

List of Acronyms and Abbreviations

| | | |
|------|----------------------------------|--|
| MLEC | Master Lithium Energy Controller | A circuit board inside the high voltage traction battery of the Think City that coordinates the RLECs and communicates with the vehicle systems, one per car. |
| PCU | Power Conversion Unit | An aluminum module that contains circuits distribute the energy from the traction battery to various vehicle systems and a circuit to charge the traction battery. |
| R&R | Remove and replace | May include repairing the removed component or replacing with new. |
| RLEC | Remote Lithium Energy Controller | A circuit board inside the high voltage traction battery of the Think City that monitors individual cell voltages and temperatures, sixteen per car. |

Table 1: Projected and Actual Services for Think City cars

| Services for Think City | Labor hours | Projected service per year (estimated April 2016) | Actual services performed (4-month period, June to September 2016) | Parts and consultation provided to remote customers (same 4-month period) | Revised estimated services per year |
|------------------------------|-------------|---|--|---|-------------------------------------|
| MLEC R&R | 2.0 | 30 | 1 | 1 | 5 |
| PCU R&R | 8.0 | 10 | 5 | 1 | 12 |
| Motor/transaxle R&R | 12.0 | 1 | 2 | - | 5 |
| Gear selector micro-switches | 1.0 | 10 | 4 | - | 10 |
| 12k Inspection | 3.0 | 20 | 6 | - | 18 |
| Traction battery repair | 5.0 | - | 4 | 6 | 15 |
| Other diagnosis | Varies | - | 3 | - | 10 |
| Other remote consultation | Varies | - | N/A | 5 | 15 |
| Steering rack R&R | 7.0 | - | 1 | - | 1 |
| Tie rod end R&R | 0.5 | - | 1 | - | 6 |
| 12 Volt battery R&R | 1.5 | 10 | 12 | - | 20 |
| Transaxle drain/fill | 0.5 | 10 | 6 | - | 20 |
| Brake flush | 1.5 | 10 | 8 | - | 25 |
| Front brake pads and rotors | 2.0 | 10 | 1 | - | 5 |
| Tire rotation | 0.5 | 10 | 0 | - | 10 |
| Tire replacement (4) | 2.5 | 5 | 0 | - | 5 |
| Tire patch | 1.0 | 5 | 0 | - | 5 |

**Table 2: Income Statement from
Inception (June 2016) to 31 October 2016**

| Account number | Account description | Amount |
|----------------|-----------------------------------|-------------------|
| 4001 | Sales of Services | \$5,727.00 |
| 4002 | Resale of Goods | \$1,522.23 |
| 4003 | Resale of Subcontracted Services | \$182.72 |
| 4000 | Revenue | \$7,431.95 |
| 4501 | Goods purchased for resale | \$1,752.74 |
| 4502 | Services subcontracted for resale | \$170.13 |
| 4500 | Total Cost of Goods Sold | \$1,922.87 |
| | Gross Profit | \$5,509.08 |
| 5005 | Insurance | \$227.00 |
| 5006 | Legal and Accounting | \$135.95 |
| 5007 | Miscellaneous Expenses | \$296.49 |
| 5010 | Shipping | \$0.00 |
| 5011 | Rent Expense | \$36.00 |
| 5013 | Supplies | \$297.35 |
| 5014 | Travel | \$34.23 |
| 5017 | Laundry | \$55.00 |
| 5018 | Car washes | \$25.00 |
| 5019 | EV Charging | \$8.44 |
| 5020 | Parking | \$1.50 |
| 5021 | Vehicle expenses | \$67.77 |
| 5022 | Research and Development | \$44.80 |
| 5023 | PayPal Merchant Fees | \$52.90 |
| 5024 | Tools purchased under \$500 | \$2,029.08 |
| 5025 | Uniforms and clothing | \$295.97 |
| 5026 | Furniture under \$500 | \$114.00 |
| 5000 | Total Operating Expenses | \$3,721.48 |
| | Net profit | \$1,787.60 |

