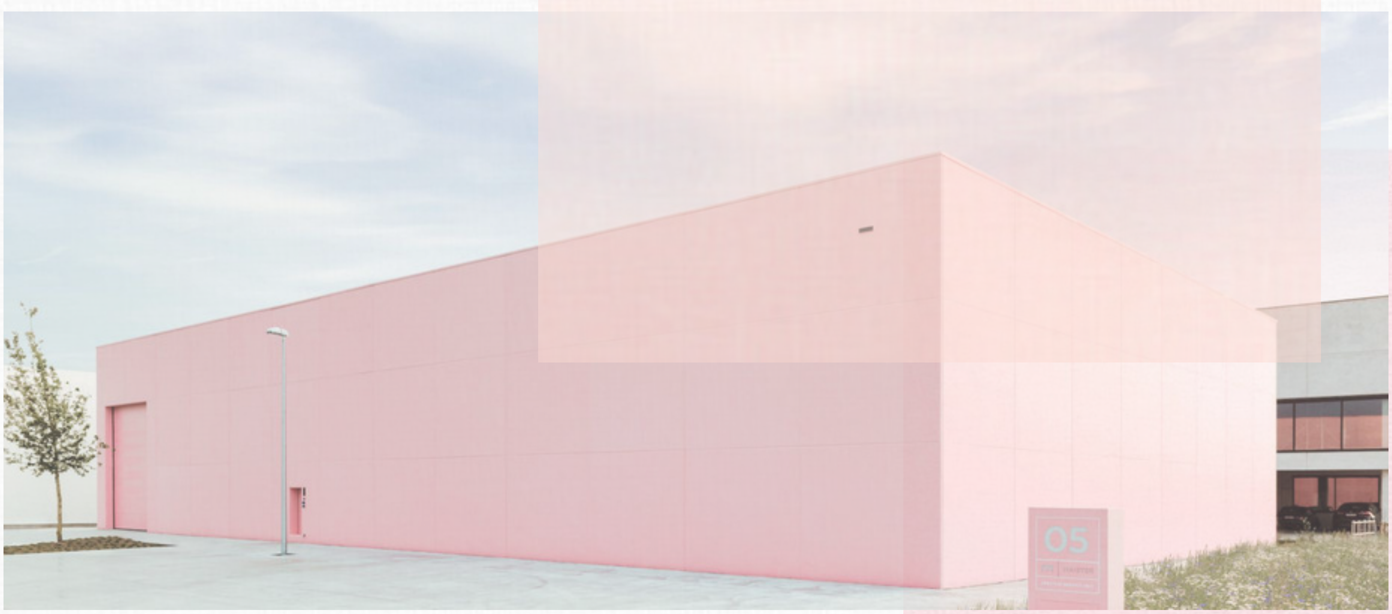
THE SELCA



Business Plan

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Executive Summary

"Where do you guys go to take pictures?"
"It's so hard to find places."
"I don't know how influencers always find the most beautiful places."
"It's so frustrating."

These are often conversations I have with my friends, friends who I've never actually met, because we communicate with each other through Instagram. Our group message is called "Insta Gals" along with a strew of emojis. We are a group of girls wanting to increase our engagement in the Instagram space by liking, commenting, and sharing each other's posts, and somehow through the magical Instagram algorithms, we gain more followers and influence. During one of our conversations, we ran across the issue of trying to find locations to take photos; this is something I struggle with as I scroll through my lackluster photos. When I am in shortage of great photos to post, I find it is because I can't find eye-catching places to take photos in, and that's what I want to change. I decided to actualize a business that would provide a solution to this problem in the Los Angeles area.

Our Mission

The Selca creates a space that inspires people to not only make art but be art themselves. We strive to produce striking setups that allow people to capture equally striking photos and share them with the world.

Our Services

The Selca enlists artists to design and construct visually-stunning and photogenic sets. These sets will be The Selca's draw, attracting individuals to take photos of themselves within the art for the purpose of posting it on their respective social media. For a flat rate, customers can access all rooms, each uniquely designed to garner a variety of shots. A customer will reserve tickets online based on time of entry. If customers without online reservations come to The Selca, they may be allowed to purchase tickets at the door if capacity has not been reached for that particular time.

Eventually, the Selca will expand by partnering with renowned brands who will promote their brand in a room—think the Louis Vuitton classic symbol patterned and strewn across the room where customers can take photos and post them.

