

NCDCS, Inc. Financial Modeling Tool

The following document is designed and developed by NCDCS, Inc. and is copy written. The model is an example of a macro driven fully functional financial planning and management tool.

The Example in this pdf is a company that NCDCS, Inc. took to market in 2005. This is the original financial model that was used to validate the company, develop a funding and business plan.

The purpose of a financial model is to give the manager the ability to evaluate possibilities in relationship to reality. With any model, the ability to do 'What If' scenarios is critical to setting a financial strategy and validating present financial performance. The NCDCS, Inc. model allows you to perform these functions as well as develop statistics required for seeking funding/financing.

This model is not a daily tool like an accounting package would be. It is a cost effect 'Business Intelligence (BI)' tool for small businesses and non-profits. At this time, NCDCS, Inc. is developing a user guide to make using the tool more understandable. We are also working on automating several of the key insert and change functions. Notwithstanding these coming changes, We believe that the intellectual property involved in developing this model has compensatory value. With that, please contact us regarding the fully functional model.

“All good plans start with the fundamental components and are brought together to execute a Vision for success.”

This tool is not enabled for manipulation nor are all of the fields ungrouped.

NCDCS, Inc Proprietary

NCDCS - Debt with Factoring Income Statement

	2005	2006	2007	2008	2009
Revenue					
Total Revenue	3,501,423	23,927,300	49,345,990	99,632,975	206,617,760
COGS					
Total COGS	1,786,195	12,002,767	25,446,899	51,423,813	106,864,146
Gross Margin					
Total Gross Margin	1,715,228	11,924,533	23,899,091	48,209,162	99,753,614
Gross Margin %	49.0%	49.8%	48.4%	48.4%	48.3%
Expense					
Total Expense	1,323,801	8,935,600	16,900,575	30,611,040	58,125,732
EBITDA					
Depreciation/Amort.	391,426	2,988,933	6,998,516	17,598,122	41,627,882
	3,010	11,053	23,093	41,290	71,026
Operating Income	388,416	2,977,880	6,975,423	17,556,832	41,556,856
Other Income/(Expense)					
Interest Income	536	2,332	4,275	17,557	54,770
Interest Expense	(3,000)	(3,000)	(3,000)	0	0
Total Other Income/(Expense)	(2,464)	(668)	1,275	17,557	54,770
Pretax Income	385,952	2,977,212	6,976,697	17,574,390	41,611,626
Total Income Taxes	135,369	1,042,024	2,441,844	6,151,036	14,564,069
Net Income	250,583	1,935,188	4,534,853	11,423,354	27,047,557
	428,619	2,074,402	4,877,712	11,934,257	28,209,901

NCDCS, Inc Proprietary

NCDCS - Debt with Factoring

Balance Sheet

	2005	2006	2007	2008	2009
Assets					
Cash & Equivalents	233,168	427,451	1,755,715	5,476,973	18,750,975
Accounts Receivable	72,646	2,392,730	4,934,599	9,963,298	20,661,776
A/R Factoring	<u>(54,484)</u>	<u>(1,196,365)</u>	<u>(1,233,650)</u>	<u>0</u>	<u>0</u>
Net Accounts Receivable	18,161	1,196,365	3,700,949	9,963,298	20,661,776
Inventory	25,219	660,005	1,395,807	2,856,986	6,057,960
Prepaid Expenses	1,000	3,589	7,402	14,945	30,993
Other Current Assets	120	1,196	2,467	4,982	10,331
Plant & Equipment	18,100	55,850	163,350	356,350	708,850
Accum Depreciation	<u>(3,010)</u>	<u>(14,063)</u>	<u>(37,156)</u>	<u>(78,446)</u>	<u>(149,472)</u>
Net Plant & Equipment	15,090	41,787	126,194	277,904	559,378
Other Assets	500	2,393	4,935	9,963	20,662
Total Assets	293,258	2,332,786	6,993,469	18,605,051	46,092,075
Liabilities & Equity					
Notes Payable (STD)	0	0	0	0	0
Accounts Payable	35,003	134,034	253,509	459,166	871,886
Accrued Expenses	73	2,393	4,935	9,963	20,662
Other Liabilities	600	3,589	7,402	14,945	30,993
Long Term Debt (LTD)	30,000	30,000	30,000	0	0
Other Long Term Liabilities	0	0	0	0	0
Common Equity	7,000	7,000	7,000	7,000	7,000
Shareholder Distr. (Dividends)	0	0	0	0	0
Retained Earnings	220,582	2,155,770	6,690,623	18,113,977	45,161,534
Total Liabilities & Equity	293,258	2,332,786	6,993,469	18,605,051	46,092,075

NCDCS, Inc Proprietary

NCDCS - Debt with Factoring

Cash Flow

	2005	2006	2007	2008	2009
Operations					
Net Income	250,582	1,935,188	4,534,853	11,423,354	27,047,557
Depreciation/Amortization	3,010	11,053	23,093	41,290	71,026
Factoring Addback	54,484	1,141,881	37,285	(1,233,650)	0
Accounts Receivable (WC)	(72,646)	(2,320,084)	(2,541,869)	(5,028,699)	(10,698,479)
Accounts Payable (WC)	35,003	99,031	119,475	205,657	412,720
Inventory	(25,219)	(634,786)	(735,802)	(1,461,179)	(3,200,974)
Prepays & Accruals	(927)	(269)	(1,271)	(2,515)	(5,349)
Other	(20)	20	0	0	0
<i>Cash From Operations</i>	244,268	232,033	1,435,764	3,944,258	13,626,502
Investing					
Capital Spending	(18,100)	(37,750)	(107,500)	(193,000)	(352,500)
Sale of Assets/Dispositions					
<i>Cash From Investing</i>	(18,100)	(37,750)	(107,500)	(193,000)	(352,500)
Financing					
Shareholder Distributions / Div	0	0	0	0	0
NP Increase/(Decrease)	0	0	0	0	0
LTD Debt Issued/Repaid	0	0	0	(30,000)	0
Equity Issued/(Repurchased)	0	0	0	0	0
<i>Cash From Financing</i>	0	0	0	(30,000)	0
Change in Cash	226,168	194,283	1,328,264	3,721,258	13,274,002
Beginning Cash Balance	7,000	233,168	427,451	1,755,715	5,476,973
Change in Cash	226,168	194,283	1,328,264	3,721,258	13,274,002
Ending Cash Balance	233,168	427,451	1,755,715	5,476,973	18,750,975

