edu
(712) 441-6474

Permanent Address

703 Juneau Ave. SE
Orange City, IA 51041

EDUCATION

University of Northern Iowa, Cedar Falls, IA

Bachelor of Arts: Accounting
Certificate in Entrepreneurship
University Honors Program

Cumulative GPA: 3.91/4.0 Major GPA: 3.92/4.0

Expected Date of CPA Exam: May 2010

WORK

EXPERIENCE

Ernst & Young, Des Moines, IA

Jun 2009-Aug 2009

Tax Intern

(seasonal)

- *Prepared federal and state tax returns for corporations and partnerships
- *Helped with tax projects such as calculating R & D credits, preparing accounting method changes, and any other requested projects
- *Gained experience with GoSystem RS, Analyze Workbook, and RIA Checkpoint

John Deere, Cary, NC

May 2008-Aug 2008

Accounting Intern

(seasonal)

- *Completed an extensive profitability analysis of the John Deere customer service plans
- *Audited coupon master list and made adjusting entries
- *Posted routine and non-routine transactions
- *Performed account reconciliations, posted daily inter-unit charges, prepared weekly travel and expense report and journal entry, and took over month-end closing responsibilities

American State Bank, Sioux Center, IA

Jun 2006-Present

Customer Service Representative

(seasonal)

- * Provide excellent customer service, process transactions and answer inquiries
- * Perform general ledger transactions, and balance ATMs, the vault, and drawers
- * Attend meetings for Executive Loan Committee and Asset Liability/ALCO
- * Review loan presentations and customer financial statements

University of Northern Iowa, Cedar Falls, IA

Aug 2007-Present

Admissions Information Specialist

- *Answer and direct incoming phone calls regarding questions about the university
- *Set up individual visits and preview days for potential students

Memory Savers, Cedar Falls, IA

Mar 2007-Present

Business Owner

- *Started and manage the business, including all marketing, advertising and financial records
- *Assist customers with converting home videos to DVD

HONORS/ AWARDS

Provost Scholarship

Aug 2006-Present

Evelyn Black Yeaton Scholarship

Aug 2008-May 2009

John Deere Accounting Scholarship

Aug 2009-Present

ACTIVITIES

UNI Accounting Club

Aug 2006-Present

Navigators Bible Study

Aug 2006-May 2007

Big Brothers, Big Sisters Mentor

Feb 2007-Present

Honors Peer Group Leader

Aug 2007-May 2009

Vice President Beta Gamma Sigma

Apr 2008-Present

Collegiate Entrepreneurship Organization

Aug 2008-May 2009

UNI Accounting Club Treasurer

Dec 2008-Present

Orchard Hills Bible Study

Jan 2009-Present

A21

EMPLOYEE NON-DISCLOSURE AGREEMENT

FOR GOOD CONSIDERATION, and in consideration of being employed by _____ (Company), the undersigned employee hereby agrees and acknowledges:

1. That during the course of my employ there may be disclosed to me certain trade secrets of the Company; said trade secrets consisting but not necessarily limited to:

(a) Technical information: Methods, processes, formulae, compositions, systems, techniques, inventions, machines, computer programs and research projects.

(b) Business information: Customer lists, pricing data, sources of supply, financial data and marketing, production, or merchandising systems or plans.

2. I agree that I shall not during, or at any time after the termination of my employment with the Company, use for myself or others, or disclose or divulge to others including future employees, any trade secrets, confidential information, or any other proprietary data of the Company in violation of this agreement.

3. That upon the termination of my employment from the Company:

(a) I shall return to the Company all documents and property of the Company, including but not necessarily limited to: drawings, blueprints, reports, manuals, correspondence, customer lists, computer programs, and all other materials and all copies thereof relating in any way to the Company's business, or in any way obtained by me during the course of employ. I further agree that I shall not retain copies, notes or abstracts of the foregoing.

(b) The Company may notify any future or prospective employer or third party of the existence of this agreement, and shall be entitled to full injunctive relief for any breach.

