

Top-Line Balance Sheet Years 1-3	
<b>Initial Capitalization</b>	<b>\$ 30,000.00</b>
Year 1 Expenses	\$ (18,348.40)
Year 1 Revenue	\$ 10,592.00
<b>Year 2 Balance</b>	<b>\$ 22,243.60</b>
Year 2 Expenses	\$ (20,088.40)
Year 2 Revenue	\$ 17,372.00
<b>Year 3 Balance</b>	<b>\$ 19,527.20</b>
Year 3 Expenses	\$ (20,088.40)
Year 3 Revenue	\$ 25,316.00
<b>Year 4 Balance *Break-even Point</b>	<b>\$ 24,754.80</b>

Assumptions:  
 2 of 4 projects will include pre-sale campaigns w/ high-value premiums.  
 Offset runs of 500  
 Sales of first-year titles will start at 30% of run & increase by roughly 15% per release  
 Sales of previous releases will drop off by roughly 80% in subsequent years w/ some boost from later releases.  
 No costs or revenue for additional books or non-book projects are included in this estimate

Advance & Royalty Schedule  
 \$500 Advance  
 15% Royalties through earn-back  
 20% Royalties after earn-back  
 When 15% of all sales equals \$500 (~\$3400), royalty percentage steps up to 20%  
 Earn-back and step schedule simplified for P&L forecast

Expenses	
<b>Per-Book Costs</b>	
Offset Production Cost (500)	\$ 1,850.00
Limited Edition Run (50)	
Letterpress Covers	\$ 50.00
Digital Printing & Binding	\$ 350.00
Advance Copy Digital Run (50)	\$ 250.00
ISBN	\$ 125.00
Copyright	\$ 55.00
Barcode	\$ 23.00
Promotion Cost	\$ 500.00
SPD	\$ 25.00
Overages (20%)	\$ 645.60
<b>Total Per-Book Cost</b>	<b>\$ 3,873.60</b>
<b>Number of Book Projects</b>	<b>4 \$ 15,494.40</b>
<b>Annual Costs</b>	
<b>Fees &amp; Dues</b>	
CLMP	\$ 125.00
AWP	\$ 650.00
SPD	\$ 270.00
Overage (20%)	\$ 209.00
	\$ 1,254.00
<b>Operating Expenses</b>	
Web	\$ 180.00
Postage	\$ 120.00
Warehousing & Fulfillment	\$ 500.00
Equipment	\$ 100.00
Travel	\$ 300.00
Communication	\$ 150.00
Legal	\$ 100.00
Misc overage (20% of total)	\$ 290.00
	\$ 1,740.00
<b>Start-up Costs</b>	
Registration & Filing	\$ 350.00
Domains	\$ 50.00
Legal	\$ 150.00
Overage (20%)	\$ 110.00
	\$ 660.00
<b>Year 1 Total</b>	<b>\$ 3,654.00</b>
Add rent in Year 2	\$ 2,400.00
Subtract start-up costs	\$ (660.00)
<b>Subsequent to Year 1 Total</b>	<b>\$ 5,394.00</b>

Book Revenue Models		(Note: Model A includes a limited-edition pre-sale crowdfsource campaign.)									
<b>Potential Per-Title Earnings - A</b>											
(with pre-sale campaign)											
	ARC	Author Copies	Desk Copies	Pre-Sale Premiur	Wholesale	Retail	Comp	Archive	GROSS	NET	
Estimated Potential Revenue	\$	\$	\$	\$	2,000.00	\$ 1,650.00	\$ 5,500.00	\$	\$	\$ 9,150.00	\$ 7,420.00
Per Book Value	\$	\$	\$	\$	50.00	\$ 6.60	\$ 22.00	\$	\$		
Offset Print Run	500		8			250	250				
Digital ARC	50	30		15				5	2		
Limited Edition Run	50		4		40				6		
<b>Potential Per-Title Earnings - B</b>											
(without pre-sale campaign)											
	ARC	Author Copies	Desk Copies	Pre-Sale Premiur	Wholesale	Retail	Comp	Archive	GROSS	NET	
Estimated Potential Revenue	\$	\$	\$	\$	-	\$ 1,650.00	\$ 5,500.00	\$	\$	\$ 7,150.00	\$ 5,820.00
Per Book Value	\$	\$	\$	\$	50.00	\$ 6.60	\$ 22.00	\$	\$		
Offset Print Run	500		8			250	250		2		
Digital ARC	50	30		15				5			
Limited Edition Run	50		0		0				6		