



Ho'omaha
Wrapped in an aroma of comfort

Financial Plan



Financial Write Up

Ho'omaha is starting off with a combination of funds, consisting of a small business loan of \$100,000, \$20,000 in seed money, and \$150,000 in angel investments for a total of \$270,000. Our company decided to take a loan out at a fixed rate of 5.25% so that we can pay it back at the same rate every time, without incurring any large payment jumps that could come with an adjustable rate. Ho'omaha has incurred \$100,000 in liabilities due to the loan's principal amount. The loan is projected to be paid off through 60 payments over five (5) years. Also, Ho'omaha will incur an estimated \$13,915.90 in total interest from the loan so larger payments may be made if our budget allows in order to lower the total interest paid. At this time, Ho'omaha has not entered into any sales contracts with other companies or organizations, however, we plan to enter into these deals by January of 2021.

As of November 30, 2020, Ho'omaha has made \$58,749.42 in sales all coming from our first trade show. Most of our sales are anticipated to come from future trade shows, with a smaller amount coming from online sales and contracts. Our most popular item was our subscription box which we sold in year long packages, and our most purchased comfort product was our eco friendly pillows. We have used this data to create new bundles and trade show specials in order to more efficiently meet the customer's needs.

Sales projections have been obtained with the estimation that subscription boxes will be our most sold item, due to our first trade show sales and consumer research. Our most popular comfort product was projected to be our ultrasoft blanket from our consumer research, however trade show sales suggest that our eco friendly pillows are purchased more frequently. Projections for the subscription box are expected to rise steadily every month as our subscribers are likely to stay customers, and seasonal specials will keep purchases consistent year round. Due to the uniqueness of our product and the lack of many direct competitors, Ho'omaha feels confident that it will be able to achieve these projections.

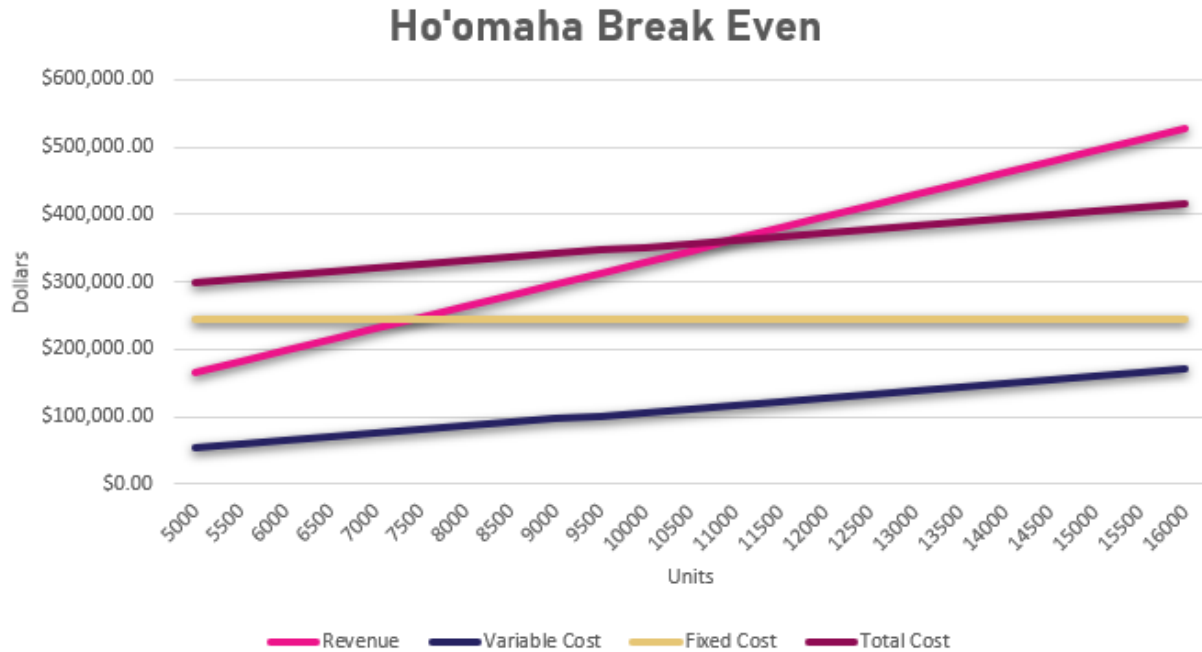
For our profit and loss projection, we have used our sales estimations to determine revenue and our predicted monthly budget to determine operating costs. With our current projections, Ho'omaha is expected to turn a reasonable profit by the end of our fiscal year. We believe this is an achievable expectation due to our sales on the first trade show with expected growth, as well as our market research.