(c) This agreement shall be binding upon me and my personal representatives and successors in interest, and shall inure to the benefit of the Company, its successors and assigns.

Signed this ____ day of _____, 20 ____.

Company

Employee

Nondisclosure and Noncompetition.

(a) After expiration or termination of this agreement, [employee name] agrees to respect the confidentiality of [company name] patents, trademarks, and trade secrets, and not to disclose them to anyone.

(b) [Employee name] agrees not to make use of research done in the course of work done for [company name] while employed by a competitor of [company name]

(c) [Employee name] agrees not to set up in business as a direct competitor of [company name] within a radius of [number] miles of [company name and location] for a period of [number and measure of time (e.g., "four months" or "10 years")] following the expiration or termination of this agreement.

(d) [Employee name] agrees to pay liquidated damages of \$[dollar amount] if any violation of this paragraph is proved or admitted.

IN WITNESS WHEREOF, [company name] and [employee name] have signed this agreement.

[company name]

[employee name] Date

Complied information gathered from various sources. ITCS, University of Minnesota-Twin Cities.

Business Market Calculation

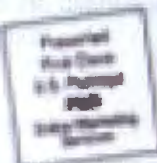
Orange City	350
Hospers	27
Maurice	15
Alton	65
Farms	<u>240</u>
Total	697

Farms in Sioux County	2400
Targeting Orange City area which makes up $\frac{1}{4}$ of Sioux County	<u>x .25</u>
Farms around Orange City	600
Percentage structured other than individuals for tax purposes	<u>x .40</u>
Farms included in business market instead of individual	240

A personal approach to taxes.



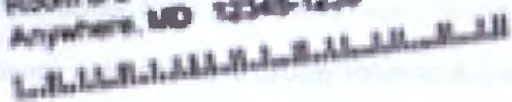
ABC Financial Services, LLC
1412 Any Street Blvd
Anytown, NY 12345



ADVICE
ADVICE
PREPARATION
FORMS AND
FILING.

Whether you need to file a personal or corporate return, we'll prepare your tax returns quickly and professionally. We guarantee our returns 100 percent! Also, we have an available mobile app that allows you to submit and track your returns and payments.

Joe Sample
123 Main Street
Room B-2
Anytown, MD 12345-1234



Call today!
888-555-9876

www.abcfinancial.com

ABC Financial Services, LLC would like to help you prepare your 2008 tax returns.



A SMARTER WAY TO DO YOUR TAXES.

Our tax experts are waiting to assist you in your tax preparation and look forward to showing you how we can save you time and money.



Exhibit 1: Advantages of Value Pricing

- Value pricing comports with the laws of economics and consumer psychology, aligning the interests of the firm with those of the client.
- It manages, clarifies and offers the firm the ability to exceed the client's expectations.
- It prequalifies the client to ensure they are a good fit for the firm.
- It provides the opportunity to cross-sell additional services.
- It allows you to gain "ego investment" from the client.
- It improves communication.
- It projects confidence and experience, as opposed to being unable to inform the client upfront of a price as with hourly billing; or offering a range of prices, which is done more for the benefit of the firm than the client.
- It increases a client's switching costs, increasing their loyalty and long-term profitability.
- It forces the firm to be effective in project management and to get the work done within the time promised to the client.
- It overcomes the client's pricing emotions and maximizes the firm's price leverage.
- It incentivizes the client to complain—through triggering the service guarantee—giving the firm a second chance to win back the client, and prevents similar problems from happening with other clients in the future.
- Fixed-price agreement (FPA) prices can be increased each year, even if there are no changes in services. It is much easier to increase the price of a customized FPA rather than increasing your hourly rate by \$10 per hour.
- It provides a competitive differentiation for your firm when you offer clients certainty in price and less risk of dealing with you.
- It specifies conditions for change orders that are usually value-added services that can command a premium price.
- It uses price bundling, allowing the client to focus on the totality of the firm's value proposition rather than the price of each service.