**NCDCS - Debt with Factoring
Financial Ratios and Statistics**

	2005	2006	2007	2008	2009
Income Statement Highlights					
Revenue	\$3,501,423	\$23,927,300	\$49,345,990	\$99,632,975	\$206,617,760
Gross Margin	1,715,228	11,924,533	23,899,091	48,209,162	99,753,614
EBITDA	391,426	2,988,933	6,998,516	17,598,122	41,627,882
Operating Income	388,416	2,977,880	6,975,423	17,556,832	41,556,856
Net Income	250,583	1,935,188	4,534,853	11,423,354	27,047,557
Cash Flow Highlights					
Cash From Ops	244,268	232,033	1,435,764	3,944,258	13,626,502
Capital Spending	(18,100)	(37,750)	(107,500)	(193,000)	(352,500)
Free Cash Flow	226,168	194,283	1,328,264	3,751,258	13,274,002
Cumulative Free CF 2005-2009	226,168	420,451	1,748,715	5,499,973	18,773,975
Margin Highlights					
Gross Margin	49.0%	49.8%	48.4%	48.4%	48.3%
EBITDA Margin	11.2%	12.5%	14.2%	17.7%	20.1%
Operating Margin	11.1%	12.4%	14.1%	17.6%	20.1%
Net Margin	7.2%	8.1%	9.2%	11.5%	13.1%
Cash Flow Margin	7.0%	1.0%	2.9%	4.0%	6.6%
Growth Rates					
Revenue Growth Rate		583.4%	106.2%	101.9%	107.4%
Expense Growth Rate		575.0%	89.1%	81.1%	89.9%
EBITDA Growth Rate		663.6%	134.1%	151.5%	136.5%
Net Income Growth Rate		672.3%	134.3%	151.9%	136.8%
Cash Flow Growth Rate		-5.0%	518.8%	174.7%	245.5%
Revenue CAGR 2006-2009		105.2%			
Capital Returns					
Return on Common Equity	110.1%	89.5%	67.7%	63.0%	59.9%
Return on Permanent Capital (D+I)	97.3%	88.3%	67.4%	63.0%	59.9%
Return on Total Assets	85.4%	83.0%	64.8%	61.4%	58.7%
Financial Ratios					
EPS	\$0.05	\$0.39	\$0.91	\$2.28	\$5.41
Book Value per Share	\$0.05	\$0.43	\$1.34	\$3.62	\$9.03
Cash per Share	\$0.05	\$0.09	\$0.35	\$1.10	\$3.75
Effective Tax Rate	35.1%	35.0%	35.0%	35.0%	35.0%
Acct Rec / Revenue	2.1%	10.0%	10.0%	10.0%	10.0%
Capex / Total Revenue	0.5%	0.2%	0.2%	0.2%	0.2%
Capex / Incremental Rev		0.2%	0.0%	0.0%	0.0%
Debt Ratios					
Cash Flow / Total Debt	814.2%	773.4%	4785.9%	0.0%	0.0%
EBITDA / Total Debt	1304.8%	9963.1%	23328.4%	0.0%	0.0%
Debt / Equity Ratio	11.6%	1.4%	0.4%	0.0%	0.0%
Interest Coverage Ratios					
EBITDA interest Coverage	130.5	996.3	2,332.8	-	-
Pretax Interest Coverage	128.7	992.4	2,325.6	-	-
Effective Interest Expense Rate	10.0%	10.0%	10.0%	0.0%	0.0%
Employee/Expense Efficiency					
Revenue per Employee	\$ 291,785	\$ 725,070	\$ 850,793	\$ 1,082,967	\$ 1,377,452
SG&A per Employee	\$ 110,317	\$ 270,776	\$ 291,389	\$ 332,729	\$ 387,505
SG&A % of Revenue	37.8%	37.3%	34.2%	30.7%	28.1%
Labor % Opex	87.9%	69.6%	68.9%	67.6%	65.9%
Labor % Total Expense	37.4%	29.7%	27.5%	25.2%	23.2%
Sales Force Metrics					
Revenue per Sales Employee	\$ 3,501,423	\$ 5,981,825	\$ 7,049,427	\$ 8,302,748	\$ 10,330,888
Sales Exp per Sales Employee	\$ 441,644	\$ 664,128	\$ 726,486	\$ 815,837	\$ 971,858
Sales Exp % of Revenue	12.6%	11.1%	10.3%	9.8%	9.4%
Units per Sales Employee	4,162	5,566	6,451	7,520	9,225
Customers per Sales Employee	20	23	29	37	52
Business Metrics					
# of Employees	12	33	58	92	150
# of Customer Accounts	20	92	203	447	1,049
Customers per Employee	2	3	4	5	7
Revenue per Customer	\$ 175,071	\$ 260,079	\$ 243,084	\$ 222,893	\$ 196,966
Units Sold	4,162	22,265	45,160	90,240	184,490
Unit Growth Rate	-	435.0%	102.8%	99.8%	104.4%
Average Revenue per Unit	\$ 841	\$ 1,075	\$ 1,093	\$ 1,104	\$ 1,120

NCDACS, Inc Proprietary

NCDACS - Debt with Factoring Capital Assumptions & Requirements

		2005	2006	2007	2008	2009
Capital Funding Requirements						
STD Issued	Opening	0	0	0	0	0
STD (Repaid)	Balance	0	0	0	0	0
LTD Issued	30,000	0	0	0	0	0
LTD (Repaid)		0	0	0	(30,000)	0
Paid in Capital - Equity Issued	7,000	0	0	0	0	0
Dividends (Equity Distribution)		0	0	0	0	0
Total Capital Requirements	(30,000)	0	0	0	(30,000)	0

Capital Structure Assumptions

Average Shares Outstanding	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Year End Shares Outstanding	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