The Market

One eighth of the world's population is on Instagram, and 59% of the users in the US are under the age of 30. If one drives along Melrose Avenue in Los Angeles, a street full of designer stores and painted murals, one can see the hordes of people of all ethnicities taking photos of themselves whether it be with a professional quality camera or their camera phone. When scrolling though Instagram, it is easy to find thousands of girls, boys, women, and men alike wanting to become bloggers or influencers. Their Instagram page is set to a business profile where they can see statistics on their growth in the hopes that their collection of pictures will garner 10k, 100k, and maybe even 1m followers.

Our Competitive Advantage

While there are no businesses in the Los Angeles area that offers this exact service, there are still competitors. For instance, the Broad, a renowned art museum, provides a popular spot for photo enthusiasts with its light exhibit. As mentioned previously, people use murals which are free, outdoor spaces, and other means to fill this need. However, the Selca is the only business established solely for the purpose of posting photos to social media. Therefore, the positioning and material of the art is chosen purposefully to look appealing on social media. We offer the ability for everyday people to take photos that are of the same caliber as a well-followed influencer.

Financial Projections

The Selca requires an initial financing of around $325,000; this will allow the business to undergo all renovations scheduled for the first three months. This amount will be raised by offering angel investors 20% equity. These months will generate no revenue leaving the business at a net loss and negative cash flow. However, once The Selca opens to the general public and ticket sales revenue is earned, the business's financial position for the first-year total net income will amount to approximately $1.73 million and a cash balance of $1.7 million. With a new renovation set for the month of December each year, The Selca projects a steady increase in customers every year, leading to higher net incomes and cash balances. The Selca is confident the projected three years will be prosperous and require minimal finanicing.

Market Analysis

The Ideal Customer

A group of girls takes a slew of photos, somewhere upwards of 50. They consult with each other on which one to post. "Anna looks good in this picture, but Emily doesn't. Kristen blinked in this one, and the flash didn't go off on that one!" Turns out, none of them are good, so they take some more, and after finding one that's suitable, they spend a good amount of time editing it with apps like VSCO to use enhancing filters and even Facetune to slim arms, whiten teeth, and get rid of any pesky zits.

To many, this is absurdity and a sheer waste of time. But to others, this is reality. According to CBS Los Angeles, 42% of Gen Z indicated that social media has a direct impact on how they feel about themselves.[1] Young adults and teenagers have grown up knowing nothing but social media; however, the vice known as vanity has been around since humans were on this Earth. Instagram and any other social media platform that allows sharing of photos and videos are the perfect breeding ground for people to promote themselves and practice vanity. Why else would we comb through photos of ourselves to post the one that makes us look the best? Although this is a grim message to our society at large, it poses a huge opportunity as an Instagram-obsessed market can find a business like The Selca attractive.

Market Potential

Another attractive piece of this market is evident when just looking at the sheer size. To illustrate the magnitude of the potential market, let's take a deeper dive into the main platform The Selca will focus on, Instagram as it has the most potential in terms of the amount and the type of customers The Selca aims to attract. Looking at the graph below, the number of Instagram users reached 1 billion in 2018. The rate of growth was staying consistent at about 100 million new users every 6 months, but in the span only nine months, the number of users doubled, increasing by 200 million people. This shows the steady and inevitable growth that Instagram will continue to see in the coming years. With the certain increase in users, this will present an equally certain customer potential for The Selca. Another interesting note to add is that within the 1 billion users, 8 million of those are business accounts which is a huge increase from the 1.6 million in 2016.

