

Estimated Operating Statement

	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
	32		32		32		32		32	
Number of Lanes	10,500		10,500		10,500		10,500		10,500	
Lineage / Lane	\$3.00		\$3.08		\$3.16		\$3.24		\$3.32	
Average Price / Game										
Gross Revenue										
Bowling	\$1,008,000	100.0%	\$1,034,880	100.0%	\$1,061,760	100.0%	\$1,088,640	100.0%	\$1,115,520	100.0%
Shoe Rental	100,800	10.0%	103,488	10.0%	106,176	10.0%	108,864	10.0%	111,552	10.0%
Pro Shop	45,360	4.5%	46,570	4.5%	47,779	4.5%	48,989	4.5%	50,198	4.5%
Arcade	99,840	9.9%	99,840	9.6%	99,840	9.4%	99,840	9.2%	99,840	9.0%
Vending	40,320	4.0%	41,395	4.0%	42,470	4.0%	43,546	4.0%	44,621	4.0%
Lounge	252,000	25.0%	258,720	25.0%	265,440	25.0%	272,160	25.0%	278,880	25.0%
Snack Bar	201,600	20.0%	206,976	20.0%	212,352	20.0%	217,728	20.0%	223,104	20.0%
#N/A	20,160	2.0%	20,698	2.0%	21,235	2.0%	21,773	2.0%	22,310	2.0%
#N/A	0		0		0		0		0	
#N/A	0		0		0		0		0	
#N/A	0		0		0		0		0	
Total	\$1,768,080		\$1,812,566		\$1,857,053		\$1,901,539		\$1,946,026	
Cost of Goods										
Pro Shop	\$29,938	66.0%	\$30,736	66.0%	\$31,534	66.0%	\$32,333	66.0%	\$33,131	66.0%
Arcade	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Vending	20,160	50.0%	20,698	50.0%	21,235	50.0%	21,773	50.0%	22,310	50.0%
Lounge	75,600	30.0%	77,616	30.0%	79,632	30.0%	81,648	30.0%	83,664	30.0%
Snack Bar	80,640	40.0%	82,790	40.0%	84,941	40.0%	87,091	40.0%	89,242	40.0%
#N/A	1,008	5.0%	1,035	5.0%	1,062	5.0%	1,089	5.0%	1,116	5.0%
#N/A	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
#N/A	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
#N/A	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	\$207,346	11.7%	\$212,875	11.7%	\$218,404	11.8%	\$223,933	11.8%	\$229,462	11.8%
Fixed Expenses										
Rental Payments	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Depreciation	1,001,943	56.7%	78,766	###	78,766	Err:503	78,766	Err:503	78,766	Err:503
Real Estate Taxes	22,400	1.3%	23,744	###	25,169	Err:503	26,679	Err:503	28,279	Err:503
Insurance	25,600	1.4%	27,136	###	28,764	Err:503	30,490	Err:503	32,319	Err:503
Interest	279,304	15.8%	-2,749,720	###	0	0.0%	0	0.0%	0	0.0%
Other Taxes	4,000	0.2%	4,240	###	4,494	Err:503	4,764	Err:503	5,050	Err:503
Total	\$1,333,247	75.4%	(\$2,615,834)	-144.3%	\$137,193	7.4%	\$140,699	7.4%	\$144,415	7.4%
Variable Expenses										
Payroll	\$388,978	22.0%	\$398,765	22.0%	\$408,552	22.0%	\$418,339	22.0%	\$428,126	22.0%
Payroll Tax	44,202	2.5%	45,314	2.5%	46,426	2.5%	47,538	2.5%	48,651	2.5%
Repair & Maint.	17,681	1.0%	36,251	2.0%	55,712	3.0%	76,062	4.0%	97,301	5.0%
Supplies	53,042	3.0%	54,377	3.0%	55,712	3.0%	57,046	3.0%	58,381	3.0%
Utilities	114,925	6.5%	117,817	6.5%	120,708	6.5%	123,600	6.5%	126,492	6.5%
Telephone	13,261	0.8%	13,594	0.8%	13,928	0.8%	14,262	0.8%	14,595	0.8%
Outside Services	26,521	1.5%	27,188	1.5%	27,856	1.5%	28,523	1.5%	29,190	1.5%
Promotion	53,042	3.0%	54,377	3.0%	55,712	3.0%	57,046	3.0%	58,381	3.0%
#N/A	70,723	4.0%	72,503	4.0%	74,282	4.0%	76,062	4.0%	77,841	4.0%
#N/A	0		0		0		0		0	
#N/A	0		0		0		0		0	
#N/A	0		0		0		0		0	
Total	\$782,375	44.3%	\$820,186	45.3%	\$858,887	46.3%	\$898,477	47.3%	\$938,957	48.3%
Total Cost & Expenses	\$2,322,968	131.4%	(\$1,582,773)	-87.3%	\$1,214,484	65.4%	\$1,263,109	66.4%	\$1,312,835	67.5%
General & Admin.	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Pre-Tax Profit (Loss)	(\$554,888)	-31.4%	\$3,395,339	187.3%	\$642,569	34.6%	\$638,430	33.6%	\$633,191	32.5%
Income Tax Liability	0		0		0		0		0	
Profit(Loss) After Tax	(\$554,888)		\$3,395,339		\$642,569		\$638,430		\$633,191	
Cash Flow Calculation										
Profit(Loss) After Tax	(\$554,888)		\$3,395,339		\$642,569		\$638,430		\$633,191	
Less: Principal Pmts.	137,080		2,749,720		0		0		0	
Plus: Depreciation	1,001,943		78,766		78,766		78,766		78,766	
Net Cash Flow	309,975		724,385		721,335		717,196		711,957	
Cumulative Net Cash Flow			\$1,034,361		\$1,755,695		\$2,472,891		\$3,184,848	

The appended notes are an integral part of this analysis.