NCDCS, Inc Proprietary

NCDCS - Debt with Factoring OPEX

	2005	2006	2007	2008	2009	2005				
						Q 1	Q 2	Q 3	Q 4	Total
OPEX										
Expense Type										
Labor & Benefits	1,163,249	6,215,438	11,637,039	20,678,065	38,313,564	46,702	145,020	359,621	611,906	1,163,249
Materials & Supplies	51,691	275,585	554,618	1,088,961	2,194,694	2,995	6,568	15,944	26,184	51,691
Contract Services	9,700	71,570	139,024	257,770	495,600	850	2,100	3,050	3,700	9,700
Training, Travel & Ent	11,220	23,500	36,000	48,500	62,000	2,655	2,655	3,255	2,655	11,220
Rents & Leases	300	1,650	26,100	41,400	67,500	0	0	0	300	300
Utilities	11,025	59,400	104,400	165,600	270,000	525	1,350	4,200	4,950	11,025
Other	76,617	752,178	1,301,181	2,125,501	4,400,268	3,960	9,609	23,145	39,903	76,617
Total by Cost Type	1,323,801	7,399,321	13,798,362	24,405,797	45,803,625	57,687	167,301	409,215	689,598	1,323,801
Inc Statement Category										
Sales & Marketing	441,644	2,656,514	5,085,399	9,790,043	19,437,169	26,673	69,438	139,106	206,427	441,644
Operations	289,612	1,390,950	2,852,426	4,868,381	8,631,565	2,525	11,783	71,493	203,810	289,612
General & Administrative	539,752	2,990,109	5,113,897	8,241,533	14,616,992	25,786	79,702	182,748	251,516	539,752
R&D Expense	0	2,000	4,000	6,000	8,000	0	0	0	0	0
Operating Taxes & Other	52,794	359,748	742,640	1,499,840	3,109,899	2,703	6,378	15,868	27,845	52,794
Total by Category	1,323,801	7,399,321	13,798,362	24,405,797	45,803,625	57,687	167,301	409,215	689,598	1,323,801
Labor										
President	125,000	154,500	159,135	163,909	168,826	12,500	37,500	37,500	37,500	125,000
CFO	67,500	139,050	143,222	147,518	151,944	0	0	33,750	33,750	67,500
VP Sales	0	128,750	132,613	136,591	140,689	0	0	0	0	0
CTO / VP Eng	62,500	128,750	132,613	136,591	140,689	0	0	31,250	31,250	62,500
VP Manufacturing	104,167	128,750	132,613	136,591	140,689	10,417	41,667	31,250	31,250	114,583
VP Marketing	0	0	132,613	136,591	140,689	0	0	0	0	0
Office Manager	20,000	41,200	42,436	43,709	45,020	0	3,333	10,000	10,000	23,333
Sales Reps	30,000	247,200	445,578	786,763	1,350,611	0	0	15,000	15,000	30,000
Ops & Eng	64,167	504,700	1,113,945	1,912,272	3,308,996	0	5,833	23,333	35,000	64,167
G&A Support	23,333	164,800	339,488	524,509	900,407	0	3,333	10,000	10,000	23,333
Fin, HR, IT	35,000	370,800	572,886	1,049,018	1,688,263	0	5,000	15,000	15,000	35,000
Mid Mgmt	21,250	350,200	721,412	1,114,582	1,913,365	0	0	0	21,250	21,250
Other Employees	0	133,900	275,834	568,218	1,170,529	0	0	0	0	0
Open	0	0	0	0	0	0	0	0	0	0
Sales Com	306,457	2,139,850	4,349,923	8,680,281	17,701,872	16,001	37,933	92,601	159,922	306,457
Total Labor	969,374	4,972,350	9,309,631	16,542,452	30,650,851	38,918	120,850	299,684	509,922	969,374
Total Benefit Overheads	193,875	1,243,088	2,327,408	4,135,613	7,662,713	7,784	24,170	59,937	101,984	193,875
Total Labor & Benefits	1,163,249	6,215,438	11,637,039	20,678,065	38,313,564	46,702	145,020	359,621	611,906	1,163,249
Non-Labor										
General (uncategorized)	1,751	11,964	24,673	49,816	103,309	90	213	529	919	1,751
Supplies	2,500	5,000	10,000	15,000	20,000	250	750	750	750	2,500
Computer Supplies	3,600	19,800	34,800	55,200	90,000	100	450	1,400	1,650	3,600
Postage	600	1,104	2,436	5,364	12,588	150	150	150	150	600
Freight Customer Outbound	41,620	222,650	451,600	902,400	1,844,900	2,000	4,600	12,710	22,310	41,620
Printing	600	1,104	2,436	5,364	12,588	150	150	150	150	600
Test Product Supplies	0	2,000	4,000	6,000	8,000	0	0	0	0	0
Marketing Collateral	1,020	11,964	24,673	49,816	103,309	255	255	255	255	1,020
Total Materials & Supplies	400	5,000	10,000	15,000	20,000	0	0	0	400	400
Outsourcing	2,000	23,927	49,346	99,633	206,618	200	600	600	600	2,000
Legal Services	500	11,964	24,673	49,816	103,309	50	150	150	150	500
Accty/Tax Services	500	1,865	3,491	6,203	11,494	50	150	150	150	500
HR Services	1,800	1,836	1,910	2,027	2,194	450	450	450	450	1,800
Web Hosting	900	7,178	14,804	29,800	61,985	0	300	300	300	900
Advertising	3,600	19,800	34,800	55,200	90,000	100	450	1,400	1,650	3,600
IT Exp, Repairs & Maint										
Total Contract Services	6,000	8,000	12,000	16,000	20,000	1,500	1,500	1,500	1,500	6,000
Travel	1,200	4,000	6,000	8,000	10,000	300	300	300	300	1,200
Lodging	1,020	3,000	5,000	7,000	10,000	255	255	255	255	1,020
Entertainment & Meals	500	500	1,000	1,500	2,000	100	100	200	100	500
Car Rental	2,500	8,000	12,000	16,000	20,000	500	500	1,000	500	2,500
Training & Sem & T Shows										
Total Travel & Ent	0	0	23,200	36,800	60,000	0	0	0	0	0
Office Lease	300	1,650	2,900	4,600	7,500	0	0	0	300	300
Office Equipment										
Total Rents & Leases	7,315	39,600	69,600	110,400	180,000	315	900	2,800	3,300	7,315
Phones / LD / Cellular	3,710	19,800	34,800	55,200	90,000	210	450	1,400	1,650	3,710
Internet Connection										
Total Utilities	2,000	3,000	5,000	10,000	20,000	0	500	750	750	2,000
Insurance	52,522	358,910	740,190	1,494,495	3,099,266	2,703	6,378	15,868	27,573	52,522
B&O Taxes	272	838	2,450	5,345	10,633	0	0	0	272	272
Operating Taxes	17,507	119,637	246,730	498,165	1,033,089	901	2,126	5,289	9,191	17,507
Bad Debt	3,500	23,927	49,346	99,633	206,618	180	425	1,058	1,837	3,500
Credit Card Fees	116	2,000	2,000	3,000	4,000	26	30	30	30	116
Bank Fees / Finance Charges	0	239,273	246,730	0	0	0	0	0	0	0
Factoring Expense	0	1,000	2,000	2,500	3,000	0	0	0	0	0
Donations / Contributions	100	1,200	1,800	2,400	3,000	0	0	0	100	100
Subscriptions	600	2,393	4,935	9,963	20,662	150	150	150	150	600
Misc						0	0	0	0	0
Total Other	160,553	1,183,883	2,161,323	3,727,732	7,490,061	10,985	22,282	49,594	77,692	160,553
Total Non-Labor	160,553	1,183,883	2,161,323	3,727,732	7,490,061	10,985	22,282	49,594	77,692	160,553
Total OPEX	1,323,801	7,399,321	13,798,362	24,405,797	45,803,625	57,687	167,301	409,215	689,598	1,323,801

