

## REGULATED CANNABIS CULTIVATION PROFORMA

**Number of Lights** **100**

**Pounds per light** **1.5**

	Square Feet	Cost/ft/month	Annual Rent
<b>Rent</b>	5,000	\$ 2.50	\$ 150,000

	Total Lights	Lights Pulled per Month	Pounds per Light	Pounds per Month	Pounds per Year
<b>Annual Production</b>	100	45.8	1.50	68.75	825

**Trim cost per pound** **\$ 157.00**

		\$ 2,500	\$ 2,250	\$ 2,000	\$ 1,800
<b>Price Per Lb</b>					
Pounds per month-Flowers	825	825	825	825	825
Price per pound	\$2,500	\$2,250	\$2,000	\$1,800	
<b>REVENUE Flowers</b>		\$ 2,062,500	\$ 1,856,250	\$ 1,650,000	\$ 1,485,000
Pounds per month-By-Products	165.00	165.00	165.00	165.00	165.00
Price per pound	\$ 200.00	\$ 200	\$ 200	\$ 200	\$ 200
<b>REVENUE By Products</b>		\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000
<b>TOTAL GROSS REVENUE</b>		\$ 2,095,500	\$ 1,889,250	\$ 1,683,000	\$ 1,518,000
<b>State Tax per pound- Flowers</b>	\$ 148.00	\$ 122,100	\$ 122,100	\$ 122,100	\$ 122,100
<b>State Tax per pound- By Product</b>	\$ 38.00	\$ 6,270	\$ 6,270	\$ 6,270	\$ 6,270
<b>Local Tax</b>	1.0%	\$ 20,625	\$ 18,563	\$ 16,500	\$ 14,850
<b>NET REVENUE</b>		\$ 1,946,505	\$ 1,742,318	\$ 1,538,130	\$ 1,374,780

### Cost of Goods Sold

Electricity/Nutrients/Water		\$225,600	\$225,600	\$225,600	\$225,600
RENT		\$150,000	\$150,000	\$150,000	\$150,000
Trimmers		\$129,525	\$129,525	\$129,525	\$129,525
Other growing supplies and equipment		\$1,000	\$1,000	\$1,000	\$1,000
Cultivators		\$12,000	\$12,000	\$12,000	\$12,000
<b>Distributor Fee</b>	<b>10%</b>	\$209,550	\$188,925	\$168,300	\$151,800
Amortization of Cost to Build	Based on \$500,000 Build Budget	\$166,667	\$166,667	\$166,667	\$166,667
Owner Salary- 75%	\$ 150,000	\$132,750	\$132,750	\$132,750	\$132,750
<b>TOTAL COST OF GOODS SOLD</b>		<b>\$1,027,092</b>	<b>\$1,005,467</b>	<b>\$985,842</b>	<b>\$969,342</b>

**GROSS PROFIT** **\$919,413**   **\$736,851**   **\$552,288**   **\$405,438**

Owner Salary- 25%	\$ 44,250	\$ 44,250	\$ 44,250	\$ 44,250
Admin	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000
Accounting	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Legal	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Security Monitoring	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000
Internet	\$ 600	\$ 600	\$ 600	\$ 600
Office Supplies	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
Insurance	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Tracking Software	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Marketing/Branding	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000
Association Fees	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
Licenses/Permits	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800
Travel and Entertainment	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Payroll and Bank Fees	\$ 600	\$ 600	\$ 600	\$ 600
<b>Total Non COGS</b>	<b>\$ 278,850</b>	<b>\$ 278,850</b>	<b>\$ 278,850</b>	<b>\$ 278,850</b>
<b>Profit Before Tax</b>	<b>\$ 640,563</b>	<b>\$ 458,001</b>	<b>\$ 273,438</b>	<b>\$ 126,588</b>
Federal Tax on Gross Profit- 34%	\$ 312,601	\$ 250,529	\$ 187,778	\$ 137,849
State Tax on PBT- 8.84%	\$ 56,626	\$ 40,487	\$ 24,172	\$ 11,190
<b>Net Profit After- Incl Amortization</b>	<b>\$ 271,337</b>	<b>\$ 166,984</b>	<b>\$ 61,488</b>	<b>-\$ 22,451</b>