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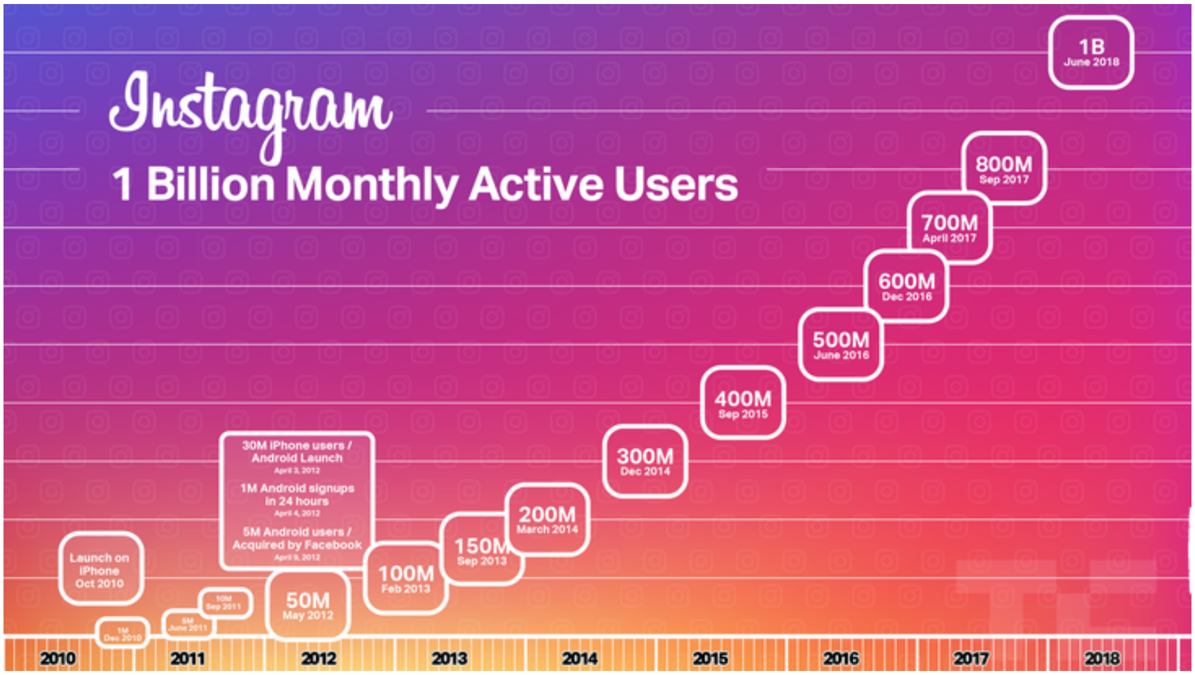
[1] "Generation Z Is About To Completely Change The U.S. Workforce." *CBS Los Angeles*, CBS Los Angeles, 2 May 2018, losangeles.cbslocal.com/2018/05/02/generation-z-us-workforce-jobs/.



Business accounts are segmented into two different users: traditional businesses and serious users. Businesses such as those we are all familiar with such as Nike, Target, Gucci, etc... can sign up for an account but as a business rather than an individual user. Similarly, individuals can have a business account for their small businesses to promote what they sell or offer. However, one does not need to be selling a product or service to qualify for the use of a business account. Anyone can sign up for a business account, but why would an individual find it useful? For those that are serious about Instagram, they can use a business account to look at data on the demographics of their followers like geography and age range, how many people viewed their account, how many unique visitors liked a photo, etc... These insights can allow the serious user to tailor his/her photos to meet what their followers like to see. It is common to see bloggers and influencers use business accounts because it makes it easier for "real" businesses to reach out and sponsor influencers in exchange for advertising.

Although The Selca strives to reach all users of Instagram, in the beginning, its primary focus is to target these serious users. These customers have the proclivity to value photo-sharing and possess enough vanity that they already post photos of themselves and have a following from it. This also poses an effect that may benefit The Selca. As serious users—these users can have millions of followers—post photos of themselves in The Selca, regular users become aware of The Selca and visit it in response.

