

# Worksheet 1: Pro-forma for Proposed Business

**Name of Project:** \_\_\_\_\_ **Reviewer:** \_\_\_\_\_

**Industry Standard Used:** \_\_\_\_\_

Item	Applicant Projection	% of Total Revenues	Industry Standard
<b>1. Sales/Revenues</b>			
<b>2. Cost of Goods Sold</b>	\$0		
a. Purchase			
b. Production Labor - Beneficiaries			
c. Production Labor - Other			
d. Production Overhead			
<b>3. Gross Profit (Line 1 minus Line 2)</b>	\$0		
<b>4. Operating Expenses</b>			
a. Selling Expenses			
b. General Expenses			
c. Administrative			
d. Rent			
e. Depreciation			
f. Owner's Salary			
<b>5. Total Operating Expenses</b>	\$0		
<b>6. Operating Profit (Line 3 minus Line 5)</b>	\$0		
<b>7. Interest</b>			
<b>8. Earnings Before Taxes (Line 6 minus Line 7)</b>	\$0		
<b>9. Taxes</b>			
<b>10. Profit After Taxes (Line 8 minus Line 9)</b>	\$0		

**Analytical Questions**

1. Do the actual revenues and expenses, or the assumptions on which the pro-forma's revenues and expenses are based, appear reasonable based on your knowledge of the industry or market?
2. Are sales growing, or projected to grow, year over year?
3. If losses are projected, when is the company expecting to achieve profitability?
4. Are there resources available in case sales are lower, or expenses higher than projected?
5. How do the actual or projected gross profit and net profit margins compare to other companies in the industry?

**Notes:**

## Worksheet 2: Ratio Analysis

Name of Project: \_\_\_\_\_ Reviewer: \_\_\_\_\_

Industry Standard Used: \_\_\_\_\_

Item	Ratio Equation	Input A - First Number of Equation	Input B - Second Number of Equation	Applicant Value	Industry Standard
Working Capital	Current Assets - Current Liabilities				
Current Ratio	Current Assets / Current Liabilities				
Quick Ratio	(Cash + Investments + Accounts Receivable) / Current Liabilities				
% of Sales	Current Liabilities / Total Sales				
Days Operation in Cash	(Cash + Investments) / (Operating Expenses/365)				
Days Sales in Cash	(Cash + Investments)/(Total Sales/365)				
Debt Coverage Ratio	(Net Change in Cash + Interest Expense) / Current Maturities Long Term Debt				
Debt to Net Worth	Total Liabilities / Total Net Worth				
Current Liabilities to Net Worth	Total Current Liabilities / Total Net Worth				
Fixed Assets to Net Worth	Fixed Assets/ Total Net Worth				
Collection Period in Days	Accounts Receivable / Sales per Day (Sales per Day = Annual Sales/365)				
Payables Period in Days	Accounts Payable / (Cost of Goods Sold/365)				
Inventory Turnover	Cost of Goods Sold / Inventory at the End of the Year				
Fixed Asset Turnover	Total Sales / Net Fixed Assets				
Profit Margin	Profit After Taxes / Total Sales				
Return on Assets	Profit After Taxes / Total Assets				
Return on Net Worth	Profit After Taxes / Total Net Worth				

## Worksheet 3: Real Estate Analysis

Name of Project:

Reviewer:

Lender Standards:

Item	Ratio Equation	Input A - First Number of Equation	Input B - Second Number of Equation	Applicant Value	Industry Standard
Debt Coverage Ratio (DCR)	$(\text{Change in Cash} + \text{Mortgage Interest Expense}) / \text{Mortgage Payment (Current Maturities of Mortgage Loan} + \text{Mortgage Interest Expense)}$				
Loan to Value	$\text{Total Mortgage Loan} / \text{Appraised Value or Cost of Real Estate}$				
Return on Real Estate	$\text{Profit After Taxes} / \text{Net Value of Real Estate}$				

## Worksheet 4: Income Producing Real Estate

Name of Project:

Reviewer:

Lender Standards:

Item	Ratio Equation	Input - A First Number of the Equation	Input B - Second Number of the Equation	Applicant Value	Industry Standard
Debt Coverage Ratio (DCR)	Net Operating Income (NOI) / Mortgage Payment (Principal plus Interest)				
Loan to Value	Total Mortgage Loan / Appraised Value or Cost of Real Estate				
Cash on Cash Return on Investment	Net Cash Flow / Owner's Investment				