To calculate our break-even point, Ho'omaha averaged the costs and retail prices of our four (4) products. We did this because it gives us an estimation of how much we need to earn while also leaving us the flexibility to have different demands for each product. This way if blankets are outselling pillows by a significant amount, neither product is being misrepresented in the break-even analysis. In order to break even, Ho'omaha must sell around 11,000 units of total product equating to around \$360,000. We feel that this is achievable within our first year here due to the projected sales exceeding the break-even point.



Based on our current financial projections and estimations, Ho'omaha is confident in its ability to sustain a profitable business that will meet and exceed its goals.

Break-Even Analysis:




- *The Break Even point is at \$362,427.30*

The average selling price of our products is \$33, and our average cost per sale is \$10.66 for a profit margin of 67.7%. Our fixed costs were calculated from our projected profit and loss statement for this fiscal year and totals \$245,359.07. Our break-even point is at 10,983 units of our averaged products sold, which can be broken down in many ways between our four (4) different product lines. Because of our strategy to average the costs and retail prices of our products together, a better way to judge our requirements to break even would be the dollar amount of \$362,437.30. With our current sales projections, we would hit that number by the end of the fiscal year.



Balance Sheet:

 Ho'omaha Balance Sheet As of November 30, 2020	
Assets	
Current Assets	
Cash	143,535
Other Current Assets	500
Accounts receivable	0
Merchandise inventory	71,288
Supplies	500
Total Current Assets	215,823
Fixed Assets	
Computers	7,346
Less: accumulated depreciation	
Furniture and fixtures	12,494
Less: accumulated depreciation	
Office equipment	865
Less: accumulated depreciation	
Total Fixed Assets	20,705
Total Assets	236,528
Liabilities and Stockholders' Equity	
Current Liabilities	
Accounts payable	
Sales tax payable	3,843
Salaries payable	
Payroll tax payable	7,346
401(k) payable	
Other payable	3,843
Corporate tax payable	
Total Current Liabilities	15,033
Long Term Liabilities	
Loan payable	98,539
	Value of our Loan Payment
Total Liabilities	113,572
Stockholders' Equity	
Common stock, \$10 par value, * # shares issued	150,000
Additional paid-in-capital	20000
In excess of par value	
Retained earnings	-47,044
Total Stockholders' Equity	122,956
Total Liabilities and Stockholders' Equity	236,528

- *Enough cash in our account to pay for four (4) months of expenses. Our assets have the same value as our liabilities and equity combined, meaning the accounting equation is in balance.*

The balance sheet shows a strong ability to pay off short term liabilities immediately if needed, as well as a well-stocked inventory and enough cash on hand to cover at least four (4) months of operating expenses. Ho'omaha pays its payroll and sales tax at the beginning of the next month which is why we have liabilities in these accounts. Ho'omaha has only had one (1) loan payment so far which is why the amount of long term liabilities is still close to \$100,000.