Location

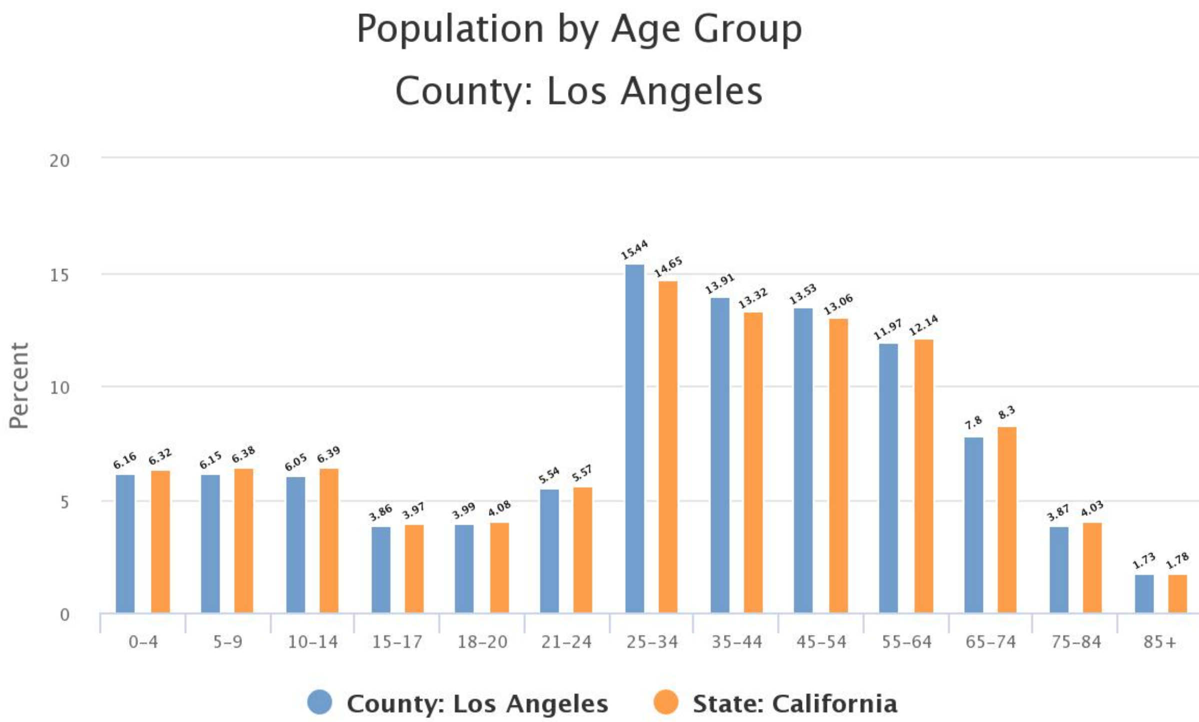
Andy Warhol famously said, "I love Los Angeles. I love Hollywood. They're beautiful. Everybody's plastic, but I love plastic. I want to be plastic." It is of no shock that most bloggers, influencers, Youtubers, and many other social media related personalities either originate or move to Los Angeles. It's a city that's known for stars and people who pay surgeons to make them into stars. It's a city that values image, looks, and appearances, a perfect place for The Selca to reach its market.

In addition, Los Angeles proves to be a viable location for this type of business as the millennial population in the Los Angeles area is the largest portion of the total population. The population growth is consistently increasing as young individuals from around the country are moving to California. In addition, in 2017 according to Discover Los Angeles, the city's tourism office, Los Angeles achieved a record high with 48.5 million tourists which was an increase of 2.6% from the previous year.[2] 7.3 million of those were international visitors which is significant because 80% of Instagram users live outside the US.[3]

[2] "Discover Los Angeles 2017 Quick Facts." *Discover Los Angeles*, Discover Los Angeles, www.discoverlosangeles.com/tourism/research.

[3] "24+ Instagram Statistics That Matter to Marketers in 2019." *Hootsuite Social Media Management*, 5 Oct. 2018, blog.hootsuite.com/instagram-statistics/.

The principal age demographic for the Selca is younger Millennials and older Gen Z individuals (13-30). This age range is the predominant users of social media. Below is a graph of population by age in the Los Angeles area.



Claritas, 2018. www.thinkhealthla.org

Population by Age Group	County: Los Angeles		State: California	
	Persons	% of Population	Persons	% of Population
0-4	630,461	6.16%	2,510,642	6.32%
5-9	629,124	6.15%	2,533,939	6.38%
10-14	619,340	6.05%	2,536,443	6.39%
15-17	394,888	3.86%	1,577,899	3.97%
18-20	407,837	3.99%	1,620,518	4.08%
21-24	566,922	5.54%	2,212,217	5.57%
25-34	1,579,547	15.44%	5,813,957	14.65%
35-44	1,423,588	13.91%	5,287,502	13.32%
45-54	1,384,117	13.53%	5,182,541	13.06%
55-64	1,224,884	11.97%	4,820,824	12.14%
65-74	797,541	7.80%	3,295,410	8.30%
75-84	395,515	3.87%	1,598,107	4.03%
85+	177,273	1.73%	705,754	1.78%

Along with residents of Los Angles, reaching a global customer base is important to The Selca. According to the graph below released by Discover Los Angeles, the largest overseas market is China and other Asian countries which have similar concepts to The Selca. For instance, in Korea there is Life Studio,[4] a popular spot for young Koreans to take photos of themselves and post on social media. In order to draw a large international tourist customer base, The Selca plans to utilize social media marketing as a huge means to attract and garner customers not originally from the Los Angeles area. Our goal is to receive the kind of recognition that makes people visiting the city immediately think that The Selca is a necessary and exciting stop on their Los Angeles excursion, much like the Hollywood sign or Melrose Ave.

