

# Immaculate Cleaning Services

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### **III. Executive Summary**

Immaculate Cleaning Services is a start-up janitorial services provider servicing the needs of local churches throughout Central Arkansas. Immaculate Cleaning Services will strive to provide clients with professional, first-class quality service and convenient scheduling.

Services will include waste disposal, window cleaning, blind and upholstery cleaning, carpet and hard surface floor care, restroom sanitation and stocking, dusting, furniture upkeep, and occasional specialized interior cleaning services.

John Smith, President, is the sole owner. With advice from his CPA and attorney, Mr. Smith chose to incorporate Immaculate Cleaning Services as an S-Corporation. He filed for Articles of Incorporation with the Arkansas Secretary of State's Office June 1.

Potential target customers include places of worship for any religious denomination located within Pulaski, Faulkner, Saline, Garland, and Lonoke counties. According to the *Arkansas Business Directory*, the two organizations with the largest growth trend in Arkansas in recent years are churches and restaurants. In 2004, there were over 400 churches operating in Little Rock alone. Additionally, approximately 500+ churches are located in the surrounding cities/counties of North Little Rock, Benton, Cabot, Conway, Jacksonville, Hot Springs, Saline County, Faulkner County, Garland County, Pulaski County, and Lonoke County.

Mr. Smith will manage two full time employees throughout the year. He will hire additional variable labor employees to assist during the probable busier months. Mr. Smith will interview, hire/fire employees, monitor performance, perform payroll duties, practice direct sales, bill clients, purchase equipment & supplies, observe daily financial information, maintain the website, and assist with cleaning.

Employees are vital components of providing a professional, quality cleaning service; therefore, Immaculate Cleaning Services will provide adequate pay, additional employee benefits, and extensive application processes to extract the highest quality of customer service from all employees.

Setting up a flexible time period for cleaning is crucial to both Immaculate Cleaning Services and clients. Immaculate Cleaning will service each church once per week at a time convenient for each client. Clients will have the option of additional cleanings during especially busy religious time periods.

Immaculate Cleaning Services estimates total project cost of \$25,000. Mr. Smith needs debt financing of \$20,000. The loan proceeds will be utilized primarily in purchasing cleaning equipment & supplies, lease payments, payroll, and additional working capital needs throughout the first year. Mr. John Smith will pledge home equity of \$18,000, as well as all new equipment purchased with loan proceeds as collateral. Mr. Smith will contribute 20% of his own cash from savings into the business; approximately \$5,000.

Immaculate Cleaning Services does not require an extensive amount of capital. Total start-up costs of cleaning equipment, cleaning supplies, office equipment & supplies equal, and deposits are \$10,889. The remaining \$14,111 of the total project cost will be used for working capital.

Leased office space of 550 sq. feet will cost \$13.00 per sq. foot annually arriving at a total yearly lease expense of \$7150.

Immaculate Cleaning Services projects annual revenues of \$129,520 in Year 1 with operating expenses of \$81,115.

## IV. Financing Proposal

**Loan Amount Required:** Immaculate Cleaning Services estimates total debt financing needs of \$20,000. Traditional small business financing through a bank is ideal.

**Terms & Utilization:** Immaculate Cleaning Services will require a maximum loan term of five years, given the relatively small amount borrowed. Immaculate Cleaning Services will be flexible with loan terms available.

The loan proceeds will be utilized primarily in purchasing cleaning equipment & supplies, lease payment, payroll, and additional working capital needs throughout the first year.

**Collateral:** Mr. John Smith will pledge all new equipment purchased with loan proceeds as collateral. Additionally, Mr. Smith will pledge the equity in his home of \$18,000 as collateral.

**Owner's Equity Contribution:** Mr. John Smith will contribute 20% of the total project cost into the business using cash from savings, approximately \$5,000. The total debt financing need of \$20,000 added to the owner's equity contribution equals a total start-up project cost of \$25,000.

## V. Company Description

**Company History & Mission:** Immaculate Cleaning Services is a start-up janitorial services provider servicing the needs of local churches throughout Central Arkansas. Immaculate Cleaning Services will strive to provide clients with professional, first-class quality service and convenient scheduling.

**Products & Services Overview:** Immaculate Cleaning Services plans to provide quality cleaning services to the churches within Central Arkansas. Services will include waste disposal, window cleaning, blind and upholstery cleaning, carpet and hard surface floor care, restroom sanitation and stocking, dusting, furniture upkeep, and occasional specialized interior cleaning services.

**Business Location:** Immaculate Cleaning Services has secured office space of approximately 550 sq. feet. The office will be located in the ABC Office Building at Twenty River Rock Place, North Little Rock, AR. C & K Commercial Realty will lease the office space at a rate of \$13.00 per sq. foot annually, arriving at a total yearly lease expense of \$7150. Although cleaning services do not require traditional office space, the purpose of obtaining an office front is to exude an enhanced professional appearance to current and potential clients. The space will accommodate meetings with clients and employees as well as storage for equipment and supplies. No leasehold improvements are required at this time.

**Legal Structure:** John Smith, President, filed for Articles of Incorporation with the Arkansas Secretary of State's Office June 1. He is the sole owner. With advice from his CPA and attorney, Mr. Smith chose to incorporate Immaculate Cleaning Services as an S-Corporation.

Mr. Smith used the Arkansas Secretary of State's webpage<sup>2</sup> to perform an entity name search to ensure that his chosen business name is not currently being used in the state of Arkansas. He incorporated the business; therefore, the business name will be protected in the state of Arkansas.

## **VI. Industry Analysis**

The Janitorial Industry (NAICS: 56172, SIC: 7349)<sup>3</sup> has been a driving force behind the recent growth of the United States' service sector. This industry is one of a fragmented state, populated by thousands of small companies with no substantial share of the market. The janitorial sector also has few barriers to entry since relatively small start-up costs and low levels of experience are required. These factors make the industry attractive but the competition fierce.

According to the *Bureau of Labor and Statistics* website's *Occupational Outlook Handbook*, the job outlook for janitorial workers is positive. "Overall employment of building cleaning workers is expected to grow as fast as average for all occupations through 2014, as more office complexes, apartment houses, schools, factories, hospitals, and other buildings requiring cleaning are built to accommodate a growing population and economy. As many firms reduce costs by contracting out the cleaning and maintenance of buildings, businesses providing janitorial and cleaning services on a contract basis are expected to have the greatest number of new jobs in this field. Although there have been some improvements in productivity in the way buildings are cleaned and maintained—using teams of cleaners, for example, and better cleaning supplies—cleaning still is very much a labor-intensive job. Faster than average growth is expected among janitors and cleaners and among cleaning supervisors, but as fast as average growth is projected for maids and housekeeping cleaners. In addition to job openings arising due to growth, numerous openings should result from the need to replace those who leave this very large occupation each year. Limited promotion potential, low pay, and the fact that many jobs are part-time and temporary, induce many to leave the occupation, thereby contributing to the number of job openings and the need to replace these workers."<sup>4</sup>

According to the U.S. Census Bureau, the janitorial industry saw the second highest increase in the service sector from 2001 to 2002 with 20.4% growth. Competition is intense, as in any contract-bidding situation, and this has affected profitability. Nevertheless, industry receipts have grown 6% to 11% annually since 1994 and janitorial companies expect a median sales growth of 30% over the next three years.