NCDCS, Inc Proprietary

Staffing Requirements

Total Staffing	2005	2006	2007	2008	2009	2005			
						Q 1	Q 2	Q 3	Q 4
President	1	1	1	1	1	1	1	1	1
CFO	1	1	1	1	1	0	0	1	1
VP Sales	1	1	1	1	1	0	0	0	0
CTO / VP Eng	1	1	1	1	1	0	0	1	1
VP Manufacturing	1	1	1	1	1	1	1	1	1
VP Marketing	0	0	1	1	1	0	0	0	0
Office Manager	1	1	1	1	1	0	0	1	1
Sales Reps	1	4	7	12	20	0	0	1	1
Ops & Eng	2	7	15	25	42	0	1	2	2
G&A Support	1	4	8	12	20	0	1	1	1
Fin, HR, IT	1	6	9	16	25	0	1	1	1
Mid Mgmt	1	4	8	12	20	0	0	0	1
Other	0	2	4	8	16	0	0	0	0
Total Staffing	12	33	58	92	150	2	5	10	11
Total Revenue	\$3,501,423	\$23,927,300	\$49,345,990	\$99,632,975	\$206,617,760				
Rev Per Position									
\$ Per Sales Rep	3,000,000	5,000,000	7,000,000	8,000,000	10,000,000				
\$ Per Ops & Eng	3,500,000	3,500,000	3,500,000	4,000,000	5,000,000				
\$ Per G&A	2,000,000	5,000,000	6,000,000	8,000,000	10,000,000				
\$ Per Fin, HR, IT	2,000,000	3,500,000	5,000,000	6,000,000	8,000,000				
\$ Per Mid Mgmt	2,000,000	5,000,000	6,000,000	8,000,000	10,000,000				

NCDCS, Inc Proprietary

NCDCS - Debt with Factoring Supporting Schedules

		2005	2006	2007	2008	2009	2005				
							Q 1	Q 2	Q 3	Q 4	Total
Capital Expenditures											
Demo Equipment	2000	4,500	8,000	14,000	24,000	40,000	4,500	0	0	0	4,500
PCs	500	13,100	16,500	29,000	46,000	75,000	3,800	5,400	2,640	1,260	13,100
Office Equipment & Supplies	50	500	1,650	2,900	4,600	7,500	120	140	120	120	500
Software		0	5,000	50,000	100,000	200,000	0	0	0	0	0
Other	200	0	6,600	11,600	18,400	30,000	0	0	0	0	0
Total CAPEX		18,100	37,750	107,500	193,000	352,500	8,420	5,540	2,760	1,380	18,100
Cumulative CAPEX		18,100	55,850	163,350	356,350	708,850	8,420	13,960	16,720	18,100	36,200
Book Depreciation											
Demo Equipment	3	1,306	4,166	8,832	15,332	25,997	181	375	375	375	1,306
PCs	5	1,665	5,920	11,720	20,920	35,920	93	369	570	633	1,665
Office Equipment & Supplies	7	39	307	721	1,378	2,449	2	8	13	16	39
Other	10	0	660	1,820	3,660	6,660	0	0	0	0	0
Total Book Depreciation		3,010	11,053	23,093	41,290	71,026	276	752	958	1,024	3,010
Accumulated Depreciation		3,010	14,063	37,156	78,446	149,472	276	1,028	1,986	3,010	6,020
State Income Tax											
Proportion outside WA	25%	4,144	29,772	69,767	175,744	416,116	320	539	1,144	2,141	4,144
Sales Commission Calculation											
Direct Video	10%	3,526	21,935	43,870	61,500	79,130	0	0	0	3,526	3,526
Wholesale Video	3%	0	0	0	0	0	0	0	0	0	0
HD Chasis	5%	0	5,397	37,791	113,373	340,119	0	0	0	0	0
HD Chasis Cards	5%	0	22,680	79,290	219,870	634,860	0	0	0	0	0
WiFi	10%	128,799	1,244,903	2,489,805	4,923,810	9,847,620	8,325	19,800	39,600	61,074	128,799
Components	10%	130,443	620,131	1,231,572	2,411,954	4,815,218	5,653	13,544	39,822	71,424	130,443
Software	5%	43,689	224,804	467,595	949,774	1,984,925	2,023	4,589	13,179	23,898	43,689
Consulting							0	0	0	0	0
Medical Box							0	0	0	0	0
Other							0	0	0	0	0
Total Commission		\$306,457	\$2,139,850	\$4,349,923	\$8,680,281	\$17,701,872	16,001	37,933	92,601	159,922	306,457
Commission per Sales Rep		\$153,229	\$427,970	\$543,740	\$667,714	\$842,946					
Inventory Expense											
Units											
Servers	20%	4	25	50	70	90	-	-	-	-	4
Cameras	20%	0	0	0	0	0	-	-	-	-	-
HD Chasis	10%	0	6	54	162	486	-	-	-	-	-
HD Chasis Cards	10%	0	36	133	359	1,022	-	-	-	-	-
WiFi	10%	6	295	590	1,160	2,320	3	3	5	6	6
Components	10%	80	1,877	3,714	7,308	14,576	18	18	60	80	80
Software	1%	13	307	638	1,295	2,706	3	3	9	13	13
Total		103	2,546	5,179	10,354	21,200	23	23	74	103	103
Pricing											
Servers		520	520	520	520	520	520	520	520	520	520
Cameras		618	618	618	618	618	618	618	618	618	618
HD Chasis		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
HD Chasis Cards		700	700	700	700	700	700	700	700	700	700
WiFi		450	450	450	450	450	450	450	450	450	450
Components		250	250	250	250	250	250	250	250	250	250
Software		45	45	45	45	45	45	45	45	45	45
Inventory \$											
Servers		2,080	13,000	26,000	36,400	46,800	-	-	-	-	2,080
Cameras		0	0	0	0	0	-	-	-	-	-
HD Chasis		0	6,000	54,000	162,000	486,000	-	-	-	-	-
HD Chasis Cards		0	25,200	93,100	251,300	715,400	-	-	-	-	-
WiFi		2,520	132,750	265,500	522,000	1,044,000	1,125	1,125	2,250	2,520	2,520
Components		20,025	469,250	928,500	1,827,000	3,644,000	4,375	4,375	14,925	20,025	20,025
Software		594	13,805	28,707	58,286	121,760	124	124	416	594	594
Total		\$25,219	\$660,005	\$1,395,807	\$2,856,986	\$6,057,960	5,624	5,624	17,591	25,219	25,219