Sales Forecast:



Forecast Start Date **November 1 2020**

Ho'omaha Sales Forecast

Units Sold	Year 1						Total Units Sold
	Actual Nov	Projected Dec	Projected Jan	Projected Feb	Projected Mar	Projected Apr	
Subscription Boxes	1260	1400	1600	1900	2200	2400	10760
Pillows	80	100	120	150	200	250	900
Blankets	67	80	100	110	130	160	647
Stuffed Animals	66	80	100	110	130	160	646
Oil Singles	53	60	70	90	120	130	523
Unit Price	Avg Unit Price						
Subscription Boxes	\$40.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$48.33
Pillows	\$25.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$37.50
Blankets	\$25.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$37.50
Stuffed Animals	\$15.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$23.33
Oil Singles	\$5.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$9.17
Sales Growth Rate	Avg Growth Rate						
Subscription Boxes	0%	11%	14%	19%	16%	9%	14%
Pillows	0%	25%	20%	25%	33%	25%	26%
Blankets	0%	19%	25%	10%	18%	23%	19%
Stuffed Animals	0%	21%	25%	10%	18%	23%	19%
Oil Singles	0%	13%	17%	29%	33%	8%	20%
Revenue	(Units Sold * Unit Price)						Total Revenue
Subscription Boxes	\$50,400	\$70,000	\$80,000	\$95,000	\$110,000	\$120,000	\$525,400
Pillows	\$2,000	\$4,000	\$4,800	\$6,000	\$8,000	\$10,000	\$34,800
Blankets	\$1,675	\$3,200	\$4,000	\$4,400	\$5,200	\$6,400	\$24,875
Stuffed Animals	\$990	\$2,000	\$2,500	\$2,750	\$3,250	\$4,000	\$15,490
Oil Singles	\$265	\$600	\$700	\$900	\$1,200	\$1,300	\$4,965
Total Revenue	\$54,075	\$77,200	\$88,800	\$105,400	\$123,200	\$136,400	\$585,075
Unit COGS	Avg COGS						
Subscription Boxes	\$18.95	\$18.95	\$18.95	\$18.95	\$18.95	\$18.95	\$18.95
Pillows	\$11.75	\$11.75	\$11.75	\$11.75	\$11.75	\$11.75	\$11.75
Blankets	\$11.45	\$11.45	\$11.45	\$11.45	\$11.45	\$11.45	\$11.45
Stuffed Animals	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
Oil Singles	\$1.38	\$1.38	\$1.38	\$1.38	\$1.38	\$1.38	\$1.38
Margin Per Unit	(Unit Price - Unit COGS)						Avg Margin
Subscription Boxes	\$21.05	\$31.05	\$31.05	\$31.05	\$31.05	\$31.05	\$29.38
Pillows	\$13.25	\$28.25	\$28.25	\$28.25	\$28.25	\$28.25	\$25.75
Blankets	\$13.55	\$28.55	\$28.55	\$28.55	\$28.55	\$28.55	\$26.05
Stuffed Animals	\$13.50	\$23.50	\$23.50	\$23.50	\$23.50	\$23.50	\$21.83
Oil Singles	\$3.62	\$8.62	\$8.62	\$8.62	\$8.62	\$8.62	\$7.79
Gross Profit	(Revenue - COGS or Margin Per Unit * Units Sold)						Total Gross Profit
Subscription Boxes	\$26,523	\$43,470	\$49,880	\$58,995	\$68,310	\$74,520	\$321,498
Pillows	\$1,080	\$2,825	\$3,390	\$4,238	\$5,650	\$7,063	\$24,225
Blankets	\$908	\$2,284	\$2,855	\$3,141	\$3,712	\$4,568	\$17,467
Stuffed Animals	\$891	\$1,880	\$2,350	\$2,585	\$3,055	\$3,760	\$14,521
Stuffed Animals	\$192	\$517	\$603	\$776	\$1,034	\$1,121	\$4,243
Total Gross Profit	\$28,451	\$48,575	\$55,925	\$66,373	\$77,672	\$86,151	\$363,190

- Total expected Gross profit at 363,190. Total expected units sold at 17,006.