Disadvantages of Hourly Billing

- Hourly billing misaligns the interests of the CPA and the client—the client wants work done effectively, whereas the CPA firm wants to log more hours.
- It does not focus on what clients buy. Clients buy value, not hours.
- It focuses on efforts, inputs, hours, costs and activities, rather than outputs, results and value.
- It places the transaction risk on the client.
- It fosters a production mentality, not an entrepreneurial spirit.
- It transmits no useful information as to value, project management, the effectiveness of CPAs or the future behavior of clients.
- It encourages the hoarding of hours and decreases delegation, leading to surgeons piercing ears.
- It penalizes technological advances, reducing a firm's revenue if it performs work more effectively.
- It commoditizes the firm's intellectual capital into one inadequate hourly rate, denying a firm the opportunity to differentiate itself from the competition.
- It does not take into account the risk the firm is assuming working for clients. Risk is not priced by the hour. Actuaries have an axiom: There are no such things as bad risks, only bad premiums.
- It places an artificial ceiling on a firm's net income, since there are only so many hours in a day—indeed, a lifetime.
- It creates bureaucracy. The maintenance of time and billing programs consumes 7% to 10% of a firm's gross revenue. These resources are better spent pricing on purpose—by establishing a pricing cartel, appointing a CVO, pricing all work upfront, performing adequate project management, as well as After Action Reviews.

- It does not set prices upfront, violating the laws of economics and consumer psychology. Customers want to compare value to price before they buy, not after.
- It diminishes the quality of life. No one became a CPA to bill the most hours, but rather to help people. Knowledge workers resent having to account for every six minutes of their day, as if their leaders do not trust them to do the work and the right thing.

Adapted from Pricing on Purpose: How to Implement Value Pricing in Your Firm." By Ronald J. Baker in June 2009 article in Journal of Accountancy

JOURNAL OF ACCOUNTANCY

Home > Sample Fixed-Price Agreement

PRACTICE MANAGEMENT

Sample Fixed-Price Agreement

BY RONALD J. BAKER

JUNE 2009

Editor's note: This is a Web-exclusive exhibit for "Pricing on Purpose: How to Implement Value Pricing in Your Firm."

November 19, 2009

Dear Client:

In order to document the understanding between us as to the scope of the work that ABC, CPAs will perform, we are entering into this **Fixed Price Agreement** with XYZ, Inc. To avoid any misunderstandings, this Agreement defines the services we will perform for you as well as your responsibilities under this Agreement.

2010 PROFESSIONAL SERVICES

ABC will perform the following services for XYZ during 2010:

- 2009 XYZ S Corporation Tax Returns
- 2009 Financial Statement Review with PBCs (Prepared by Client) to be provided by XYZ by March 15, 2010
- 2010 Tax Planning
- Unlimited Access in 2010*

TOTAL 2010 PROFESSIONAL SERVICES \$XXX

*Included in the Unlimited Access are the following services to be provided by ABC to XYZ:

- Unlimited meetings, to discuss operations of XYZ, business matters, tax matters, and any other topic at the discretion of XYZ or its employees and/or agents.
- Unlimited phone support for XYZ personnel and/or independent contractors and agents regarding accounting assistance, transaction analysis, etc.

Because our Fixed Price Agreement provides ongoing access to the accounting, tax and business advice you need on a fixed-price basis, you are not inhibited from seeking timely advice by the fear of a meter running endlessly. Our service is built around one-price pricing, as opposed to hourly rates, and offers you access to the accumulated wisdom of the firm through CPAs with substantial experience, who can help enhance your

company's future and achieve its business objectives.

While the fixed price entitles your company to unlimited consultation with us, if your question or issue requires additional research and analysis beyond the consultation, that work will be subject to an additional price, payment terms, and scope to be agreed upon before the service is performed, and a Change Order will be issued to document this understanding.