NCDCS, Inc Proprietary

NCDCS - Debt with Factoring

High Density Chassis

	2005	2006	2007	2008	2009	2005				
						Q 1	Q 2	Q 3	Q 4	Total
Revenue										
Direct Video	35,260	219,350	438,700	615,000	791,300	0	0	0	35,260	35,260
HD Chasis	0	107,940	755,820	2,267,460	6,802,380	0	0	0	0	0
HD Chasis Cards	0	453,600	1,585,800	4,397,400	12,697,200	0	0	0	0	0
WiFi	1,287,990	12,449,025	24,898,050	49,238,100	98,476,200	83,250	198,000	396,000	610,740	1,287,990
Components	1,304,423	6,201,310	12,315,720	24,119,540	48,152,180	56,525	135,430	398,219	714,249	1,304,423
Software	873,750	4,496,075	9,351,900	18,995,475	39,698,500	40,450	91,775	263,575	477,950	873,750
Total Revenue	3,501,423	23,927,300	49,345,990	99,632,975	206,617,760	180,225	425,205	1,057,794	1,838,199	3,501,423
COGS										
Direct Video	15,800	97,425	194,850	273,850	352,850	0	0	0	15,800	15,800
HD Chasis	0	60,000	540,000	1,620,000	4,860,000	0	0	0	0	0
HD Chasis Cards	0	252,000	931,000	2,513,000	7,154,000	0	0	0	0	0
WiFi	713,575	6,469,170	13,478,340	26,636,680	53,273,360	46,075	109,650	219,300	338,550	713,575
Components	788,035	3,743,707	7,432,024	14,551,658	29,047,926	34,096	81,731	240,614	431,594	788,035
Software	268,785	1,380,465	2,870,685	5,828,625	12,176,010	12,420	28,215	81,045	147,105	268,785
Total COGS	1,786,195	12,002,767	25,446,899	51,423,813	106,864,146	92,591	219,596	540,959	933,049	1,786,195
Gross Margin	1,715,228	11,924,533	23,899,091	48,209,162	99,753,614	87,634	205,609	516,835	905,150	1,715,228
Gross Margin %	49%	50%	48%	48%	48%	49%	48%	49%	49%	49%
OPEX										
Direct Video	0	0	0	0	0	0	0	0	0	0
HD Chasis	0	24,318	55,233	125,698	317,095	0	0	0	0	0
HD Chasis Cards	0	38,144	88,432	215,896	572,888	0	0	0	0	0
WiFi	0	497,961	995,922	1,969,524	3,939,048	0	0	0	0	0
Components	0	248,052	492,629	964,782	1,926,087	0	0	0	0	0
Software	0	229,843	474,076	959,819	1,627,940	0	0	0	0	0
Total Opex	0	1,038,318	2,106,292	4,235,719	8,383,058	0	0	0	0	0
Operating Contribution	1,715,228	10,886,215	21,792,799	43,973,443	91,370,556	87,634	205,609	516,835	905,150	1,715,228
Operating Margin	49%	45%	44%	44%	44%	49%	48%	49%	49%	49%
Total Units	4,162	22,265	45,160	90,240	184,490	200	460	1,271	2,231	4,162
Total Customers	20	92	203	447	1,049	0	0	0	4	4
Units per Customer	208	242	222	201	175	#DIV/0!	#DIV/0!	#DIV/0!	557	1040
Revenue per Customer	\$175,071	\$260,079	\$243,084	\$222,893	\$196,966	#DIV/0!	#DIV/0!	#DIV/0!	\$459,550	\$875,356
Total Software Units	5,973	30,677	63,793	129,525	270,578	276	627	1,801	3,269	5,973
Revenue Distribution										
Direct Video	1%	1%	1%	1%	0%					
HD Chasis	-	0%	2%	2%	3%					
HD Chasis Cards	-	2%	3%	4%	6%					
WiFi	37%	52%	50%	49%	48%					
Components	37%	26%	25%	24%	23%					
Software	25%	19%	19%	19%	19%					
Total	100%	100%	100%	100%	100%					
Margin \$ Distribution										
Direct Video	1%	1%	1%	1%	0%					
HD Chasis	-	0%	1%	1%	2%					
HD Chasis Cards	-	2%	3%	4%	6%					
WiFi	33%	50%	48%	47%	45%					
Components	30%	21%	20%	20%	19%					
Software	35%	26%	27%	27%	28%					
Total	100%	100%	100%	100%	100%					

