

Example: Explanation of Projections

These financial projections are based on the following assumptions and key points:

1. Year One is from September 1, 2009, to August 31, 2010.
2. E-book sales are expected but not included in these projections, as test marketing is not yet complete.
3. Book and CD projections are based on the assumption that roughly 220 units of each will be sold to Community Futures Development Corporation at distributor rates.
4. Unit 9 projections are based on the assumption that all 24 units will be sold to Community Futures Development Corporation.
5. Unit 12 projections are based on the assumption that the current management contract will continue through the forecasted period.
6. Based on points 3, 4 and 5 above, a total of \$66,040 of the Year One revenue is reasonably certain.
7. All unit prices are purposely estimated at conservative rates, while the Cost of Goods Sold calculations are on the high side, making the overall projections very conservative and quite attainable.