One of the largest problems and/or risks of the industry is, in fact, employee turnover. Employees are vital components of providing a professional, quality cleaning service; however, Immaculate Cleaning Services will provide adequate pay, additional employee benefits, and extensive application processes to extract the highest quality of customer service from all employees.

The barriers to entry in the cleaning industry are relatively low resulting in intense competition. Cleaning businesses are low capital businesses meaning little money is necessary. There are no formal educational or professional requirements. Even experience within the industry is not necessary.

The strengths of Immaculate Cleaning Services include:

- Commitment to quality service
- Dedication to customer satisfaction
- Value seen in its employees
- Convenient service schedule
- Owner experience in the janitorial industry

The major weaknesses of the company include:

- New position in the market
- Shallow resource base

Significant opportunities:

- New market with unlimited opportunities
- Market is showing consistent high growth

Impending threats:

- Low barriers for entry of competitors
- Ease of finding substitutes

## **VI. Products & Services**

**Primary Services:** Services will include waste disposal, window cleaning, blind and upholstery cleaning, carpet and hard surface floor care, restroom sanitation and stocking, dusting, furniture upkeep, and occasional specialized interior cleaning services. Immaculate Cleaning Services will focus on the interior space of religious places of worship. For increased convenience to clients, these services will be available seven days a week and will be determined according to client needs.

**Distribution Channels:** Immaculate Cleaning will provide services directly to churches and other places of worship through multiple service contracts. Contracts will be formed on a six month basis initially, at the end of which, either party can withdraw from renewing the contract.

**Pricing Structure & Strategy:** Immaculate Cleaning Services deems it necessary to charge rates to churches based on sq. footage rather than a flat fee due to their

varying sizes. This will allow a cost structure affordable to all as well as an operational system used to distinguish cleaning time needs and/or limits for each church. The proposed pricing strategy is \$0.08 per sq. foot per cleaning. Therefore, a church occupying 2500 sq. ft. will pay  $0.08 \times 2500 = \$200$  per week, \$800 per month during regular months. The client may opt for additional cleanings during busier months/holidays. The fee will remain \$0.08 per sq. ft. per cleaning.

Immaculate Cleaning Services strives to be competitive within the market, but will focus on offering the highest quality service. During the developmental stage, John Smith will work alongside employees performing the services, thus providing labor cost savings. This strategy will succeed by keeping operating costs at a minimum and gaining repeat business through quality, contracted work.

**Sources of Competitive Advantage:** Immaculate Cleaning Services will gain competitive advantage within the marketplace by differentiation. Professionalism, flexibility, high quality services, and a position at the front of the market are key factors that differentiate Immaculate Cleaning Services from the competition. Cleaning services that cater only to churches are relatively rare; therefore, Immaculate can focus on the segmented market for maximum market share.

Immaculate Cleaning Services will also implement a 4-tier quality inspection plan to ensure the highest quality work from all employees. Areas will be inspected for completeness of work, timeliness, accuracy/detail, and customer satisfaction level.

Additionally, Mr. Smith will periodically contact all customers for comments, suggestions for improvement, and feedback concerning the quality of work. Mr. Smith will expect nothing less than superior quality from his employees in order to establish a good image within the community.

## **VIII. Market Analysis**

**Service:** Services will include waste disposal, window cleaning, blind and upholstery cleaning, carpet and hard surface floor care, restroom sanitation and stocking, dusting, furniture upkeep, and occasional specialized interior cleaning services. Immaculate Cleaning Services will focus on the interior space of religious places of worship.

For increased convenience to clients, these services will be available day or night, seven days a week, and will be determined according to client needs. Additionally, extra cleaning services may be required during traditional religious observances/periods. Immaculate Cleaning Services will provide such extra services when necessary to ensure clients' places of worship are presentable during busier periods.

Immaculate Cleaning Services understands the importance of quality care and the significance of clients' places of worship. Clients can be assured the owner and

employees will provide the utmost care to all religious objects and respect each and every denomination. Clients will feel comfortable when choosing Immaculate Cleaning Services as their cleaning service provider.

**Customers:** Potential target customers include places of worship for any religious denomination located within Pulaski, Faulkner, Saline, Garland, and Lonoke counties. Based upon fee structure, time constraints, and employee force, Immaculate Cleaning will actively strive toward a “mix” of church sizes. Immaculate Cleaning simply cannot service multiple large churches each week. A mix of small to mid-size churches based on square footage with a few large churches is the optimal target customer mix. Immaculate Cleaning Services classifies a small church as 2,500 sq. ft. or less, a mid-size church between 2,500 and 8,500 sq. ft., and a large church as greater than 8,500 sq. ft. Marketing efforts and strategies will match customer mix objectives and goals.

Many churches in the Central Arkansas area choose church members/others associated with the church, or small local cleaning services to maintain their buildings. They value relationships and contributions to the community. Immaculate Cleaning Services will strive to foster long term relationships with churches in the area in order to gain a mutual respect and work toward the achievement of common goals.

According to the *Arkansas Business Directory*<sup>5</sup>, the two businesses with the largest growth trend in Arkansas in recent years are churches and restaurants. In 2004, there were over 400 churches operating in Little Rock alone. Additionally, approximately 500+ churches are located in the surrounding cities/counties of North Little Rock, Benton, Cabot, Conway, Jacksonville, Hot Springs, Saline County, Faulkner County, Garland County, Pulaski County, and Lonoke County.

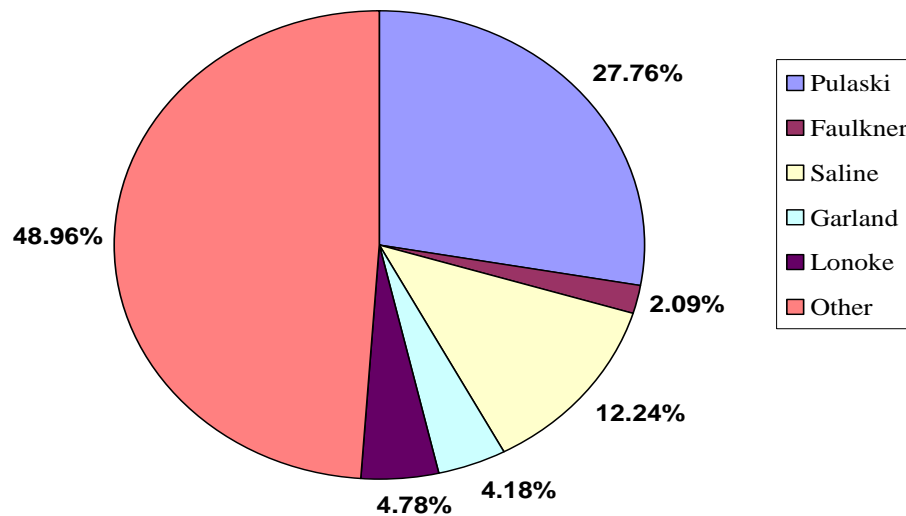
These potential target customers can be located in the Yellow Pages, internet location services such as [www.areaconnect.com](http://www.areaconnect.com), etc. Contact information located will be utilized in a customer database for future marketing efforts.