### REGULATED CASE

	\$ 2,500	\$ 2,250	\$ 2,000	\$ 1,800
<b>Price per Pound</b>				
<b>SALES</b>	\$ 2,095,500	\$ 1,889,250	\$ 1,683,000	\$ 1,518,000
<b>PBT Excluding Taxes</b>	\$ 789,558	\$ 604,933	\$ 418,308	\$ 269,808
<b>State Tax per pound- Flowers</b>	\$ 122,100	\$ 122,100	\$ 122,100	\$ 122,100
<b>State Tax per pound- By Product</b>	\$ 6,270	\$ 6,270	\$ 6,270	\$ 6,270
<b>Local Tax</b>	\$ 20,625	\$ 18,563	\$ 16,500	\$ 14,850
<b>Federal Tax on Gross Profit- 34%</b>	\$ 312,601	\$ 250,529	\$ 187,778	\$ 137,849
<b>State Tax on PBT- 8.84%</b>	\$ 56,626	\$ 40,487	\$ 24,172	\$ 11,190
<b>TOTAL TAXES</b>	<b>\$ 518,221</b>	<b>\$ 437,949</b>	<b>\$ 356,820</b>	<b>\$ 292,259</b>
<i>Pct Sales</i>	25%	23%	21%	19%
<b>Net Income After Taxes Incl Amortization</b>	<b>\$ 271,337</b>	<b>\$ 166,984</b>	<b>\$ 61,488</b>	<b>-\$ 22,451</b>

Distributor Fee Before Taxes	\$ 209,550	\$ 188,925	\$ 168,300	\$ 151,800
Other Regulated Costs Before Taxes	\$ 120,800	\$ 120,800	\$ 120,800	\$ 120,800

## REGULATED CANNABIS CULTIVATION PROFORMA

**Number of Lights** 100

**Pounds per light** 2

	Square Feet	Cost/ft/month	Annual Rent
<b>Rent</b>	5,000	\$ 2.50	\$ 150,000

	Total Lights	Lights Pulled per Month	Pounds per Light	Pounds per Month	Pounds per Year
<b>Annual Production</b>	100	45.8	2.00	91.67	1100

0.917

	per light/mo	Per Light/yr
Nutrients	\$60	\$ 720
electricity	\$125	\$ 1,500
water	\$3.00	\$ 36.00
<b>Cost per light/mo</b>	<b>\$188.00</b>	<b>\$ 2,256</b>

**Trim cost per pound** \$ 157.00

Price Per Lb	\$ 2,500	\$ 2,250	\$ 2,000	\$ 1,800
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Pounds per month-Flowers		1,100	1,100	1,100	1,100
Price per pound		\$2,500	\$2,250	\$2,000	\$1,800
<b>REVENUE Flowers</b>		<b>\$ 2,750,000</b>	<b>\$ 2,475,000</b>	<b>\$ 2,200,000</b>	<b>\$ 1,980,000</b>
Pounds per month-By-Products		220.00	220.00	220.00	220.00
Price per pound	\$ 200.00	\$ 200	\$ 200	\$ 200	\$ 200
<b>REVENUE By Products</b>		<b>\$ 44,000</b>	<b>\$ 44,000</b>	<b>\$ 44,000</b>	<b>\$ 44,000</b>
<b>TOTAL GROSS REVENUE</b>		<b>\$ 2,794,000</b>	<b>\$ 2,519,000</b>	<b>\$ 2,244,000</b>	<b>\$ 2,024,000</b>
<b>State Tax per pound- Flowers</b>	<b>\$ 148.00</b>	<b>\$ 162,800</b>	<b>\$ 162,800</b>	<b>\$ 162,800</b>	<b>\$ 162,800</b>
<b>State Tax per pound- By Product</b>	<b>\$ 38.00</b>	<b>\$ 8,360</b>	<b>\$ 8,360</b>	<b>\$ 8,360</b>	<b>\$ 8,360</b>
<b>Local Tax</b>	<b>1.0%</b>	<b>\$ 27,500</b>	<b>\$ 24,750</b>	<b>\$ 22,000</b>	<b>\$ 19,800</b>
<b>NET REVENUE</b>		<b>\$ 2,595,340</b>	<b>\$ 2,323,090</b>	<b>\$ 2,050,840</b>	<b>\$ 1,833,040</b>

