

**Income and Expense Statements
Five Year Projection**

APPENDIX 37

	Year 1	Year 2	Year 3	Year 4	Year 5	Average 5 years
REVENUES:						
Fee income	\$ 3,000,000	\$ 3,600,000	\$ 4,500,000	\$ 5,625,000	\$ 7,031,000	\$ 4,751,200
Investment income, net	\$ 100,000	\$ 104,000	\$ 108,000	\$ 112,000	\$ 117,000	108,200
TOTAL REVENUES	\$ 3,100,000	\$ 3,704,000	\$ 4,608,000	\$ 5,737,000	\$ 7,148,000	\$ 4,859,400
OPERATING EXPENSES:						
Labor Costs(Full-time Employment)						
Salaries and wages	\$ 610,000	\$ 641,000	\$ 769,000	\$ 961,000	\$ 1,249,000	\$ 846,000
Payroll taxes	\$ 38,000	\$ 40,000	\$ 48,000	\$ 60,000	\$ 79,000	53,000
Employee benefits	\$ 105,000	\$ 110,000	\$ 129,000	\$ 152,000	\$ 196,000	138,400
TOTAL LABOR COSTS	\$ 753,000	\$ 791,000	\$ 946,000	\$ 1,173,000	\$ 1,524,000	\$ 1,037,400
Local Purchase of Goods and services						
Occupancy costs	\$ 119,000	\$ 124,000	\$ 129,000	\$ 134,000	\$ 139,000	\$ 129,000
Advertising and Marketing	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	100,000
Research and Development	\$ 60,000	\$ 66,000	\$ 79,000	\$ 48,000	\$ 29,000	56,400
Charitable contributions	\$ 53,000	\$ 53,000	\$ 53,000	\$ 53,000	\$ 53,000	53,000
Utilities and telecommunications	\$ 70,000	\$ 73,000	\$ 76,000	\$ 79,000	\$ 82,000	76,000
Professional Services	\$ 55,000	\$ 57,000	\$ 59,000	\$ 62,000	\$ 64,000	59,400
Office supplies and postage	\$ 30,000	\$ 31,000	\$ 32,000	\$ 34,000	\$ 35,000	32,400
Insurance	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	40,000
EDC annual fees	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	8,000
Dues, Subscriptions and Licenses	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 5,000	4,200
Travel	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	5,000
IT- repairs and maintenance	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	5,000
TOTAL LOCAL EXPENSES	\$ 549,000	\$ 566,000	\$ 590,000	\$ 572,000	\$ 565,000	\$ 568,400
Expense Other Than Local						
Professional subscriptions	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	2,500
Dues, Subscriptions and Licenses	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	55,000
Professional services	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	50,000
TOTAL NON-LOCAL EXPENSES	\$ 107,500					
TOTAL OPERATING EXPENSES	\$ 1,409,500	\$ 1,464,500	\$ 1,643,500	\$ 1,852,500	\$ 2,196,500	\$ 1,713,300
NET PROFIT BEFORE TAXES	\$ 1,690,500	\$ 2,239,500	\$ 2,964,500	\$ 3,884,500	\$ 4,951,500	\$ 3,146,100