**Competition:** According to the most recent Census tabulation<sup>6</sup>, janitorial service establishments in the state amounted to 335 with total receipts over 119 million dollars. However, Immaculate Cleaning Services wishes to target only a segment of the state. The target counties include Pulaski, Faulkner, Saline, Garland and Lonoke; therefore, competition may be limited to these five counties. The *U.S. Census Bureau's Economic Fact Sheet*<sup>7</sup> indicates the following breakdown of competition, total receipts, payroll, and employee size.

- **Pulaski:** 93 establishments; total receipts over \$53 million; payroll costs over \$23 million; 2,000+ employees
- **Faulkner:** 7 establishments; total receipts over \$2 million; payroll costs over \$500,000; 50+ employees

- **Saline:** 41 establishments; total receipts over \$7 million; payroll costs over \$2 million; 100+ employees
- **Garland:** 14 establishments; total receipts over \$4 million; payroll costs over \$1 million; 100+ employees
- **Lonoke:** 16 establishments; total receipts, payroll costs, and employee size not published

### Arkansas Janitorial Services Competition



Most of the janitorial services competition in the state of Arkansas lies within the targeted geographic areas of Pulaski, Faulkner, Saline, Garland, and Lonoke Counties. These five counties alone account for 51.04% of janitorial establishments within the entire state. Competition within the targeted area is fierce; therefore, Immaculate Cleaning Services will carve a niche market by targeting churches.

No companies truly dominate this industry. Though there are large companies and franchises (i.e. ABM Industries, Jani-King, and ServiceMaster) throughout, small businesses account for more than 90% of industry sales.

The recent growth has been in small independent operations. Contributing factors include recent trends of corporate downsizing and the increased potential of outsourcing. Businesses no longer keep in-house cleaning staffs. It is possibly more feasible to outsource such services, thus losing a certain degree of accountability.

Growth in the industry couples with increased competition. There is no doubt competition is fierce within the industry; however, Immaculate Cleaning Services will be quick to establish an image of professionalism, high quality, and trust within the chosen segment or niche.

**Location:** Immaculate Cleaning Services has secured office space of approximately 550 sq. feet. The office will be located in the ABC Office Building at Twenty River Rock Place, North Little Rock, AR. C & K Commercial Realty will lease the office space at a rate of \$13.00 per sq. foot annually, arriving at a total yearly lease expense of \$7150. The purpose of obtaining an office front is to exude an enhanced professional appearance to current and potential clients. The space will accommodate meetings with clients and employees as well as storage for equipment and supplies.

Cleaning service businesses do not necessarily need large office space, if any. Some are home-based while others lease mini-storage units to store equipment and supplies. The goal of Immaculate Cleaning Services, however, is to uphold a professional and high quality image. A small, but nice, office will put clients at ease about the quality of work and will promote trust in the firm. Additionally, the office will provide a safe meeting place for all employees.

The physical location in North Little Rock is desirable because it is centrally located within the targeted areas that Immaculate Cleaning Services will serve. Adequate parking is available for clients and employees. The space also provides high visibility, common administrative services, easy accessibility, and a safe atmosphere.

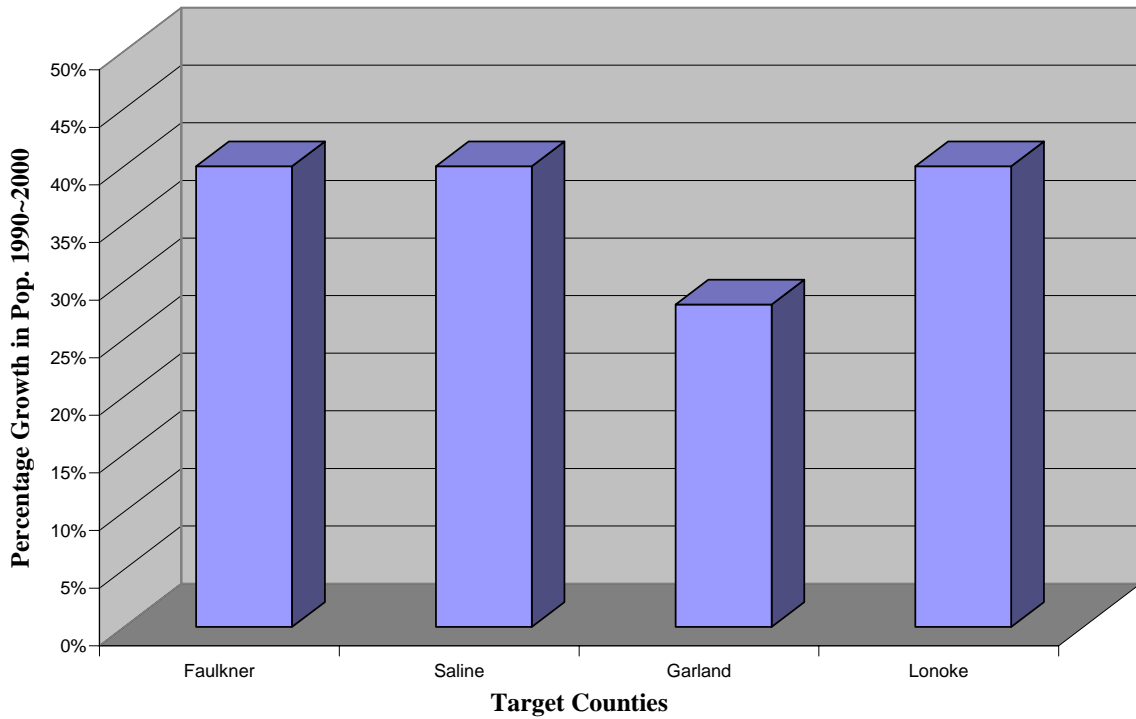
According to the *Arkansas Statistical Abstract*<sup>8</sup>, population density is high in central Arkansas when compared to the rest of the state. The targeted counties of potential business include:

- **Pulaski:** 400 or more persons per square mile
- **Faulkner:** 100 to 299 persons per square mile
- **Saline:** 100 to 299 persons per square mile
- **Garland:** 100 to 299 persons per square mile
- **Lonoke:** 50 to 99 persons per square mile

Additionally, Faulkner, Saline, Garland, and Lonoke counties have experienced rapid growth in population since 1990. The *Arkansas Statistical Abstract*<sup>8</sup> indicates the percent change in population during the period 1990 ~ 2000.

- **Faulkner:** 40 or more percent
- **Saline:** 40 or more percent
- **Garland:** 20 to 39.9 percent
- **Lonoke:** 40 or more percent

## Population Growth



Central Arkansas populations are growing; therefore, additional churches are necessary. Immaculate Cleaning Services hopes to provide services to churches in need.

Further, growth in population of the target counties leads to growth in church attendance. Estimated weekly church attendance per targeted county is included below:

- **Pulaski:** 71,647
- **Faulkner:** 17,203
- **Saline:** 16,706
- **Garland:** 17,614
- **Lonoke:** 10,566

The location also provides a strength in that Christian church attendance is between 1 ½ and 2 times higher in the South and the Midwest than it is in the West and the Northeast.<sup>13</sup>

**Marketing Strategy:** Immaculate Cleaning Services deems it necessary to charge rates to churches based on sq. footage rather than a flat fee due to their varying sizes. This will allow a cost structure more suitable to all as well as a classification system to distinguish employee cleaning time needs and/or limits for each church. The pricing system will be a key marketing tool. Immaculate Cleaning can potentially offer services to small, mid-size, and large churches.