Table 3: Balance Sheet

| Account number | Account description | Amount |
|----------------|-------------------------------------|-------------------|
| 1001 | Albina LLC Cash | \$773.68 |
| 1002 | PayPal LLC Cash | \$0.00 |
| 1100 | Accounts Receivable | \$113.59 |
| 1200 | Inventory | \$0.00 |
| 1000 | Current Assets | \$887.27 |
| 1501 | Tools and Equipment | \$0.00 |
| 1504 | Furniture | \$0.00 |
| 1500 | Long-term Assets | \$0.00 |
| | Total Assets | \$887.27 |
| 2001 | Accounts Payable | \$0.00 |
| 2000 | Total Liabilities | \$0.00 |
| 3001 | JM Investments | \$754.67 |
| 3002 | JM Drawing | \$1,655.00 |
| 3003 | Retained Earnings | \$1,787.60 |
| 3000 | Total Equity | \$887.27 |
| | Total Liabilities and Equity | \$887.27 |

Table 4: BizStats Income Statement Benchmarks for Sole Proprietor Automotive Repair Shops

| | |
|----------------------------|---------|
| Sales | 100.00% |
| Inventory (% of Sales) | 1.78% |
| Cost of Sales | 38.87% |
| COS-Labor Portion | 3.98% |
| Gross Profit | 61.13% |
| Salary-Wages | 6.38% |
| Contract Labor-Commissions | 2.60% |
| Rent | 4.81% |
| Taxes | 2.44% |
| Interest paid | 1.12% |
| Amort. & Dep. | 2.94% |
| Advertising | 0.93% |
| Benefits-Pension | 0.28% |
| Insurance (non-health) | 1.42% |
| Home Office Expense | 0.29% |
| Other SG&A Exp. | 19.86% |
| Total Expenses | 43.06% |
| Net Profit | 18.07% |
| Total Direct Labor & NP | 31.02% |

Table 5: Projected Income Statement (no employees)

| | <u>Minimum</u> | <u>Best guess</u> | <u>Maximum</u> |
|------------------------------------|-------------------------------|-------------------------|-------------------------|
| Revenue | | | |
| Labor | \$4,000.00 | \$8,000.00 | \$12,000.00 |
| | (2 hours billed/day) | (4 hours billed/day) | (6 hours billed/day) |
| Parts | (Equal to cost of parts) | | |
| Cost of Goods Sold | | | |
| Parts | (Equal to revenue from parts) | | |
| Gross Profit | \$4,000.00 | \$8,000.00 | \$12,000.00 |
| Operating Expenses | | | |
| Rent (including NNNs) | \$1,000.00 | \$2,000.00 | \$3,000.00 |
| Electricity | \$100.00 | \$100.00 | \$400.00 |
| Water | \$50.00 | \$75.00 | \$100.00 |
| Garbage and Recycling | \$20.00 | \$50.00 | \$50.00 |
| Gas | \$50.00 | \$100.00 | \$200.00 |
| Internet | \$80.00 | \$100.00 | \$200.00 |
| Alarm system | \$0.00 | \$50.00 | \$100.00 |
| Advertising/Marketing | \$350.00 | \$450.00 | \$1,000.00 |
| Web dev/maint., SEO, IT services | \$100.00 | \$300.00 | \$500.00 |
| Phone | \$21.00 | \$100.00 | \$200.00 |
| Insurance | \$44.00 | \$100.00 | \$500.00 |
| Industry organization memberships: | | | |
| iATN | \$19.00 | \$45.00 | \$45.00 |
| SAE | \$7.42 | \$22.42 | \$22.42 |
| ASE Exams | \$9.17 | \$12.83 | \$12.83 |
| Education and training | \$0.00 | \$50.00 * | \$300.00 |
| TIS/TechStream subscription | \$92.00 | \$92.00 | \$92.00 |
| Identifix subscription | \$0.00 | \$0.00 | \$179.00 |
| Fleet vehicles/maintenance | \$0.00 | \$100.00 * | \$500.00 |
| Legal and Accounting | \$30.00 | \$50.00 | \$150.00 |
| Miscellaneous Expenses | \$0.00 | \$0.00 | \$100.00 |
| Shipping | \$0.00 | \$10.00 | \$20.00 |
| Repair and maintenance | \$0.00 | \$50.00 | \$500.00 |
| Office supplies | \$10.00 | \$50.00 | \$100.00 |
| Small tools | \$100.00 | \$500.00 * | \$1,000.00 |
| Shop supplies | \$50.00 | \$100.00 | \$200.00 |
| Environmental protection expense | \$0.00 | \$30.00 | \$30.00 |
| Travel | \$0.00 | \$100.00 * | \$500.00 |
| Laundry | \$20.00 | \$20.00 | \$100.00 |
| Car washes | \$0.00 | \$20.00 * | \$50.00 |
| PayPal Merchant Fees | \$100.00 | \$250.00 | \$500.00 |
| Uniforms and clothing | \$20.00 | \$50.00 * | \$100.00 |