NCDCS, Inc Proprietary

NCDCS - Debt with Factoring

Direct Sales

	2005	2006	2007	2008	2009
Revenue					
Camera	0	0	0	0	0
Server	0	0	0	0	0
Server Wi Fi	0	0	0	0	0
Server 4 Port LS	17,220	129,150	258,300	344,400	430,500
Server VGA	18,040	90,200	180,400	270,600	360,800
Starter Kit	0	0	0	0	0
RIP Strip	0	0	0	0	0
Storage Web 80GB	0	0	0	0	0
Storage 360GB RAID5	0	0	0	0	0
Storage 540GB RAID5	0	0	0	0	0
Storage 750GB RAID5	0	0	0	0	0
Storage Vault 10.5TB	0	0	0	0	0
Other					
Total Revenue	35,260	219,350	438,700	615,000	791,300

COGS

Camera	0	0	0	0	0
Server	0	0	0	0	0
Server Wi Fi	0	0	0	0	0
Server 4 Port LS	7,320	54,900	109,800	146,400	183,000
Server VGA	8,380	41,900	83,800	125,700	167,600
Starter Kit	0	0	0	0	0
RIP Strip	0	0	0	0	0
Storage Web 80GB	0	0	0	0	0
Storage 360GB RAID5	0	0	0	0	0
Storage 540GB RAID5	0	0	0	0	0
Storage 750GB RAID5	0	0	0	0	0
Storage Vault 10.5TB	0	0	0	0	0
Freight (from Vsee)	5 100	625	1,250	1,750	2,250
Total COGS	15,800	97,425	194,850	273,850	352,850
Gross Margin \$	19,460	121,925	243,850	341,150	438,450
Gross Margin %	55.2%	55.6%	55.6%	55.5%	55.4%

Assumptions

	List Price	Discount Level	Sales Price	Net Cost	Net Margin
Camera	1,750	18%	1,435	618	817
Server	1,550	18%	1,271	520	751
Server Wi Fi	1,750	18%	1,435	618	817
Server 4 Port LS	2,100	18%	1,722	732	990
Server VGA	2,200	18%	1,804	838	966
Starter Kit	3,300	18%	2,706	1,138	1,568
RIP Strip	2,400	18%	1,968	885	1,083
Storage Web 80GB	1,300	18%	1,066	640	426
Storage 360GB RAID5	7,000	18%	5,740	3,471	2,269
Storage 540GB RAID5	8,000	18%	6,560	3,948	2,612
Storage 750GB RAID5	9,500	18%	7,790	4,720	3,070
Storage Vault 10.5TB	91,000	18%	74,620	45,496	29,124
Other					

Units Sold

	2005	2006	2007	2008	2009
Camera	0	0	0	0	0
Server	0	0	0	0	0
Server Wi Fi	0	0	0	0	0
Server 4 Port LS	10	75	150	200	250
Server VGA	10	50	100	150	200
Starter Kit	0	0	0	0	0
RIP Strip	0	0	0	0	0
Storage Web 80GB	0	0	0	0	0
Storage 360GB RAID5	0	0	0	0	0
Storage 540GB RAID5	0	0	0	0	0
Storage 750GB RAID5	0	0	0	0	0
Storage Vault 10.5TB	0	0	0	0	0
Other					
Total Units	20	125	250	350	450
Units per Customer	10	525%	100%	40%	29%
Total Customers	2	13	25	35	45
Revenue per Customer	17,630	16,873	17,548	17,571	17,584
200 channel viewer	25	175	350	475	600
pro-viewer	26	142	283	410	538

NCDCS, Inc Proprietary

NCDCS - Debt with Factoring

High Density Chassis

	2005	2006	2007	2008	2009
Revenue					
Direct	0	107,940	323,820	971,460	2,914,380
Wholesale	0	0	432,000	1,296,000	3,888,000
OEM	0	0	0	0	0
Other	0	0	0	0	0
Other	0				
Total Revenue	0	107,940	755,820	2,267,460	6,802,380
COGS					
Direct	0	60,000	180,000	540,000	1,620,000
Wholesale	0	0	360,000	1,080,000	3,240,000
OEM	0	0	0	0	0
Other	0	0	0	0	0
Other	0				
Total COGS	0	60,000	540,000	1,620,000	4,860,000
Gross Margin \$	0	47,940	215,820	647,460	1,942,380
Gross Margin	-	44%	29%	29%	29%
OPEX					
Other	0	0	0	0	0
Supplies	0	5,000	10,000	20,000	30,000
Travel	0	5,000	5,000	5,000	5,000
Licensing	0	10,000	10,000	10,000	10,000
SG&A Load	4%	0	4,318	30,233	90,698
Total OPEX	0	24,318	55,233	125,698	317,095
Operating Contribution	0	23,622	160,587	521,762	1,625,285
Operating Margin	-	22%	21%	23%	24%
Unit Pricing					
	List Price	Discount Level	Sales Price	Net Cost	Net Margin
Direct	1,999	10%	1,799	1,000	79%
Wholesale	1,200	0%	1,200	1,000	20%
OEM	1,100	0%	1,100	1,000	10%
Other					
Other					
Units Sold					
Direct	0	60	180	540	1620
Wholesale	0		360	1080	3240
OEM	0			0	0
Other					
Other					
Total Units	0	60	540	1,620	4,860
Units per Customer	6	-	800%	200%	200%
Total Customers	2	10	30	90	270
Revenue per Customer	0	10,794	25,194	25,194	25,194

NCDCS, Inc Proprietary

NCDCS - Debt with Factoring High Density Chassis Cards (4-channel)

