

**Assets**

	value
Stuff: servers, laptops, printers, furniture, cars, etc	\$40,000
Cash	\$300,000
<b>Total</b>	<b>\$340,000</b>

**Taxable Assets**

	value
Future owner profits	\$3,087,494
Accounts receivable	\$400,000
<b>Total</b>	<b>\$3,487,494</b>

**Future Profits**

	Profit
net profit	\$800,000
employee profit share	\$200,000
remainder of profits	\$600,000
retained earnings (rainy day)	\$0
owner profit to distribute	\$600,000
future owner profits, by year	
1	\$600,000
2	\$618,000
3	\$636,540
4	\$655,636
5	\$675,305
6	\$695,564
7	\$716,431
8	\$737,924
9	\$760,062
10	\$782,864
<b>NPV of future profits</b>	<b>\$3,087,494</b>

**Valuation Parameters**

current annual revenue	\$4,000,000
net margin	20.0%
rev growth rate, annual	3%
employee PS fraction	25%
discount rate	17%
tax rate	25%

**Historical Net Margin**

	Net margin
2009	18.0%
2010	22.0%
2011	19.0%
2012	21.0%
<b>average</b>	<b>20.0%</b>

**Liabilities**

	amount
Line of credit	\$0
401k PS future conts	\$50,000
Future taxes	\$871,873
<b>Total</b>	<b>\$921,873</b>

<b>Company value</b>	<b>\$2,905,620</b>
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