Competitive Advantage

Any immersive art experience is indirectly a competitor for The Selca; places like The Broad and even the wall murals along Melrose Ave qualify. The Selca fits into a unique segment coined as "made-for-Instagram museums." These "museums" are well decorated, immersive spaces, and although they are not meant for the purpose of Instagram, customers have made it such. Within the last two years, the number of "made-for-Instagram" spaces have increased from practically nonexistent to around a dozen in the United States. These places include the Museum of Ice Cream, Selfie Factory, 29Rooms, and others.

How will The Selca stand out and be the first choice for this kind of experience? Firstly, many of the aforementioned businesses serve customers for a different purpose than Instagram-sharing. For instance, the Museum of Ice Cream happens to have beautiful rooms, but it was originally set up to inform people on the history of ice cream. In contrast, The Selca focuses on each room by making it look beautiful for the sole purpose of people to post it. Secondly, when it comes down to it, the art, setting, and quality of the rooms will distinguish The Selca's success. We strive to take people's breath away, and despite seeing The Selca through a phone, entice individuals to visit and experience it themselves. Our goal is this:

"Where should we go to get some great Instagram shots?"
"The Selca!"

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[4] "'Selfie Studio' in Korea Changes the Definition of Photoshoot." *Koreaboo*, 18 June 2017, www.koreaboo.com/stories/selfie-studio-korea-changes-definition-photoshoot/.

Competitive Analysis

Competitive Advantage

Looking at both direct and indirect competitors, The Selca's main competitive advantage is that it will be tailored for the purpose of taking Instagram photos. Although many customers go to the mentioned competitors to take photos, the original intent of the business is not this. Many of these businesses are museums or interactive galleries. Because The Selca's main purpose and mission is to provide a space worthy of your feed, everything The Selca does is to achieve this.

Because of its purpose, The Selca wants to be a permanent location that periodically changes its installations and rooms. The studio booths, which are small spaces within rooms that include smaller scale props (see photo below for reference), will be changed frequently while the larger installations (also see example below) will be transitioned once in a while.

Offering customer two different kinds of experiences sets The Selca apart and allows the business to stay fresh more easily. If The Selca only offered large installations, the frequent recycling of this type of experience is not feasible because of how intricate these designs can be. The Selca recognizes that the chance of repeat customers is far slimmer if the business stays the same because no one wants to post the same picture twice. The smaller booths allow individuals to stay interested and come back more frequently.

The Selca understands that not everyone invests in camera equipment such as DSLR cameras. Because of this, The Selca will rent out cameras, chips and other equipment to improve the quality of each photo. However, renting equipment is optional because The Selca recognizes that the majority of customers will choose to use their camera phones.

Partnerships with influencers and companies are paramount to the success of The Selca. When The Selca first opens, it will host a group of Instagram influencer who will have first access to photos. They will post with The Selca tagged in the location bar on their photos. This will reach their audience, and it is the hope of The Selca that their followers will be intrigued enough to visit as well.

In addition to influencers, The Selca hopes to target different companies. Companies see Instagram and other social media as a huge means to advertise, gather data and garner brand awareness. Below is a photo of a Louis Vuitton exhibit in Beijing; similarly, The Selca will partner with companies and expect a mutual symbiosis as more customers come to take photos in these exhibits and partner companies will gain recognition that leads to greater sales.

Anything that fulfills a customer's need for an Instagram location is considered a competitor. The indirect competitors that pose the greatest competition is The Broad, which is an art museum in Los Angeles and the murals on Melrose Ave. Both of these locations are filled with tourists and native LA residents alike as both are popular locations to take photos. The only advantage these locations have over The Selca is that they are both free. Because of this, The Selca wants to be as competitive as it can be in price while maintaining its niche appeal. In other words, The Selca needs to find a happy medium where individuals feel like it's upscale and exclusive but not overcharge because there are free options to fulfill this need.

The Selca vs. Competitors

	The Selca	Museum of Ice Cream	29Rooms	Happy Place	Museum of Illusion	Museum of Selfies	The Broad	The Murals on Melrose Ave
Direct/Indirect Competitor	N/A	Direct	Direct	Direct	Direct	Direct	Indirect	Indirect
Pop up/Permanent	Permanent	Pop up	Pop up	Pop up	Permanent	Permanent	Permanent	Permanent
Admission Price	$30-35	$38	$39.99-69.99	$40	$25	$25	Free	Free
Location	Downtown Los Angeles	Downtown Los Angeles	University Park Los Angeles	Downtown Los Angeles	Hollywood Los Angeles	Hollywood Los Angeles	Downtown Los Angeles	Melrose Ave Los Angeles
Meant for Instagram	✓							
Studio Booths*	✓							
Large Art Installation	✓	✓	✓	✓	✓		✓*	
Periodic Changing of Rooms	✓							
Partnerships with Companies	✓	✓						
Partnerships with Influencers	✓							