	2005	2006	2007	2008	2009
Revenue					
Direct	0	453,600	1,360,800	4,082,400	12,247,200
Wholesale	0	0	225,000	315,000	450,000
OEM	0	0	0	0	0
Other	0	0	0	0	0
Other					
Total Revenue	0	453,600	1,585,800	4,397,400	12,697,200
COGS					
Direct	0	252,000	756,000	2,268,000	6,804,000
Wholesale	0	0	175,000	245,000	350,000
OEM	0	0	0	0	0
Other	0	0	0	0	0
Other					
Total COGS	0	252,000	931,000	2,513,000	7,154,000
Gross Margin \$	0	201,600	654,800	1,884,400	5,543,200
Gross Margin	-	44%	41%	43%	44%
OPEX					
Other	0	0	0	0	0
Supplies	0	5,000	10,000	25,000	50,000
Travel	0	5,000	5,000	5,000	5,000
Licensing	0	10,000	10,000	10,000	10,000
SG&A Load	4%	18,144	63,432	175,896	507,888
Total OPEX	0	38,144	88,432	215,896	572,888
Operating Contribution	0	163,456	566,368	1,668,504	4,970,312
Operating Margin	-	36%	36%	38%	39%
Unit Pricing					
	List Price	Discount Level	Sales Price	Net Cost	Net Margin
Direct	1,400	10%	1,260	700	560
Wholesale	1,000	10%	900	700	200
OEM	900	10%	810	700	110
Other					
Other					
Units Sold					
Direct	0	360	1080	3240	9720
Wholesale	0		250	350	500
OEM	0			0	0
Other					
Other					
Total Units	0	360	1,330	3,590	10,220
Units per Customer	6	-	269%	170%	185%
Total Customers	2	10	30	90	270
Revenue per Customer	0	45,360	52,860	48,860	47,027
200 channel viewer	0	144	532	1,436	4,088
pro-viewer	0	1,296	4,788	12,924	36,792

NCDACS, Inc Proprietary

NCDACS - Debt with Factoring WiFi

	2005	2006	2007	2008	2009
Revenue					
Container	0	0	0	0	0
Ports & water ways	2,790	279,000	558,000	1,116,000	2,232,000
Cities / Enterprise	13,950	558,000	1,116,000	1,674,000	3,348,000
Cascade	582,750	2,664,000	5,328,000	10,656,000	21,312,000
Cascade C	688,500	3,672,000	7,344,000	14,688,000	29,376,000
Teton	673,200	3,060,000	6,120,000	12,240,000	24,480,000
Catskill	110,250	441,000	882,000	1,764,000	3,528,000
Catskill C	576,000	1,152,000	2,304,000	4,608,000	9,216,000
Cheyenne	90,000	180,000	360,000	720,000	1,440,000
Cumberland	112,500	225,000	450,000	900,000	1,800,000
Independence	72,000	144,000	288,000	576,000	1,152,000
Naches	10,575	52,875	105,750	211,500	423,000
Repeater	4,230	21,150	42,300	84,600	169,200
Other	0	0	0	0	0
Total Revenue	2,936,745	12,449,025	24,898,050	49,238,100	98,476,200

COGS					
Container	0	0	0	0	0
Ports & water ways	1,600	160,000	320,000	640,000	1,280,000
Cities / Enterprise	8,000	50,000	640,000	960,000	1,920,000
Cascade	322,525	1,474,400	2,948,800	5,897,600	11,795,200
Cascade C	381,450	2,034,400	4,068,800	8,137,600	16,275,200
Teton	358,600	1,630,000	3,260,000	6,520,000	13,040,000
Catskill	56,350	225,400	450,800	901,600	1,803,200
Catskill C	318,400	636,800	1,273,600	2,547,200	5,094,400
Cheyenne	34,780	69,560	139,120	278,240	556,480
Cumberland	47,150	94,300	188,600	377,200	754,400
Independence	30,800	61,600	123,200	246,400	492,800
Naches	4,485	22,425	44,850	89,700	179,400
Repeater	2,057	10,285	20,570	41,140	82,280
Other	0	0	0	0	0
Total COGS	1,566,197	6,469,170	13,478,340	26,636,680	53,273,360
Gross Margin \$	1,370,548	5,979,855	11,419,710	22,601,420	45,202,840
Gross Margin	47%	48%	46%	46%	46%

OPEX					
Other	0	0	0	0	0
Supplies	0	0	0	0	0
Travel	0	0	0	0	0
Licensing	0	0	0	0	0
SG&A Load	4%	497,961	995,922	1,969,524	3,939,048
Total OPEX	0	497,961	995,922	1,969,524	3,939,048
Operating Contribution	1,370,548	5,481,894	10,423,788	20,631,896	41,263,792
Operating Margin	47%	44%	42%	42%	42%

Unit Pricing	List Price	Discount Level	Sales Price	Net Cost	Net Margin
Container	900	10%	810	450	360
Ports & water ways	3,100	10%	2,790	1,600	1,190
Cities / Enterprise	3,100	10%	2,790	1,600	1,190
Cascade	3,700	10%	3,330	1,843	1,487
Cascade C	5,100	10%	4,590	2,543	2,047
Teton	6,800	10%	6,120	3,260	2,860
Catskill	4,900	10%	4,410	2,254	2,156
Catskill C	6,400	10%	5,760	3,184	2,576
Cheyenne	10,000	10%	9,000	3,478	5,522
Cumberland	2,500	10%	2,250	943	1,307
Independence	1,600	10%	1,440	616	824
Naches	2,350	10%	2,115	897	1,218
Repeater	4,700	10%	4,230	2,057	2,173
Other			0		0

Units Sold	2005	2006	2007	2008	2009
Container	0	0	0	0	0
Ports & water ways	1	100	200	400	800
Cities / Enterprise	5	200	400	600	1200
Cascade	175	800	1600	3200	6400
Cascade C	150	800	1600	3200	6400
Teton	110	500	1000	2000	4000
Catskill	25	100	200	400	800
Catskill C	100	200	400	800	1600
Cheyenne	10	20	40	80	160
Cumberland	50	100	200	400	800
Independence	50	100	200	400	800
Naches	5	25	50	100	200
Repeater	1	5	10	20	40
Other	0				
Total Units	682	2,950	5,900	11,600	23,200

Units per Customer	50	333%	100%	97%	100%
Total Customers	14	59	118	232	464
Revenue per Customer	209,768	211,000	211,000	212,233	212,233