| | | | |
|---------------------------------|------------|------------|-------------|
| Furniture under \$500 | \$0.00 | \$20.00 * | \$50.00 |
| Bad debt | \$0.00 | \$10.00 | \$50.00 |
| State and local taxes | | | |
| Personal property tax | \$0.00 | \$50.00 | \$100.00 |
| Unemployment insurance tax | \$0.00 | \$0.00 | \$0.00 |
| Hazardous substance fee | \$0.00 | \$0.00 | \$50.00 |
| Workers Benefit Fund | \$0.00 | \$5.00 | \$5.00 |
| Workers' Compensation Insurance | \$0.00 | \$220.00 * | \$220.00 |
| Health Insurance | \$260.00 | \$519.00 | \$519.00 |
| Licenses and fees | \$10.00 | \$100.00 | \$100.00 |
| Depreciation | \$0.00 | \$50.00 | \$500.00 |
| Interest Expense | \$0.00 | \$100.00 | \$200.00 |
| Loan repayment | \$100.00 | \$300.00 | \$500.00 |
| Total Operating Expenses | \$2,642.59 | \$6,351.25 | \$13,045.25 |
| Net Profit | \$1,357.41 | \$1,648.75 | -\$1,045.25 |

Table 6: Additional Projected Monthly Revenue and Expenses for One Employee

| | |
|---------------------------------|--------------------------|
| Revenue | |
| Labor | \$6,400.00 |
| Parts | - |
| Cost of Goods Sold | |
| Payroll | \$3,000.00 |
| Bonuses and allowances | \$200.00 |
| Health Insurance | \$260.00 |
| Life Insurance | \$30.00 |
| IRA, employer contribution | \$100.00 |
| Employee Assistance Program | \$10.00 |
| Laundry and uniforms | \$100.00 |
| Federal taxes | |
| Social Security + Medicare | \$255.00 |
| Federal Unemployment Tax | \$36.00 |
| State and local taxes | |
| TriMet tax | \$22.00 |
| Unemployment insurance tax | \$83.00 |
| Workers Benefit Fund | \$5.00 |
| Workers' Compensation Insurance | \$122.00 |
| Parts | - |
| Total Cost of Goods Sold | <u>\$4,223.00</u> |
| Gross Profit per employee | <u><u>\$2,177.00</u></u> |