	YEAR 6		YEAR 7		YEAR 8		YEAR 9		YEAR 10	
Number of Lanes	32		32		32		32		32	
Lineage / Lane	10,500		10,500		10,500		10,500		10,500	
Average Price / Game	\$3.40		\$3.48		\$3.56		\$3.64		\$3.72	
Gross Revenue										
Bowling	\$1,142,400	100.0%	\$1,169,280	100.0%	\$1,196,160	100.0%	\$1,223,040	100.0%	\$1,249,920	100.0%
Shoe Rental	114,240	10.0%	116,928	10.0%	119,616	10.0%	122,304	10.0%	124,992	10.0%
Pro Shop	51,408	4.5%	52,618	4.5%	53,827	4.5%	55,037	4.5%	56,246	4.5%
Arcade	99,840	8.7%	99,840	8.5%	99,840	8.3%	99,840	8.2%	99,840	8.0%
Vending	45,696	4.0%	46,771	4.0%	47,846	4.0%	48,922	4.0%	49,997	4.0%
Lounge	285,600	25.0%	292,320	25.0%	299,040	25.0%	305,760	25.0%	312,480	25.0%
Snack Bar	228,480	20.0%	233,856	20.0%	239,232	20.0%	244,608	20.0%	249,984	20.0%
#N/A	22,848	2.0%	23,386	2.0%	23,923	2.0%	24,461	2.0%	24,998	2.0%
#N/A	0		0		0		0		0	
#N/A	0		0		0		0		0	
#N/A	0		0		0		0		0	
Total	\$1,990,512		\$2,034,998		\$2,079,485		\$2,123,971		\$2,168,458	
Cost of Goods										
Pro Shop	\$33,929	66.0%	\$34,728	66.0%	\$35,526	66.0%	\$36,324	66.0%	\$37,123	66.0%
Arcade	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Vending	22,848	50.0%	23,386	50.0%	23,923	50.0%	24,461	50.0%	24,998	50.0%
Lounge	85,680	30.0%	87,696	30.0%	89,712	30.0%	91,728	30.0%	93,744	30.0%
Snack Bar	91,392	40.0%	93,542	40.0%	95,693	40.0%	97,843	40.0%	99,994	40.0%
#N/A	1,142	5.0%	1,169	5.0%	1,196	5.0%	1,223	5.0%	1,250	5.0%
#N/A	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
#N/A	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
#N/A	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	\$234,992	11.8%	\$240,521	11.8%	\$246,050	11.8%	\$251,579	11.8%	\$257,109	11.9%
Fixed Expenses										
Rental Payments	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Depreciation	78,766	Err:503	78,766	3.9%	78,766	3.8%	78,766	3.7%	78,766	3.6%
Real Estate Taxes	29,976	Err:503	31,775	1.6%	33,681	1.7%	35,702	1.8%	37,844	1.9%
Insurance	34,259	Err:503	36,314	1.8%	38,493	1.9%	40,803	2.0%	43,251	2.1%
Interest	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other Taxes	5,353	Err:503	5,674	0.3%	6,015	0.3%	6,375	0.3%	6,758	0.3%
Total	\$148,354	7.6%	\$152,529	7.5%	\$156,955	7.5%	\$161,646	7.6%	\$166,619	7.7%
Variable Expenses										
Payroll	\$388,978	22.0%	\$398,765	22.0%	\$408,552	22.0%	\$418,339	22.0%	\$428,126	22.0%
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#N/A	70,723	4.0%	72,503	4.0%	74,282	4.0%	76,062	4.0%	77,841	4.0%
#N/A	0		0		0		0		0	
#N/A	0		0		0		0		0	
#N/A	0		0		0		0		0	
Total	\$817,737	41.1%	\$838,312	41.2%	\$858,887	41.3%	\$879,462	41.4%	\$900,037	41.5%
Total Cost & Expenses	\$1,201,082	60.3%	\$1,231,362	60.5%	\$1,261,892	60.7%	\$1,292,687	60.9%	\$1,323,764	61.0%
General & Admin.	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Pre-Tax Profit (Loss)	\$789,430	39.7%	\$803,636	39.5%	\$817,593	39.3%	\$831,284	39.1%	\$844,693	39.0%
Income Tax Liability	0		0		0		0		0	
Profit(Loss) After Tax	\$789,430		\$803,636		\$817,593		\$831,284		\$844,693	
Cash Flow Calculation										
Profit(Loss) After Tax	789,430		803636.48		817592.93		831283.82		844693.24	
Less: Principal Pmts.	0		0		0		0		0	
Plus: Depreciation	78,766		78,766		78,766		78,766		78,766	
Net Cash Flow	868,196		882,403		896,359		910,050		923,459	
Cumulative Net Cash Flow	\$4,053,044		\$4,935,446		\$5,831,805		\$6,741,855		\$7,665,315	

The appended notes are an integral part of this analysis.