Unanticipated Services

Furthermore, the parties agree that if an unanticipated need arises (such as, but not limited to, an audit by a taxing agency, a financial statement audit or compilation required as part of a lender financing agreement, or any other exogenous service not anticipated in this agreement by the parties) that ABC hereby agrees to perform this additional work at a mutually agreed-upon price. This service will be invoiced separately to XYZ, using a Change Order.

Service Guarantee

Our work is guaranteed to the complete delight of the customer. If you are not completely satisfied with the services performed by ABC, we will, at the option of XYZ, either refund the price or accept a portion of said price that reflects XYZ's level of value received. Upon final payment of your invoice, we will judge you have been satisfied.

Price Guarantee

Furthermore, if you ever receive an invoice without first authorizing the service, payment terms and price, you are not obligated to pay for that service.

Payment Terms

The following payment terms are hereby agreed to between XYZ and ABC:

January 31, 2010	\$XX
February 28, 2010	XX
March 31, 2010	XX
April 30, 2010	XX
May 31, 2010	XX
June 30, 2010	XX
July 31, 2010	XX
August 31, 2010	XX
September 30, 2010	XX
October 31, 2010	XX
November 30, 2010	XX
December 31, 2010	XX

TOTAL 2010 PAYMENTS \$XXX

To assure that our arrangement remains responsive to your needs, as well as fair to both parties, we will meet throughout 2010 and, if necessary, revise or adjust the scope of the services to be provided and the prices to be charged in light of mutual experience.

Furthermore, it is understood that either party may terminate this Agreement at any time, for any reason, within 10 days of written notice to the other party. It is understood that any unpaid services that are outstanding at the date of termination are to be paid in full within 10 days from the date of termination.

If you agree that the above adequately sets forth XYZ's understanding of our mutual responsibilities, please authorize this Agreement and return it to our office. A copy is provided for your records.

We would like to take this opportunity to express our appreciation for the opportunity to serve you.

Very Truly Yours,

BY: _____

Allan Somnolent, partner, ABC, CPAs

Agreed to and accepted:

BY: _____

DATE: _____

Customer, president, XYZ, Inc.

Copyright © 2008 American Institute of Certified Public Accountants. All rights reserved.

JOURNAL OF ACCOUNTANCY

Home > Sample Change Order

PRACTICE MANAGEMENT

Sample Change Order

BY RONALD J. BAKER

JUNE 2009

Editor's note: This is a Web-exclusive sidebar for "Pricing on Purpose: How to Implement Value Pricing in Your Firm."

Client: _____

Date: _____

Project description and scope of services [and estimated completion date, if appropriate]:

Price: \$ _____

We believe it is our responsibility to exceed your expectations. This Change Order is being prepared because the above project was not anticipated in our original Fixed Price Agreement, dated xx/xx/xx. The price for the above project has been mutually agreed upon by XYZ, Inc. and ABC, CPAs. It is our goal to ensure that XYZ is never surprised by the price for any ABC service, and therefore we have adopted the Change Order Policy. The price above is due and payable upon completion of the project described [or, payable upfront, if agreed upon, or in installments, etc., whatever you and the client agree to].

If you agree with the above project description and the price, please authorize and date the Change Order below. A copy is enclosed for your records. Thank you for letting us serve you.

Sincerely,

Allan Somnolent, partner, ABC, CPAs

Agreed to and accepted:

BY: _____

Customer, president, XYZ, Inc.

Date: _____

Copyright © 2008 American Institute of Certified Public Accountants. All rights reserved.