Ho'omaha has predicted steady growth among all of our product lines, but larger growth on our subscription boxes due to the expectation that with a purchase of our comfort products, the customer will also sign up for an oil subscription box. The longer a customer uses one of our comfort products the more likely they will be to stay signed up for our subscription service, and the more they use our subscription box, the higher the probability they will purchase additional comfort products. Our first month sales all came from our first trade show. While our comfort products did not even come close to our expectations, our subscription boxes exceeded them. After the first trade show, Ho'omaha decided that it was necessary to increase prices on our products as well as lower our expectations for sales of all products besides subscription boxes.

Profit and Loss Statement:

PROJECTED FIRST YEAR INCOME STATEMENT							
Ho'omaha							
For the Year ended April 30 2021							
	Actual October	Actual November	Projected December	Projected January	Projected February	Projected March	Projected April
Sales							
Business to Business	0	0	0	0	0	0	0
Trade Show Sales	0	58749.42	77200	88800	105400	123200	136400
Internet Sales	0	0	0	0	0	0	0
Cost of Goods Sold	0	25022.85	28621	32875	39027	45528	50249
GROSS PROFIT	\$ -	\$ 33,726.57	\$ 48,579.00	\$ 55,925.00	\$ 66,373.00	\$ 77,672.00	\$ 86,151.00
Operating Expenses							
Salary (Office & Overhead)	\$ 24,537.24	\$ 24,537.24	\$ 24,537.24	\$ 24,537.24	\$ 24,537.24	\$ 24,537.24	\$ 24,537.24
Payroll (taxes, etc.)	\$ 7,345.75	\$ 7,345.75	\$ 7,345.75	\$ 7,345.75	\$ 7,345.75	\$ 7,345.75	\$ 7,345.75
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rent	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Utilities	\$ 388.00	\$ 388.00	\$ 388.00	\$ 388.00	\$ 388.00	\$ 388.00	\$ 388.00
Interest	\$ -	\$ 437.50	\$ 431.11	\$ 424.69	\$ 418.29	\$ 411.76	\$ 405.26
Other Expenses:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	\$ 1,414.39	\$ 1,414.39	\$ 1,414.39	\$ 1,414.39	\$ 1,414.39	\$ 1,414.39	\$ 1,414.39
TOTAL OPERATING EXPENSES	\$ 34,685.38	\$ 35,122.88	\$ 35,116.49	\$ 35,110.07	\$ 35,103.67	\$ 35,097.14	\$ 35,090.64
NET PROFIT/LOSS BEFORE TAXES	\$ (34,685.38)	\$ (1,396.31)	\$ 13,462.51	\$ 20,814.93	\$ 31,269.33	\$ 42,574.86	\$ 51,060.36
Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET PROFIT/LOSS AFTER TAX	\$ (34,685.38)	\$ (1,396.31)	\$ 13,462.51	\$ 20,814.93	\$ 31,269.33	\$ 42,574.86	\$ 51,060.36
Owner draw or dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RETAINED EARNINGS	\$ (34,685.38)	\$ (1,396.31)	\$ 13,462.51	\$ 20,814.93	\$ 31,269.33	\$ 42,574.86	\$ 51,060.36

- We are expected to have positive retained earnings in December

To assure accuracy and allow for easier interpretation of the data, we decided to track revenue and expenses on a monthly basis. For future projected months, we used our sales projections to estimate revenue and our budget to estimate expenses. We only have trade show sales with revenue streams because at the moment we do not have any sales contracts or online sales to give a basis for future estimates.

Date	Name/Description/Acct#	Ref#	Amount	Balance
Nov. 30, 2020	Sailor Owen Moreno.32020.32020 (US013491), Haslet, TX Payroll Acct #630859663	5273989	-\$876.33	\$143,534.69

- Our Bank Balance as of November 30th, 2020