Immaculate Cleaning Services will strive to build a reputation as the best of the best. This reputation and relationships formed with clients will help the business grow through referrals and maintain existing contracts.

Direct sales and referrals will be vital to success. Immaculate Cleaning Services will not be a “mass distributor” of cleaning services; consequently, the owner and employees simply cannot handle a mass marketing campaign. Additionally, Immaculate Cleaning wants to portray a personal and professional image to potential clients. Immaculate Cleaning will target five counties for contract work; however, Mr. Smith will begin marketing in Pulaski County. The geographic dispersion of counties makes it inefficient to travel to all five counties in one day. Beginning in one target county and targeting customers in the same geographic region will generate the most efficient operations. Currently, Immaculate Cleaning Services has contracts with three churches requesting services upon start-up. All are located in Pulaski County. Key aspects of marketing promotions and strategies are listed below.

- Direct Sales/Client Meetings – A significant marketing task will be contacting potential clients, setting up appointments and demonstrations, and working through contracts with new clients. Direct contact with potential clients will allow Immaculate Cleaning Services an opportunity to gain clients’ trust in dealing with their places of worship. Each week, Mr. Smith will contact potential clients with hopes to set-up two client meetings and/or cleaning demonstrations.
- First-Time Client Promotion – Potential clients will receive a one time demonstration cleaning of a portion of their church. This demonstration should take approximately one hour, after which a regular six-month contract will be sought.
- Referral Rewards – Clients will receive a 10% discount on their next cleaning when they refer a potential client who signs the initial 6-month contract.
- Guest Satisfaction Survey – Immaculate Cleaning Services wants to know how they are doing! A fold over post card will be left approximately once a month thanking clients for their business. On the inside of this card will be a short survey, including comment section, which can be folded and

dropped into a mailbox free of postage. Clients will get a small discount for participating. Clients also have the option of filling out the survey online at the website.

- Internet Presence – Immaculate Cleaning Services will maintain a simple website listing services available, contact information, and promotional activities including discounts, demonstrations, etc. The webpage will be located at [www.immaculatecleaningservices.xyz](http://www.immaculatecleaningservices.xyz). The URL address will be included on all business cards, signage, pamphlets, satisfaction surveys, stationery, and thank-you notes.
- Promotional Materials – Immaculate Cleaning Services will utilize promotional materials such as informational brochures, business cards, yellow page advertisements, and a unique logo design to generate business. Occasional direct mail will be sent to potential clients detailing the free demonstrations, referral rewards, and website.

**Customer Demand:** According to the statistical information provided, Immaculate Cleaning Services estimates a high demand for professional, high quality church cleaning services. Although demand may be high, the owner and employees can only service a small portion of the market. As the population grows, additional churches are necessary and must be cleaned regularly. Immaculate Cleaning will take advantage of the high growth in this niche market.

#### **Forecast for Demand:**

- June Year 1 ~ Immaculate Cleaning Services hopes to secure contracts with 8 churches including approximately 50,500 total square feet by the end of year 1. This will include two small churches, five mid-size, and one large church.
- June Year 2 ~ Maintain contracts with 8 churches and add approximately 6 churches totaling 94,000 square feet. The additional churches will consist of two small, one mid-size, and three large.
- June Year 3 ~ Service 20 churches, cleaning approximately 123,000 square feet. Six additional mid-sized churches will be targeted.
- June Year 4 ~ Increase marketing efforts and secure contracts with 27 total churches.
- June Year 5 ~ Maintain all 27 contracts and add approximately 8 churches.

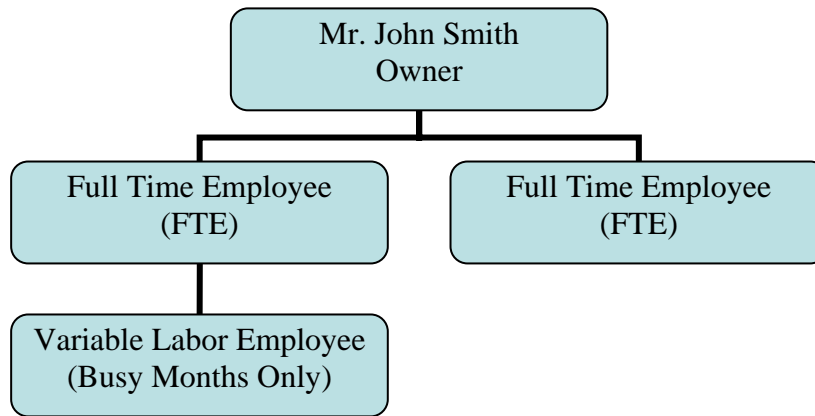
According to research published by the *Arkansas Business Directory*, there are approximately 1,000 churches in the five target counties of Pulaski, Faulkner, Saline, Garland, and Lonoke. Assuming Immaculate Cleaning Services attains their June Year 1 goal of securing 8 churches, only 0.8% of the market will be captured. Growth potential is large, but dependent upon employee/firm size and capabilities.



## IX. Management & Organization

**Management Responsibilities:** Mr. Smith will be responsible for all management duties, excluding professional activities performed by his advisory team consisting of his banker, Certified Public Accountant, insurance agent, and ASBDC consultant. Mr. Smith will not hire an administrative assistant until considerable growth deems it necessary. Therefore, the organizational structure is quite simplistic. Mr. Smith will manage two full time employees throughout the year. He will hire additional variable labor employees to assist during the probable busier months.

Mr. Smith will interview, hire/fire employees, monitor performance, perform payroll duties, practice direct sales, bill clients, purchase equipment & supplies, observe daily financial information, maintain the website, and assist with cleaning. Mr. Smith's résumé is a supporting document located in the appendix portion of the business plan.



### Advisory Team:

**D. Jones** – Banker; ABC Bank: North Little Rock, AR  
**M. Scott** – C.P.A.; Scott Accounting: North Little Rock, AR  
**C. Marshall** – Insurance Agent; Secure Insurance Group: Benton, AR  
**ASBDC Staff** – Business Consultants; Arkansas Small Business  
Development Center: Little Rock, AR

**Employee Position Descriptions:** Full time employees will be responsible for participating in all training programs. Experienced staff members will train all new hires. Employees' primary duties include waste disposal, window cleaning, blind and upholstery cleaning, carpet and hard surface floor care, restroom sanitation and stocking, dusting, furniture upkeep, and occasional specialized interior cleaning

services. Employees will be trained in all areas of cleaning, however, may be directed to specific areas at the cleaning site to allow for maximum efficiency. Employees will be informed of late/irregular work times required for this line of work.

## **X. Operational Plan**

**Methods of Service Delivery:** Churches usually experience high traffic each weekend; however, many churches have visitors daily. Setting up a flexible time period for cleaning is crucial to both Immaculate Cleaning Services and clients. Immaculate Cleaning will service each church once per week at a time convenient for each client. Clients will have the option of additional cleanings during especially busy religious time periods. The owner and all employees must be willing to work atypical, sometimes late hours in order to get the cleaning accomplished while the church is closed.