A32

Baker & Associates CPA Income Tax Preparation Fee Schedule

Effective through December 31, 2008

			NORMAL	DISCOUNTED
<u>FORMS/SCHEDULES</u>	<u>DESCRIPTION</u>	<u>PER</u>	<u>FEES</u>	<u>FEES</u>
FORMS:				
1040	Individual Income Tax Return	EA	\$ 156.00	\$128.00
1040ES	Estimated Tax for Individuals	EA	30.00	24.00
1040X + forms	Amended Return For Individuals	EA	353.00	283.00
1041	Fiduciary Income Tax Return	EA	471.00	377.00
1065 + forms	Partnership Return	EA	689.00	545.00
	Partnership State Return	EA	177.00	142.00
1116	Foreign Tax Credit	EA	65.00	47.00
1120 OR 1120S + forms	Corporate Return	EA	689.00	545.00
1120X + forms	Amended Return For Corporations	EA	353.00	283.00
2106	Employee Business Expenses	EA	47.00	37.00
2210	Underpayment of Estimated Taxes	EA	47.00	37.00
2441	Child/Dependent Care Expenses	EA	47.00	37.00
3800	Business Credit	FORM	88.00	70.00
4136	Fed Tax Paid on Fuels Credit	EA	35.00	29.00
4868	Six month extension	EA	58.00	47.00
3903	Moving Expenses	EA	70.00	57.00
4562	Depreciation and Amortization	ITEM	30.00	24.00
	Minimum	FORM	88.00	70.00
4797	Sale of business Property	ITEM	35.00	29.00
	Minimum	FORM	88.00	70.00
4835	Farm and Rental Income	EA	206.00	165.00
4952	Investment Interest Expense	EA	47.00	37.00
5329	Early Withdrawal Penalty	EA	47.00	37.00
5695	Residential Energy Credit	EA	58.00	47.00
6251	Alternative Minimum Tax	EA	88.00	70.00
6252	Installment Sales 1st Year	EA	107.00	85.00
	Subsequent Years	EA	47.00	37.00
8801	Prior Year Minimum Tax Credit	FORM	88.00	70.00
8283	Non-Cash Charitable Contributions	ITEM	35.00	29.00
	Minimum	FORM	88.00	70.00
8582	Passive Activity Loss Limitation	EA	58.00	47.00
8606	Non-Deductible IRA Contribution	EA	58.00	47.00
8812	Additional Child Tax Credit	EA	35.00	29.00
8829	Home Office Expenses	EA	107.00	85.00
8853	Archer MSAs, Long-Term Care	EA	52.00	43.00
8863	Educational Credits	EA	58.00	47.00
8880	Qualified Retire Saving Credit	EA	35.00	29.00
8889	Health Savings Accounts	EA	52.00	43.00
8903	Domestic Production Activity	EA	35.00	29.00
8910	Alternative Motor Vehicle	EA	35.00	29.00
9465	Installment Request	EA	88.00	70.00
State Return		EA	118.00	95.00
SCHEDULES:				
A	Itemized Deductions	FORM	58.00	47.00

B	Interest and Dividend Income	ITEM	12.00	10.00
	Minimum	FORM	53.00	43.00
C	Sole-Proprietor Business	EA	206.00	165.00
	Multiple Auto Statement	EA	35.00	29.00
C-EZ	Business (short form)	EA	88.00	70.00
D	Capital Gains & Losses	ITEM	23.00	19.00
	Minimum	FORM	70.00	57.00
E	Rental Property Income/Loss	EA	88.00	70.00
E-page 2	Supplemental Income/Loss	K-1	48.00	37.00
EIC	Earned Income Credit	EA	41.00	33.00
F	Farm Income and Expenses	EA	206.00	165.00
K-1	Partner/Shareholder Income Stmt	K-1	48.00	37.00
SE	Self-Employment Tax	EA	48.00	37.00
OTHER ITEMS:				
Other Schedules	Depending on schedule	EA		
Other Forms	Depending on form	EA		
8879	E-Filing		48.00	47.00
Bookkeeping Time		HOUR	88.00	70.00
Postage/Handling Fee			15.00	15.00
Rush Fee	Completed tax information received			
	less than 30 days before deadline	TOTAL	20%	20%

Please be advised that we also track the time it takes to prepare your return(s). In most cases we will be able to limit our fees based upon the above schedule. However, sometimes we find it necessary to have numerous extra consultations in order to gather and clarify the needed information. In these cases you should expect to be billed for the actual time needed to do a proper and complete job for you.