



## Current Year Financial

	Direct Materials 2011		
	Prepared Apple Products	Pick your Own Apples	Community Events
Cost of Apples			
Thousands of pounds of Braeburn	6,300	4,700	2,250
X average cost of Braeburn	\$ 358.00	\$ 358.00	\$ 358.00
	\$ 2,255,400	\$ 1,682,600	\$ 805,500
Thousands of pounds of Honeycrisp	4,150	2,500	1,725
X average cost of Honeycrisp	\$ 380.99	\$ 380.99	\$ 380.99
	\$ 1,581,109	\$ 952,475	\$ 657,208
Total cost of apples	\$ 3,836,509	\$ 2,635,075	\$ 1,462,708
Cost of other Ingredients			
Cost per case	\$ 0.44	\$ -	\$ -
X Number of cases	190,000		
	\$ 83,600	\$ -	\$ -
Total Direct Materials cost	\$ 3,920,109	\$ 2,635,075	\$ 1,462,708

	Direct Labor 2011		
	Prepared Apple Products	Pick your Own Apples	Community Events
Inspection, washing, peeling, coring	0.20	-	-
Saucing	0.08	-	-
Dicing	0.04	-	-
Cooking	0.12	-	-
Canning	0.10	-	-
Total hours per case	0.54	-	-
X # of cases	190,000	-	-
# of labor hours	102,600.00	-	-
X labor rate	\$ 8.85	\$ 8.85	\$ 8.85
Total labor cost	\$ 908,010.00	\$ -	\$ -

**2011 Income Statement**

	Prepared Apple Products	Pick Your Own Apples	Community Events*	Total
Net Revenue	\$ 6,621,468	\$ 2,273,180	\$ 2,110,560	\$ 11,005,208
Less:				
Cost of Goods Sold	(5,909,619)	(1,909,575)	(1,287,708)	(9,106,901)
Gross margin	<u>711,850</u>	<u>363,605</u>	<u>822,852</u>	<u>1,898,307</u>
	11%	16%	39%	17%
Less:				
Administration costs**				(1,045,000)
Interest on debt				(234,728)
Net income before taxes				618,579
Income taxes (40%)				<u>(247,432)</u>
Net income				<u><u>371,147</u></u>

\* Includes CSA, Educational programs, and festivals

**2011 Sales**

	Cases sold	Price/Case	Actual Revenue
Prepared Apple Products	157,654	\$ 42.00	\$ 6,621,468
Pick Your Own Apples	17,486	\$ 130.00	\$ 2,273,180
Community Events	4,397	\$ 480.00	\$ 2,110,560
			\$ 11,005,208

**2011 Cash Flows**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Full Year
Sales in the Quarter	\$ 2,751,302	\$ 2,751,302	\$ 2,751,302	\$ 2,751,302	\$ 11,005,208
75% collected in this quarter	2,063,477	2,063,477	2,063,477	2,063,477	8,253,906
25% collected from last quarter	650,000	687,826	687,826	687,826	2,713,477
Cash from sales	<u>2,713,477</u>	<u>2,751,302</u>	<u>2,751,302</u>	<u>2,751,302</u>	<u>10,967,383</u>
Less:					
Apple purchases	7,934,291	-	-	-	7,934,291
Direct labor	302,670	302,670	302,670	-	908,010
Other ingredients	27,867	27,867	27,867	-	83,600
Variable overhead	513,000	513,000	513,000	-	1,539,000
Fixed factory overhead	162,500	162,500	162,500	162,500	650,000
Administrative costs	261,250	261,250	261,250	261,250	1,045,000
Income taxes	61,858	61,858	61,858	61,858	247,432
Total cash expenses before interest	9,263,436	1,329,145	1,329,145	485,608	12,407,333
Cash Flow from Operations	<u>(6,549,959)</u>	<u>1,422,157</u>	<u>1,422,157</u>	<u>2,265,694</u>	<u>(1,439,950)</u>
Beginning Cash Balance	3,392,286	500,000	500,000	500,000	
Less: minimum cash reserves	500,000	500,000	500,000	500,000	
Cash available for operations	2,892,286	-	-	-	
New short-term borrowings	3,657,673	-	-	-	
Repayment of loan and interest	-	1,422,157	1,422,157	1,048,087	
Outstanding loan balance	3,657,673	2,235,516	813,358	-	
Interest at 3.5% per quarter	128,019	78,243	28,468	-	
Capital expenditures*	-	-	-	-	
Ending cash balance	500,000	500,000	500,000	1,717,607	

\*Company is planning to purchase an apple press, which is expected to have a seven-year life and no salvage value. Company uses a 8% cost of capital estimate. This press will be purchased and owned by our Prepared Products group.

	Prepared Apple Products	Pick your Own Apples	Community Events
	<b>COGS 2011</b>		

Beginning Inventory

Cost of goods processed:

Direct labor cost	908,010		
Direct materials cost	3,920,109	2,635,075	1,462,708
Factory overhead cost	2,189,000	-	-
Total Cost of processing	<u>7,017,119</u>	<u>2,635,075</u>	<u>1,462,708</u>
Available for sale	7,017,119	2,635,075	1,462,708
Less: Ending inventory	<u>(1,107,500)</u>	<u>(725,500)</u>	<u>(175,000)</u>
Cost of goods sold	<u><u>5,909,619</u></u>	<u><u>1,909,575</u></u>	<u><u>1,287,708</u></u>