Immaculate Cleaning Services will provide service in “teams.” Teams will speed up the cleaning process and increase efficiency because each team member will perform specific tasks at each location. Teams will be monitored on quality of service by the supervisor (owner). During the beginning stages, the owner will be at every site to assist employees and to perform a quality inspection of their work. The teams will consist of three people during the first year of business: Mr. John Smith and two full-time employees. One additional team member will be added each year for years two and three.

A detailed work schedule will be given to the client to indicate specific jobs to be performed on site. All team members will receive a copy of the list including specific job requirements.

According to industry estimates, each employee has the capacity to clean approximately 800 sq. ft. per hour when the “team system” is utilized. Therefore, a small church of 2,400 sq. ft. should take three workers one hour to clean. Additional time will be spent loading/unloading equipment and driving to each location.

**Credit Policies:** Immaculate Cleaning Services will provide clients with an initial six month cleaning contract. Cleaning services will be performed weekly and billed on the last day of each month. Clients will have until the 15<sup>th</sup> of the following month to pay their bill. Late payments will receive a small penalty based upon total amount due. Clients will have a prepayment option for the entire period or weekly installments.

Immaculate Cleaning Services will accept credit cards, cash, check, or cashier’s check for payment.

**Personnel:** One of the largest problems and/or risks of the industry is, in fact, employee turnover. Employees are vital components of providing a professional, quality cleaning service; therefore, Immaculate Cleaning Services will provide adequate pay, additional employee benefits, and extensive application processes to extract the highest quality of customer service from all employees.

**Evaluating Applicants:** Immaculate Cleaning Services will strive to provide a comprehensive application process. Applicants will file an application form and will be contacted for an interview. The owner will conduct interviews and check references for all applicants. All steps will be documented and recorded for accuracy and legal defense. Applicants will be briefed on job duties, requirements, and the overall goals of high quality service. Only the best employees will be hired.

**New Employees:** Immaculate Cleaning Services will provide exceptional training to all new employees in various tasks. All employees should exhibit a “willing and able attitude” to perform every task. On-site training will consist of pairing a new hire with a current employee to shadow their work. All employees will be responsible for reading the personnel handbook and signing a contract indicating that they have indeed read and understand all company policies and procedures. Employees do *not* need considerable experience within the industry; therefore, skill levels may be low at the time of hire. Company training will provide employees with skills needed to be successful. A good work ethic and attitude are required.

Two full-time employees will be hired upon start-up. Mr. Smith will also provide cleaning services. A third part-time employee will be hired for the months of December and January of the first year. In August of the second year of business, Mr. Smith plans to hire one additional full-time employee and retain both current employees. Again, one part-time employee will be utilized for December and January of the second year to meet high demand.

**Uniforms:** All employees are required to wear uniforms displaying the company name and logo. Uniforms will further enhance Immaculate Cleaning Services’ professional appearance *and* market services to potential clients. Immaculate Cleaning will pay the cost of three uniforms per person, approximately \$150 per employee. Employees will be responsible for cleaning uniforms.

**Pay Policies:** All employees will start out at \$9.00 per hour and will receive time + ½ for any additional overtime work. Immaculate Cleaning will offer a weekly pay schedule. Employees showing exemplary work habits will be offered a raise each year.

According to the *Arkansas Occupational Employment and Wage Estimates*<sup>9</sup> collected by the Bureau of Labor Statistics, there were approximately 17,130 people employed under the occupational title *Janitors and Cleaners, Except Maids and*

*Housekeeping Cleaners.* The estimated median hourly wage per employee is \$8.02, while the mean hourly wage is \$8.50 totaling mean annual pay of \$17,690.

Employee satisfaction and retention is critical for Immaculate Cleaning Services; therefore, starting pay for all employees is above both the median and mean hourly wage in the state of Arkansas.

**Employee Force:** The owner will assist employees at all locations during the first year of business. Immaculate Cleaning will employ two additional full-time staff members. Depending upon firm growth, the owner may hire an administrative assistant to make and receive customer service/complaint calls, meet with clients, and contact potential churches informing them of the high quality cleaning services offered.

**Variable Labor Requirements** { TC "Variable Labor Requirements" \f C \l "2" } : The most demanding months for this business are anticipated to be December, January, March, and April. These are selected due to the traditional Christian holidays as well as other denominational observances occurring at these times. During these months additional employees may be added to the payroll. These employees will be paired with an experienced team member in order to speed learning.

**Equipment, Technology, & Inventory:** Immaculate Cleaning will use the majority of funds obtained for purchasing capital cleaning equipment, supplies, and working capital. The estimated needs for start-up equipment and supplies are itemized by manufacturer, quantity, and cost in the financial plan. Additionally, the owner will transfer his personal asset, a van, to the business for work purposes such as hauling equipment, supplies, and employees to each site.

Immaculate Cleaning Services will strive to keep inventory levels of supplies at a minimum – only purchasing the appropriate amount of supplies each month (with a percentage applied for spillage, waste, theft, or emergency stocks). All cleaning supplies will be stored with equipment at the business location. Due to the nature of service businesses, Immaculate Cleaning Services will not derive significant value from inventory levels.

Immaculate Cleaning Services will purchase all cleaning equipment and supplies from the wholesale janitorial supplier BCB Cleaning Supplies. BCB Cleaning Supplies carries over 10,000 janitorial products at each of their 30 warehouses nationwide. In addition to such a wide variety of products, they offer exceptional customer service, competitive prices, spend analysis reporting, 24/7 purchasing, and a customer rewards program. Good relationships with suppliers are important; however, Immaculate Cleaning Services will frequently monitor the prices and service of other wholesale janitorial suppliers to ensure advantageous cost savings.

Immaculate Cleaning Services will not be a technologically intensive business. Technological needs will be limited to a computer, copier/printer, fax, telephone, software, and web presence.

The domain name [www.immaculatecleaningservices.xyz](http://www.immaculatecleaningservices.xyz) has been reserved at Web Small Business. Immaculate Cleaning Services will maintain a professional, easy to navigate starter web page for \$8.96 per month (2 months) and \$11.95/month thereafter. The Web hosting plan will include 5GB of memory (5–25,000 web pages), 200 business email addresses, free domain name, SiteBuilder design tool, user-friendly control panel, 24-hour toll-free phone support, and additional web site enhancements. The owner will be responsible for all online activities including marketing and customer satisfaction.

**Legal:** The physical business location of Immaculate Cleaning Services in North Little Rock is currently zoned for commercial business. Mr. Smith has applied for and received a business license<sup>10</sup> within the city of North Little Rock. Additionally, Immaculate Cleaning Services incorporated with the Arkansas Secretary of State's office June 1 and applied online at the IRS website<sup>11</sup> for an Employer Identification Number (EIN). Finally, Immaculate Cleaning Services will apply for a fire permit from the North Little Rock fire department due to the flammable nature of cleaning chemicals stored in the office space.

Immaculate Cleaning Services will strive to consistently meet all environmental rules and regulations set forth by the state and U.S. governments. The International Sanitary Supply Association publishes a monthly Legislative and Regulatory Update<sup>12</sup> concerning business and janitorial industry issues. This will be the key information source for Immaculate Cleaning.