		Growth rate:	20%	25%	25%	25%			
	Notes on Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5	Average 5 years		Growth rate
REVENUES:									
Sales income	Assumes a growth rate as indicated above. Year 1 based on Original FIVI projected amount	3,000,000	3,600,000	4,500,000	5,625,000	7,031,250	4,751,250		
Investment income	Included to indicate that STC can derive investment income subject to benefits	100,000	104,000	108,160	112,486	116,986	108,326		4%
TOTAL REVENUES		3,100,000	3,704,000	4,608,160	5,737,486	7,148,236	4,859,576		
OPERATING EXPENSES:									
		Growth rate:	1.05	1.20	1.25	1.30			Growth rate
									Assumes adding more personal
Labor Costs(Full-time Employment)	Based on 6 employees - with increases: 5 % -Yr 2, 20% Yr3, 25% Yr 4, 30%- Yr 5	610,000	640,500	768,600	960,750	1,248,975	845,765		See supporting schedule for YR 1 salary base
Payroll taxes		38,357	40,275	48,330	60,412	78,536	53,182		
Employee benefits	Based on 6 employees - Yr 1 and 2, 7 -yr 3, 8-yr 4, 10- Yr 5 at \$1200 month per employee	104,700	109,935	128,898	152,087	195,869	138,298		With employee increase
TOTAL LABOR COSTS		753,057	790,710	945,828	1,173,249	1,523,380	1,037,245		
Local Purchase of Goods and services									
Occupancy costs	Based on 3,000 square foot office at \$30 ft plus \$8 cam and \$5K repair and maintenance - consistent with FTC	119,000	123,760	128,710	133,859	139,213	128,908		4%
Advertising and Marketing	Ball Park - Alternative would be % of revenue Yr 1- 1% rev. Yr 2 3 - 6 % Yr 4 5 4 % of revenues + 3% pension	100,000	100,000	100,000	100,000	100,000	100,000		
Research and Development	Ball Park - Alternative would be % of revenue 5% of revenues	60,000	66,000	79,200	47,520	28,512	56,246		Decrease in later yrs
Charitable contributions	As submitted in application \$50K plus BOE \$3K	53,000	53,000	53,000	53,000	53,000	53,000		
Utilities and telecommunications	Based on FTC usage	70,000	72,800	75,712	78,740	81,890	75,829		4%
Professional Services	BALL PARK	55,000	57,200	59,488	61,868	64,342	59,580		4%
Office supplies and postage	Based on FTC usage	30,000	31,200	32,448	33,746	35,096	32,498		4%
Insurance	Double FTC's	40,000	40,000	40,000	40,000	40,000	40,000		
EDC annual fees	Annual Compliance Fee Category IIA	7,500	7,500	7,500	7,500	7,500	7,500		
Dues, Subscriptions and Licenses	BALL PARK	4,000	4,160	4,326	4,499	4,679	4,333		
Travel	BALL PARK	5,000	5,000	5,000	5,000	5,000	5,000		
IT- repairs and maintenance	BALL PARK	5,000	5,000	5,000	5,000	5,000	5,000		
		548,500	565,620	590,385	570,732	564,233	567,894		
NON LOCAL									
Professional subscriptions	BALL PARK	2,500	2,500	2,500	2,500	2,500	2,500		
Dues, Subscriptions and Licenses	BALL PARK	55,000	55,000	55,000	55,000	55,000	55,000		
Professional	BALL PARK	50,000	50,000	50,000	50,000	50,000	50,000		
TOTAL NON-LOCAL EXPENSES		107,500	107,500	107,500	107,500	107,500	107,500		
TOTAL OPERATING EXPENSES		1,409,057	1,463,830	1,643,713	1,851,481	2,195,113	1,712,639		
NET PROFIT BEFORE TAXES		1,690,943	2,240,170	2,964,447	3,886,005	4,953,123	3,146,938		

APPENDIX 21

JOB TITLES & SALARIES

Job Title	Description	Salary
Chief Executive Officer	This position will provide leadership, develop networks of contacts, build effective management teams, articulate and champion a vision for the Applicant, and pursue the vision of the Applicant and its staff. It will develop and implement strategic objectives that support the Applicant's mission. The CEO will define strategic priorities and seek to align key performance indicators to the strategic priorities of the Applicant.	\$200,000
Chief Science Officer	The person in this position should have a Ph.D. in Biomedical Informatics and/or a medical degree with conceivably another degree in Computer Technology or Engineering. Primary responsibilities will be serving as head of research and development within the biomedical division of the Applicant. The CSO may liaise with governmental agencies and may need to present research updates. The CSO may also be responsible for hiring and firing his or her own staff, and assigning duties directly.	\$150,000
Data Base Manager	This position should have an advanced degree in Financial Engineering and/or Quantitative Research. Primary responsibilities will be the development of an operating plan and strategic objectives that support the <i>Algorithmic team</i> . The DBM will provide leadership to direct others in solving complex problems and will exercise authority to implement and initiate projects. This position will also be responsible for the introduction of new technology enhancement into the research area.	\$85,000
Technical Assistant	The TA will provide client support and technical issues resolution. The TA will configure software to connect to Internet application servers, have a general understanding of the operational systems and application operations related STC offered services, and identify, correct and/or advise, on operational issues in computer systems. The TA should have the ability to solve practical problems and deal with a variety of variables in situations where only limited standardization exists as well as have the ability to interpret a variety of instructions furnished in written, oral, diagram, or schedule form.	\$75,000
Accountant	The Accountant is responsible for applying accounting principles and procedures to analyze financial information, prepare accurate and timely financial reports and statements and ensure appropriate accounting control procedures.	\$60,000
Administrative Assistant	The AA will answer inbound phone calls, receive and direct visitors and clients and perform general clerical duties including photocopying, fax, and mailing (open, sort and distribute correspondence). This position will also retrieve documents from filing system, handle requests for information and data, resolve administrative problems and inquiries as well as prepare written responses to routine inquiries, schedule and coordinate meetings, appointments and travel arrangements for managers, prepare agendas for meetings and prepare schedules. The AA will also maintain office supply inventories, and coordinate maintenance of office equipment.	\$40,000

\$610,000