Cost of Goods Sold					
Electricity/Nutrients/Water			\$225,600	\$225,600	\$225,600
RENT			\$150,000	\$150,000	\$150,000
Trimmers			\$172,700	\$172,700	\$172,700
Other growing supplies and equipment			\$1,000	\$1,000	\$1,000
Cultivators			\$12,000	\$12,000	\$12,000
<b>Distributor Fee</b>	<b>10%</b>		\$279,400	\$251,900	\$224,400
Amortization of Cost to Build	Based on \$500,000 Build Budget		\$166,667	\$166,667	\$166,667
Owner Salary- 75%	\$ 150,000		\$132,750	\$132,750	\$132,750
<b>TOTAL COST OF GOODS SOLD</b>			<b>\$1,140,117</b>	<b>\$1,111,617</b>	<b>\$1,085,117</b>

Cost of Build	\$ 500,000
Annual Amortization	\$ 166,667

**GROSS PROFIT** \$1,455,223    \$1,211,473    \$965,723    \$769,923

Owner Salary- 25%	\$ 44,250	\$ 44,250	\$ 44,250	\$ 44,250
Admin	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000
Accounting	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Legal	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Security Monitoring	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000
Internet	\$ 600	\$ 600	\$ 600	\$ 600
Office Supplies	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
Insurance	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Tracking Software	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Marketing/Branding	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000
Association Fees	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
Licenses/Permits	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800
Travel and Entertainment	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Payroll and Bank Fees	\$ 600	\$ 600	\$ 600	\$ 600
<b>Total Non COGS</b>	<b>\$ 278,850</b>	<b>\$ 278,850</b>	<b>\$ 278,850</b>	<b>\$ 278,850</b>
<b>Profit Before Tax</b>	<b>\$ 1,176,373</b>	<b>\$ 932,623</b>	<b>\$ 686,873</b>	<b>\$ 491,073</b>
Federal Tax on Gross Profit- 34%	\$ 494,776	\$ 411,901	\$ 328,346	\$ 261,774
State Tax on PBT- 8.84%	\$ 103,991	\$ 82,444	\$ 60,720	\$ 43,411
<b>Net Profit After- Incl Amortization</b>	<b>\$ 577,606</b>	<b>\$ 438,278</b>	<b>\$ 297,808</b>	<b>\$ 185,889</b>

### REGULATED CASE

Price per Pound	\$ 2,500	\$ 2,250	\$ 2,000	\$ 1,800
<b>SALES</b>	\$ 2,794,000	\$ 2,519,000	\$ 2,244,000	\$ 2,024,000
<b>PBT Excluding Taxes</b>	\$ 1,375,033	\$ 1,128,533	\$ 880,033	\$ 682,033
<b>State Tax per pound- Flowers</b>	\$ 162,800	\$ 162,800	\$ 162,800	\$ 162,800
<b>State Tax per pound- By Product</b>	\$ 8,360	\$ 8,360	\$ 8,360	\$ 8,360
<b>Local Tax</b>	\$ 27,500	\$ 24,750	\$ 22,000	\$ 19,800
<b>Federal Tax on Gross Profit- 34%</b>	\$ 494,776	\$ 411,901	\$ 328,346	\$ 261,774
<b>State Tax on PBT- 8.84%</b>	\$ 103,991	\$ 82,444	\$ 60,720	\$ 43,411
<b>TOTAL TAXES</b>	<b>\$ 797,427</b>	<b>\$ 690,255</b>	<b>\$ 582,226</b>	<b>\$ 496,145</b>
<i>Pct Sales</i>	29%	27%	26%	25%
<b>Net Income After Taxes Incl Amortization</b>	<b>\$ 577,606</b>	<b>\$ 438,278</b>	<b>\$ 297,808</b>	<b>\$ 185,889</b>

Distributor Fee Before Taxes	\$ 279,400	\$ 251,900	\$ 224,400	\$ 202,400
Other Regulated Costs Before Taxes	\$ 120,800	\$ 120,800	\$ 120,800	\$ 120,800