

# Union Capital Finance Corporation

2 Kings Court  
Little Rock, AR 72211  
(501) 224-9050 fax (501) 224-9048  
[www.unioncapitalfinance.net](http://www.unioncapitalfinance.net)

## Budget Assumptions

**Sales:** Sales projections are based upon sales for this type and size of store in similar demographic areas. A number of \_\_\_\_\_ franchisees were surveyed for sales of their stores and for validation to the reasonableness of these projections. Median sales for all \_\_\_\_\_ stores are about \$\_\_\_\_\_ per year. Note that \_\_\_\_\_ franchisees tend to have sales above the \_\_\_\_\_ average benchmarks.

**Cost of Goods Sold:** These figures are based upon surveys of \_\_\_\_\_ franchisees and of another national franchise. While the franchisees believe it does not take long to maintain a ratio in the \$\_\_\_\_\_, for conservative purposes, it is assumed the average will be \_\_\_\_% over the first year. Most franchisees feel it can reasonably be expected to be lower than this.

**Rent:** For these projections, rent is estimated based on \_\_\_\_\_ square feet at \$\_\_\_\_\_ base per square foot yearly, plus \$\_\_\_\_\_ CAM, taxes, merchant association fees and all other rent related costs. This reflects the actual asking cost of the center.

**Royalties:** The contractual payment to the franchisor is \_\_\_\_% of sales.

**Advertising Fee:** The contractual payment to the franchisor is \_\_\_\_% of sales

### Payroll Costs:

**Hourly Wages:** Initially, volume requirements will require only part-time help. The budget calls for \_\_\_\_ part-time employees who work a total of \_\_\_\_ hours each week at an hourly rate of \$\_\_\_\_\_.

**Owner's Salary:** A managerial salary of \$\_\_\_\_\_ is projected. The managerial function will be performed by \_\_\_\_\_.

**Marketing:** Additional marketing for promotions and direct mail campaigns have been calculated at \_\_\_\_% of revenues.

**Insurance, Utilities & Office supplies:** All estimates are based upon interviews with existing franchises and their actual costs.

**Professional Fees:** These fees are estimated to be \$\_\_\_\_\_/month for accounting and legal advice.

**Loan Payment:** The loan payment is calculated on a loan amount of \$\_\_\_\_\_ over 10 years at \_\_\_\_% interest rate.

Please Call Our Office with any Questions  
(501) 224-9050