Currently, the name and logo are *not* protected from intellectual property infringement by trademarks. The name is protected within the state of Arkansas since the firm incorporated. In the future, a trademark may be sought.

Immaculate Cleaning Services will purchase an insurance package with the assistance of C. Marshall, insurance agent for Secure Insurance Group. The package will include fire, liability, automobile, and workers' compensation coverage. As the firm becomes profitable, the options of business interruption, key man insurance, and employee benefit coverages will be researched. The insurance quote is located in the supporting documents.

**Exit Strategy:** Should the firm experience less than favorable conditions in any aspect including marketability, profitability, personnel issues, and/or cash flow problems, etc., Mr. Smith will first relocate the business to his home. The home-based business will lower costs dramatically. Additionally, if demand among the churches is low, Immaculate Cleaning Services will consider expanding the target market to include other buildings, restaurants, schools, etc. Finally, Mr. Smith will consider closing the business and liquidating all assets/equipment to pay back the

remaining loan amount, selling the business to another cleaning firm, or taking on a partner with more experience and equity.

## **XI. Financial Plan**

**Start-up Expenses & Capital:** Immaculate Cleaning Services does not require an extensive amount of capital. The total project cost is \$25,000. Immaculate Cleaning Service is seeking \$20,000 in loans. Mr. Smith, owner, is contributing \$5,000 from his personal savings. Start-up costs will include cleaning equipment, cleaning supplies, office equipment & supplies, and working capital. A detailed list of start-up expenses is included among the following pages. All cleaning equipment & supplies quotes are based on current BCB Cleaning Supplies' wholesale prices.

### **Equipment & Supplies List**

<b>Equipment</b>		
SC890 Chamber Vacuum	1 @ \$366.32	\$366
Model 20 Heavy Duty Floor Machine	1 @ \$953.95	\$954
Self-Contained Extractor	1 @ \$1,601.10	\$1601
Mopping Combo Pack	2 @ \$151.54	\$303
Personal Computer	1 @ \$1,380	\$1380
4 Drawer Commercial Vertical File	1 @ \$117.63	\$118
Executive Desk w/Delivery	1 @ \$327.99	\$328
Leather Desk Chair	1 @ \$89.99	\$90
All-In-One Copier, Printer, Fax	1 @ \$499.99	\$500
Multi-line Telephone	1 @ \$ 60	\$60
	<b>Equipment Total</b>	<b>\$5,700</b>

<b>Cleaning Supplies</b>		
Multi-Surface Floor Cleaner	4 @ \$46.94	\$188
Wet/Dry Cleaning Wand	1 @ \$10.43	\$10
Wet/Dry Spill Pan	1 @ \$22.96	\$23
Toilet Bowl Brush & Holder	5 @ \$1.75	\$9
Jumbo Bath Tissue 12/1000	2 @ 68.61	\$137
Automatic Bowl Cleaner 12/CS	2 @ 24.95	\$50
Disinfectant Heavy-Duty Bathroom Cleaner	2 @ \$51.80	\$104
Brown Paper Hand Towels	4 @ \$40.53	\$162
18" Strip Washer	2 @ \$15.45	\$31
18" Window Squeegee	2 @ \$11.46	\$23
Overhead Dusting Tools	2 @ \$26.35	\$53
Lambswool Dusters	5 @ \$7.49	\$37
Window Cleaning Tablets	1 @ \$36.09	\$36
All-Purpose Cleaner	2 @ \$58.83	\$118
Furniture Polish for Wood	2 @ \$25.05	\$50

Cleaning Cloths	2 @ \$45.05	\$90
Reserve for additional cleaning supplies	\$2,500	\$2500
	<b>Supplies Total</b>	<b>\$3,621</b>

<b>Office Supplies</b>	
Accessories/Decorations	\$368
Business Cards	\$150
Office Supplies (Envelopes, Stationary, Pens, etc.)	\$250
	<b>Office Supplies Total</b>
	<b>\$768</b>

<b>Project Cost Summary</b>	
Equipment	\$5,700
Cleaning Supplies	\$3,621
Office Supplies	\$768
One-time Upfront Fees, Deposits	\$800
Working Capital	\$14,111
	<b>Total Project Cost</b>
	<b>\$25,000</b>

## Assumptions

The following is a *narrative* explaining the assumptions used to arrive at the dollar value of sales, expenses, etc. on the financial statement projections. Sales consist solely of churches serviced while expenses are listed per expense.

## Sales Projections

- July, August Year 1: 3 churches serviced @ approximately 12,500 sq. ft.  
\$0.08 per sq. ft. 4 times per month = \$4,000 in revenue per month
- September, October Year 1: 4 churches serviced @ approximately 17,500 sq. ft.  
\$0.08 per sq. ft. 4 times per month = \$5,600 in revenue per month
- November Year 1: 5 churches serviced @ approximately 22,500 sq. ft.  
\$0.08 per sq. ft. 4 times per month = \$7,200 in revenue per month
- December, January Year 1: 6 churches serviced @ approximately 37,500 sq. ft.  
\$0.08 per sq. ft. 5 times per month = \$15,000 in revenue per month
- February, March, April Year 1: 7 churches serviced @ approximately 42,500 sq. ft \$0.08 per sq. ft. 4 times per month = \$13,600 in revenue per month
- May, June Year 1: 8 churches serviced @ approximately 50,500 sq. ft.  
\$0.08 per sq. ft. 4 times per month = \$16,160 in revenue per month

## **Operating Expenses**

- Web Expense @ Web Small Business: \$8.96 first 2 months; \$11.95 thereafter
- Auto Expense: Mr. Smith owns a van which he will rent to the company for \$415 per month.
- Leased office space of 550 sq. feet will cost \$13.00 per sq. foot annually arriving at a total yearly lease expense of \$7150. This is \$595.83 per month. The business must make an upfront deposit of \$600.
- Projected monthly advertising expense varies in nature. Included in advertising expense is the cost of customer satisfaction print-outs, thank-you notes, flyers, and general supplies. Higher expenses are projected in the first months of operation and the projected busier months of December, January, March, and April. Internet advertisement and direct sales advertising are not included in this line item. Estimates taken from ABC Printing and the local newspaper indicate monthly advertising expense for July and August of \$75, September and October of \$30, November through January of \$50, February of \$30, March and April of \$40, and May and June of \$30.
- Training Expense is higher during the first few months because two new employees must be trained in general professional cleaning skills. Additionally, a part-time employee will be trained in December and January leading to increased training expense. Otherwise, employees will receive training each month on specific cleaning skills.
- Telephone/Wireless/Internet Expense: Business Unlimited for \$49.99 per month for 12 months includes: unlimited long distance calling and unlimited local calling at any time, High Speed Internet Pro for \$39.99 per month, and the option of adding a wireless plan to the account.
- Utilities: The ABC Office Building provides common water/bathroom areas; therefore, a separate water utility will not be necessary. Waste disposal is also included in the lease terms. The electric bills of similar office spaces in the building average approximately \$40-\$50 per month. A \$200 upfront deposit will be required.
- Cleaning Supplies: Average of \$25 per week per church. Smaller amounts for smaller churches, larger for mid-sized churches.
- Insurance: Received an insurance quote of \$2,400 per year from C. Marshall, insurance agent with Secure Insurance Group.
- Legal & Professional: Quarterly Statement Preparation by C.P.A. The C.P.A. will also be responsible for payroll services. \$75 per month to handle payroll, \$150 for quarterly statements, and \$300 for year-end statements.
- Miscellaneous: 2% of revenues per month
- Taxes & Licenses: Business license expense of \$200 annually
- Office Supplies: Will comprise small percentage of expenses. Expect increased costs during the busier months of December and January.