Table 7: Estimated Cost of Shop Equipment

| Priority | Equipment | Cost | Cumulative Total Cost |
|--|---|---|-----------------------|
| Required | Computer with Windows OS | \$500 | \$500 |
| | MongoosePro (Toyota hardware interface) | \$695 | \$1,195 |
| | Lift | \$5,100 | \$6,295 |
| | Air compressor, plumbing | \$500 | \$6,795 |
| | Brake parts washer | \$1,000 | \$7,795 |
| | Oil tanks/delivery | \$200 | \$7,995 |
| | Waste oil/coolant tanks | \$100 | \$8,095 |
| | Oil drain | \$100 | \$8,195 |
| | Workbench with vise | \$200 | \$8,395 |
| | Material handling/storage, shelves, etc | \$500 | \$8,895 |
| | Phone(s) | \$300 | \$9,195 |
| | Exhaust hoses | \$100 | \$9,295 |
| | Highest | Blue Seal of Excellence Recognition Program initial fee | \$235 |
| Tire mount/dismount and balance machines | | \$2,000 | \$11,530 |
| Tire balancer | | \$2,000 | \$13,530 |
| Alignment rack | | \$5,000 | \$18,530 |
| Alignment instrumentation | | \$10,000 | \$28,530 |
| Arbor press | | \$500 | \$29,030 |
| Floor crane | | \$300 | \$29,330 |
| Engine stand | | \$200 | \$29,530 |
| Parts washer/solvent tank. | | \$400 | \$29,930 |
| Strut compressor | | \$500 | \$30,430 |
| Tranny jack | | \$500 | \$30,930 |
| Grinder | | \$200 | \$31,130 |
| A/C recovery machine | | \$8,000 | \$39,130 |
| Lowest | Vacuum pump (for A/C) | \$100 | \$39,230 |
| | Pressure washer/car washing stuff | \$500 | \$39,730 |
| | Gas caddy/Fuel safe | \$300 | \$40,030 |

Table 8: Monthly Loan Repayment Amount, 8.25% APR

| | | Loan Principal | | | | |
|----------------------|----|----------------|-------------|-------------|-------------|-------------|
| | | \$5,000.00 | \$10,000.00 | \$15,000.00 | \$20,000.00 | \$25,000.00 |
| Loan Period in Years | 1 | \$435.52 | \$871.04 | \$1,306.56 | \$1,742.08 | \$2,177.60 |
| | 2 | \$226.71 | \$453.41 | \$680.12 | \$906.83 | \$1,133.53 |
| | 3 | \$157.26 | \$314.52 | \$471.78 | \$629.04 | \$786.30 |
| | 4 | \$122.65 | \$245.30 | \$367.96 | \$490.61 | \$613.26 |
| | 5 | \$101.98 | \$203.96 | \$305.94 | \$407.93 | \$509.91 |
| | 6 | \$88.28 | \$176.56 | \$264.83 | \$353.11 | \$441.39 |
| | 7 | \$78.56 | \$157.11 | \$235.67 | \$314.22 | \$392.78 |
| | 8 | \$71.32 | \$142.64 | \$213.96 | \$285.28 | \$356.60 |
| | 9 | \$65.74 | \$131.49 | \$197.23 | \$262.97 | \$328.72 |
| | 10 | \$61.33 | \$122.65 | \$183.98 | \$245.31 | \$306.63 |

Table 9: Expense of fees divided over the period of the loan

Calculated as (Principal x 3% + \$250) / (Number of Months)

| | | Loan Principal | | | | |
|----------------------|----|----------------|-------------|-------------|-------------|-------------|
| | | \$5,000.00 | \$10,000.00 | \$15,000.00 | \$20,000.00 | \$25,000.00 |
| Loan Period in Years | 1 | \$33.33 | \$45.83 | \$58.33 | \$70.83 | \$83.33 |
| | 2 | \$16.67 | \$22.92 | \$29.17 | \$35.42 | \$41.67 |
| | 3 | \$11.11 | \$15.28 | \$19.44 | \$23.61 | \$27.78 |
| | 4 | \$8.33 | \$11.46 | \$14.58 | \$17.71 | \$20.83 |
| | 5 | \$6.67 | \$9.17 | \$11.67 | \$14.17 | \$16.67 |
| | 6 | \$5.56 | \$7.64 | \$9.72 | \$11.81 | \$13.89 |
| | 7 | \$4.76 | \$6.55 | \$8.33 | \$10.12 | \$11.90 |
| | 8 | \$4.17 | \$5.73 | \$7.29 | \$8.85 | \$10.42 |
| | 9 | \$3.70 | \$5.09 | \$6.48 | \$7.87 | \$9.26 |
| | 10 | \$3.33 | \$4.58 | \$5.83 | \$7.08 | \$8.33 |