Software Calculation					
200 channel viewer	181	2,920	5,840	11,480	22,960

Component Calculation					
LiLin Camera & Mounting	576	2,720	5,440	10,680	21,360
Vagi Antenna & Mounting	570	2,420	4,840	9,680	19,360
All Units	331	2,950	5,900	11,600	23,200

NCDCS, Inc Proprietary

NCDCS - Debt with Factoring Mobile Encoders

	2005	2006	2007	2008	2009
Revenue					
Merit-Li-Lin PIH-7625	907,200	4,284,000	8,568,000	16,821,000	33,642,000
Merit-Li-Lin OD enclosure	259,200	1,224,000	2,448,000	4,806,000	9,612,000
LiLin OD mounting kit	44,352	209,440	418,880	822,360	1,644,720
2.4GHz 16dbi Vagi Antenna	43,890	186,340	372,680	745,360	1,490,720
Universal Mounts Normal Length	13,110	55,660	111,320	222,640	445,280
10 ft. N-Male to N-Male cable	20,520	87,120	174,240	348,480	696,960
Power Cable - 12'	7,613	67,850	135,700	266,800	533,600
EZbridge 200mw w/NEMA	5,670	63,000	63,000	63,000	63,000
7dBi Vert Plrzd Omni, 5 Deg	1,464	12,200	12,200	12,200	12,200
2.4GHzVPOL Sctr Ant 9dbi 90d	702	5,850	5,850	5,850	5,850
9dBi 120Deg 2.4GHzVPL Sctr A	702	5,850	5,850	5,850	5,850
Other	0	0	0	0	0
Other	0	0	0	0	0
Other	0	0	0	0	0
Other	0	0	0	0	0
Other	0	0	0	0	0
Total Revenue	1,304,423	6,201,310	12,315,720	24,119,540	48,152,180

COGS					
Merit-Li-Lin PIH-7625	564,480	2,665,600	5,331,200	10,466,400	20,932,800
Merit-Li-Lin OD enclosure	144,000	680,000	1,360,000	2,670,000	5,340,000
LiLin OD mounting kit	25,920	122,400	244,800	480,600	961,200
2.4GHz 16dbi Vagi Antenna	24,482	103,939	207,878	415,756	831,512
Universal Mounts Normal Length	7,382	31,339	62,678	125,356	250,712
10 ft. N-Male to N-Male cable	13,082	55,539	111,078	222,156	444,312
Power Cable - 12'	3,310	29,500	59,000	116,000	232,000
EZbridge 200mw w/NEMA	3,798	42,200	42,200	42,200	42,200
7dBi Vert Plrzd Omni, 5 Deg	827	6,895	6,895	6,895	6,895
2.4GHzVPOL Sctr Ant 9dbi 90d	378	3,148	3,148	3,148	3,148
9dBi 120Deg 2.4GHzVPL Sctr A	378	3,148	3,148	3,148	3,148
Other	0	0	0	0	0
Other	0	0	0	0	0
Other	0	0	0	0	0
Other	0	0	0	0	0
Other	0	0	0	0	0
Total COGS	788,035	3,743,707	7,432,024	14,551,658	29,047,926
Gross Margin \$	516,388	2,457,603	4,883,696	9,567,882	19,104,254
Gross Margin	40%	40%	40%	40%	40%

OPEX					
Other	0	0	0	0	0
Supplies	0	0	0	0	0
Travel	0	0	0	0	0
Licensing	0	0	0	0	0
SG&A Load	4%	248,052	492,629	964,782	1,926,087
Total OPEX	0	248,052	492,629	964,782	1,926,087
Operating Contribution	516,388	2,209,551	4,391,067	8,603,100	17,178,167
Operating Margin	40%	36%	36%	36%	36%

Unit Pricing	List Price	Discount Level	Sales Price	Net Cost	Net Margin
Merit-Li-Lin PIH-7625	1,750	10%	1,575	980	595
Merit-Li-Lin OD enclosure	500	10%	450	250	200
LiLin OD mounting kit	85	10%	77	45	32
2.4GHz 16dbi Vagi Antenna	85	10%	77	43	34
Universal Mounts Normal Length	25	10%	23	13	10
10 ft. N-Male to N-Male cable	40	10%	36	23	13
Power Cable - 12'	25	10%	23	10	13
EZbridge 200mw w/NEMA	350	10%	315	211	104
7dBi Vert Plrzd Omni, 5 Deg	135	10%	122	69	53
2.4GHzVPOL Sctr Ant 9dbi 90d	130	10%	117	63	54
9dBi 120Deg 2.4GHzVPL Sctr A	130	10%	117	63	54
Other			0		0
Other			0		0
Other			0		0
Other			0		0
Other			0		0

Units Sold	2005	2006	2007	2008	2009
Merit-Li-Lin PIH-7625	576	2,720	5,440	10,680	21,360
Merit-Li-Lin OD enclosure	576	2,720	5,440	10,680	21,360
LiLin OD mounting kit	576	2,720	5,440	10,680	21,360
2.4GHz 16dbi Vagi Antenna	570	2,420	4,840	9,680	19,360
Universal Mounts Normal Length	570	2,420	4,840	9,680	19,360
10 ft. N-Male to N-Male cable	570	2,420	4,840	9,680	19,360
Power Cable - 12'	331	2,950	5,900	11,600	23,200
EZbridge 200mw w/NEMA	18	200	200	200	200
7dBi Vert Plrzd Omni, 5 Deg	12	100	100	100	100
2.4GHzVPOL Sctr Ant 9dbi 90d	6	50	50	50	50
9dBi 120Deg 2.4GHzVPL Sctr A	6	50	50	50	50
Other	0	0	0	0	0
Other	0	0	0	0	0
Other	0	0	0	0	0
Other	0	0	0	0	0
Other	0	0	0	0	0
Total Units	3,811	18,770	37,140	73,080	145,760
Units per Customer	0	393%	98%	97%	99%
Total Customers	0	0	0	0	0
Revenue per Customer	-	-	-	-	-
200 channel viewer	863	3,900	7,800	15,420	30,840
pro-viewer	4,878	22,100	44,200	87,380	174,760