- Personnel: 2 FTE @ \$9.00/hr. X 40 hrs. per week = \$2,880 per month.  
Additional labor during December and January: 1 Part-time employee @ \$8.50/hr. X 20 hrs. per week = \$680 per month
- Payroll Taxes: Federal income tax, Social Security and Medicare taxes, Federal Unemployment Tax Act (FUTA); Publication 15: IRS Tables at [www.irs.gov](http://www.irs.gov); Used a conservative estimate of 15% of Personnel Costs.
- Uniforms: \$50 per uniform x 3 uniforms = \$150 per employee; 2 employees = \$300. Mr. Smith will purchase 6 additional uniforms to provide for employee turnover and worn-out uniforms. As he hires new employees in years two and three, he will purchase new uniforms.

## References

- <sup>2</sup>Arkansas Secretary of State Website:  
<http://www.sosweb.state.ar.us/corps/index.html>  
Arkansas Secretary of State's Office: 1401 W. Capital Avenue, Ste 250, Little Rock,  
AR 72201. Phone: (501)682-3409.
- <sup>3</sup>NAICS Search: <http://www.census.gov/epcd/naics02/>
- <sup>4</sup>Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook, 2006-07 Edition*, Building Cleaning Workers, on the Internet at <http://www.bls.gov/oco/ocos174.htm> (visited *June 07, 2006*)
- <sup>5</sup>Arkansas Business Directory 2004-2005, Info USA (2004). Located in the ASBDC research library: Call Number RR1.012
- <sup>6</sup>United States Census 2000 Briefs & Factsheets, U.S. Department of Commerce (2003). Located in the ASBDC research library: Call Number H9.001
- <sup>7</sup>2002 Economic Census, U.S. Bureau of the Census. *Economic Fact Sheet* on the Internet at [http://factfinder.census.gov/servlet/SAFFSelectIndustry?\\_sse=on&\\_submenuId=business\\_2](http://factfinder.census.gov/servlet/SAFFSelectIndustry?_sse=on&_submenuId=business_2) (visited *June 10, 2006*)
- <sup>8</sup>Arkansas Statistical Abstract, 2004, UALR Institute for Economic Advancement (2004). Located in the ASBDC research library: Call Number H7.001
- <sup>9</sup>May 2005 State Occupational Employment and Wage Estimates: Arkansas, Bureau of Labor Statistics, U.S. Department of Labor. Building and Grounds Cleaning and Maintenance Occupations, on the Internet at [http://stats.bls.gov/oes/current/oes\\_ar.htm#b37-0000](http://stats.bls.gov/oes/current/oes_ar.htm#b37-0000) (visited *June 11, 2006*)
- <sup>10</sup>The application fee for obtaining a business license will vary between \$50 to over \$1,000 depending on the type of business and amount/kind of inventory. Apply for a business license in the city in which the business is physically located. If located outside city limits, contact the county collector or clerk's office.
- <sup>11</sup>United States Internal Revenue Service on the Internet at <http://www.irs.gov>. IRS (Arkansas): Federal Building 700 West Capital, Little Rock, AR 72201. Phone: (501) 324-5111 or Business Specialty Tax Line: (800) 829-1040.
- <sup>12</sup>International Sanitary Supply Association on the Internet at <http://issa.com/>

**Immaculate Cleaning Services  
Income Statement Projections  
Month 1 through Month 12**

	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Year 1</u>	<u>%</u>
<b>Sales</b>														
Church Cleaning Services	4,000	4,000	5,600	5,600	7,200	15,000	15,000	13,600	13,600	13,600	16,160	16,160	129,520	100.0%
<b>Gross Profit</b>	<u>4,000</u>	<u>4,000</u>	<u>5,600</u>	<u>5,600</u>	<u>7,200</u>	<u>15,000</u>	<u>15,000</u>	<u>13,600</u>	<u>13,600</u>	<u>13,600</u>	<u>16,160</u>	<u>16,160</u>	<u>129,520</u>	<u>100.0%</u>
<b>Operating Expenses</b>														
Advertising & Postage	75	75	30	30	50	50	50	30	40	40	30	30	530	0.4%
Web Expense	9	9	12	12	12	12	12	12	12	12	12	12	137	0.1%
Auto Expense (Van Rental)	415	415	415	415	415	415	415	415	415	415	415	415	4,980	3.8%
Depreciation	95	95	95	95	95	95	95	95	95	95	95	95	1,140	0.9%
Insurance	200	200	200	200	200	200	200	200	200	200	200	200	2,400	1.9%
Legal & Professional	75	75	150	75	75	150	75	75	300	75	75	150	1,350	1.0%
Office Expense/Supplies	793	25	10	10	10	25	25	15	10	10	10	15	958	0.7%
Rent - Office	596	596	596	596	596	596	596	596	596	596	596	596	7,150	5.5%
Cleaning Supplies	3,621	300	400	400	500	750	750	700	700	700	800	800	10,421	8.0%
Taxes & Licenses	200	-	-	-	-	-	-	-	-	-	-	-	200	0.2%
Fuel	200	200	200	200	250	300	300	325	325	350	400	400	3,450	2.7%
Utilities	50	50	50	40	40	45	45	45	40	40	50	50	545	0.4%
Repairs & Maintenance - Auto	-	-	200	-	-	-	250	-	-	200	-	-	650	0.5%
Bank Charges	50	50	50	50	50	50	50	50	50	50	50	50	600	0.5%
Dues & Subscriptions	100	-	-	30	-	45	-	-	-	-	-	-	175	0.1%
Training	100	100	50	50	50	75	75	50	50	50	50	50	750	0.6%
Miscellaneous	80	80	112	112	144	300	300	272	272	272	323	323	2,590	2.0%
Telephone & High Speed Internet	90	90	90	90	90	90	90	90	90	90	90	90	1,080	0.8%
Uniforms	600	-	-	-	-	100	-	-	-	-	-	-	700	0.5%
Personnel	2,880	2,880	2,880	2,880	2,880	3,560	3,560	2,880	2,880	2,880	2,880	2,880	35,920	27.7%
Payroll Taxes (FUTA, SS, and Medicare)	432	432	432	432	432	534	534	432	432	432	432	432	5,388	4.2%
<b>Total Operating Expenses</b>	<u>10,661</u>	<u>5,672</u>	<u>5,972</u>	<u>5,717</u>	<u>5,889</u>	<u>7,392</u>	<u>7,422</u>	<u>6,282</u>	<u>6,507</u>	<u>6,507</u>	<u>6,508</u>	<u>6,588</u>	<u>81,115</u>	<u>62.6%</u>
<b>Net Operating Income</b>	<u>(6,661)</u>	<u>(1,672)</u>	<u>(372)</u>	<u>(117)</u>	<u>1,311</u>	<u>7,608</u>	<u>7,578</u>	<u>7,318</u>	<u>7,093</u>	<u>7,093</u>	<u>9,652</u>	<u>9,572</u>	<u>48,405</u>	<u>37.4%</u>
<b>Interest Expense</b>	<u>(175)</u>	<u>(173)</u>	<u>(171)</u>	<u>(168)</u>	<u>(166)</u>	<u>(164)</u>	<u>(161)</u>	<u>(159)</u>	<u>(157)</u>	<u>(154)</u>	<u>(152)</u>	<u>(149)</u>	<u>(1,948)</u>	<u>-1.5%</u>
<b>Net Income before Taxes</b>	<u>(6,836)</u>	<u>(1,845)</u>	<u>(542)</u>	<u>(285)</u>	<u>1,145</u>	<u>7,445</u>	<u>7,417</u>	<u>7,159</u>	<u>6,937</u>	<u>6,939</u>	<u>9,500</u>	<u>9,423</u>	<u>46,457</u>	<u>0.4</u>

**SALES WORKSHEET -**

	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
Sq. Footage of churches to be Cleaned	12500	12500	17500	17500	22500	37500	37500	42500	42500	42500	50500	50500
Price charged per Sq. Foot Per Week	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
Price per Week (Sq. Ft. x Price per Ft.)	1000	1000	1400	1400	1800	3000	3000	3400	3400	3400	4040	4040
Times to be Cleaned per Month	4	4	4	4	4	5	5	4	4	4	4	4
<b>Total Revenues Per Month</b>	<b>4000</b>	<b>4000</b>	<b>5600</b>	<b>5600</b>	<b>7200</b>	<b>15000</b>	<b>15000</b>	<b>13600</b>	<b>13600</b>	<b>13600</b>	<b>16160</b>	<b>16160</b>
Number of Churches	3	3	4	4	5	6	6	7	7	7	8	8

**Monthly Cash Flow Projection**  
**Year 1**

	Pre-Startup	July	August	September	October	November	December	January	February	March	April	May	June	Year 1
CASH ON HAND		18,500	7,504	5,498	3,191	2,739	2,116	1,589	8,833	17,216	23,974	30,733	37,490	
CASH RECEIPTS														
Cash Sales		-	-	-	-	-	-	-	-	-	-	-	-	-
Collections from Credit Accounts		-	4,000	4,000	5,600	5,600	7,200	15,000	15,000	13,600	13,600	13,600	16,160	113,360
Loan or Other Cash Injection	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CASH RECEIPTS</b>	<b>25,000</b>	<b>-</b>	<b>4,000</b>	<b>4,000</b>	<b>5,600</b>	<b>5,600</b>	<b>7,200</b>	<b>15,000</b>	<b>15,000</b>	<b>13,600</b>	<b>13,600</b>	<b>13,600</b>	<b>16,160</b>	<b>113,360</b>
<b>TOTAL CASH AVAILABLE</b>	<b>25,000</b>	<b>18,500</b>	<b>11,504</b>	<b>9,498</b>	<b>8,791</b>	<b>8,339</b>	<b>9,316</b>	<b>16,589</b>	<b>23,833</b>	<b>30,816</b>	<b>37,574</b>	<b>44,333</b>	<b>53,650</b>	
CASH PAID OUT														
Advertising	-	75	75	30	30	50	50	50	30	40	40	30	30	530
Web Expense	-	9	9	12	12	12	12	12	12	12	12	12	12	137
Auto Expense (Company Van)	-	415	415	415	415	415	415	415	415	415	415	415	415	4,980
Insurance	-	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Legal & Professional	-	75	75	150	75	75	150	75	75	300	75	75	150	1,350
Office Expense/Supplies	-	793	25	10	10	10	25	25	15	10	10	10	15	958
Rent - Office Deposit	600	596	596	596	596	596	596	596	596	596	596	596	596	7,150
Cleaning Supplies Expense	-	3,621	300	400	400	500	750	750	700	700	700	800	800	10,421
Taxes & Licenses	-	200	-	-	-	-	-	-	-	-	-	-	-	200
Fuel	-	200	200	200	200	250	300	300	325	325	350	400	400	3,450
Utilities	200	50	50	50	40	40	45	45	45	40	40	50	50	545
Repairs & Maintenance - Auto	-	-	-	200	-	-	-	250	-	-	200	-	-	650
Bank Charges	-	50	50	50	50	50	50	50	50	50	50	50	50	600
Dues & Subscriptions	-	100	-	-	30	-	45	-	-	-	-	-	-	175
Training	-	100	100	50	50	50	75	75	50	50	50	50	50	750
Miscellaneous	-	80	80	112	112	144	300	300	272	272	272	323	323	2,590
Telephone & High Speed Internet	-	90	90	90	90	90	90	90	90	90	90	90	90	1,080
Uniforms	-	600	-	-	-	-	100	-	-	-	-	-	-	700
Personnel	-	2,880	2,880	2,880	2,880	2,880	3,560	3,560	2,880	2,880	2,880	2,880	2,880	35,920
Payroll Taxes	-	432	432	432	432	432	534	534	432	432	432	432	432	5,388
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	800	10,566	5,577	5,877	5,622	5,794	7,297	7,327	6,187	6,412	6,412	6,413	6,493	79,975
Loan Payment	-	430	430	430	430	430	430	430	430	430	430	430	430	5,159
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment Purchases	5,700	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CASH PAID OUT</b>	<b>6,500</b>	<b>10,996</b>	<b>6,007</b>	<b>6,307</b>	<b>6,052</b>	<b>6,224</b>	<b>7,727</b>	<b>7,757</b>	<b>6,617</b>	<b>6,842</b>	<b>6,842</b>	<b>6,843</b>	<b>6,923</b>	<b>85,133</b>
<b>CASH POSITION</b>	<b>18,500</b>	<b>7,504</b>	<b>5,498</b>	<b>3,191</b>	<b>2,739</b>	<b>2,116</b>	<b>1,589</b>	<b>8,833</b>	<b>17,216</b>	<b>23,974</b>	<b>30,733</b>	<b>37,490</b>	<b>46,727</b>	<b>46,727</b>

**Immaculate Cleaning Services  
Projected Balance Sheet  
Year Ended June,**

	<b>Pre Start-Up</b>	<b>Year 1</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash & Equivalents	25,000	46,727
Accounts Receivable		16,160
Other Current Assets		
<b>Total Current Assets</b>	25,000	62,887
<b>Other Assets - Deposits</b>		800
<b>Fixed Assets</b>		
Property, Plant & Equipment		5,700
Less: Accumulated Depreciation		(1,140)
Net Fixed Assets		4,560
<b>Total Assets</b>	25,000	68,247
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable		
Line of Credit		
Current Portion Long Term Debt		3,564
<b>Total Current Liabilities</b>		3,564
<b>Long-term Liabilities</b>		
Loans - Long Term Portion	20,000	13,226
Mortgages		
Other Non-Current Liabilities		
Total Non-Current Liabilities	20,000	13,226
<b>Total Liabilities</b>	20,000	16,790
<b>Equity</b>		
Capital Stock	5,000	5,000
Retained Earnings		
Net Income (Loss)		46,457
<b>Total Equity</b>	5,000	51,457
<b>Total Liabilities and Equity</b>	25,000	68,247