*Studio booths are small spaces within rooms that include smaller scale props

*The Broad has only one large light installation

Business Structure and Operations Strategy

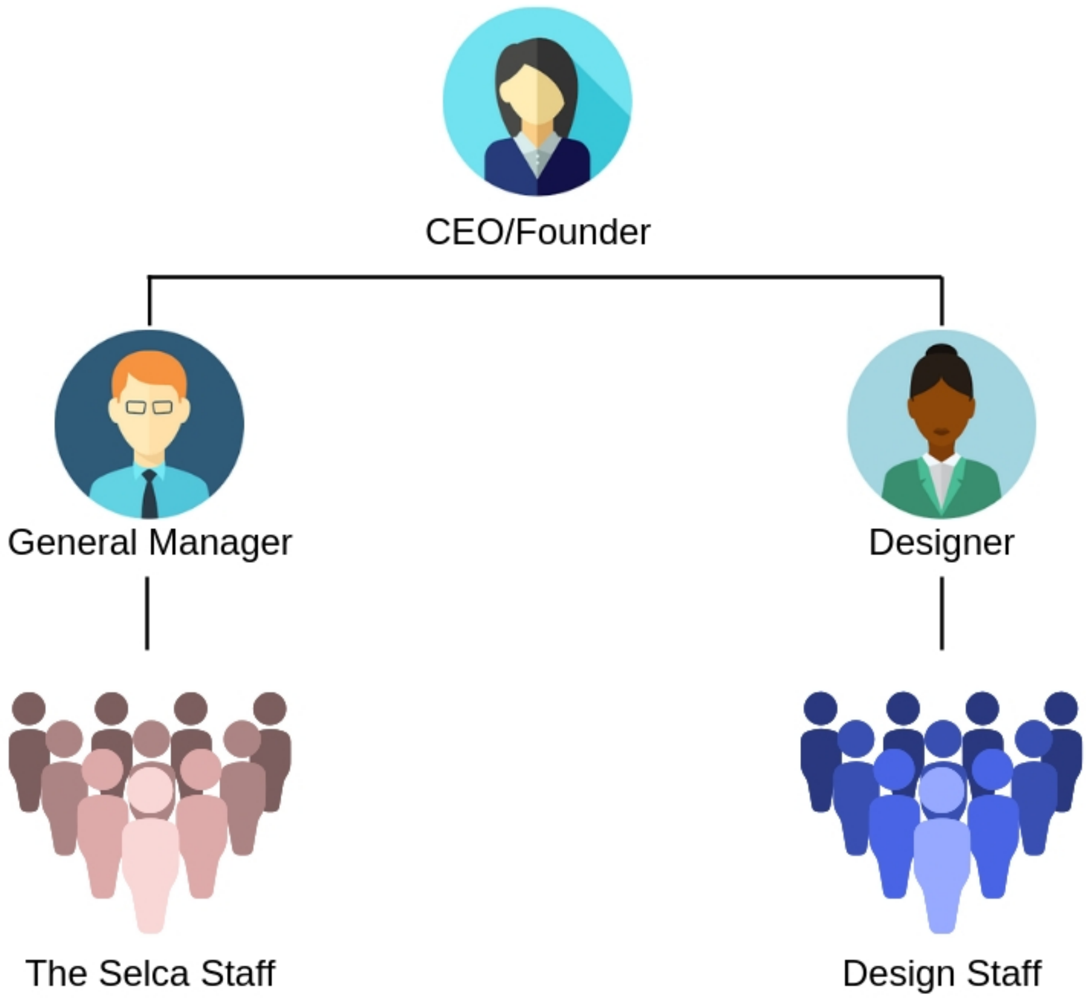
Entity Type

The Selca will function as a member-managed limited liability company. Although it is more expensive to file as an LLC, it provides a hybrid of both a corporation and a partnership. As an individual, I will have the limited liability of a corporation and the operational flexibility and tax efficiency of a partnership. The LLC will allow The Selca to flow through my personal tax return and avoid double taxation. In addition, the business will be member-managed as opposed to manager-managed because members will directly operate and be involved with the day-to-day of the company.

Although an S Corp could potentially be viable for The Selca, if The Selca generated a profit greater than $250,000, the business would have to pay more taxes on the state and federal level than an LLC. Because The Selca expects to grow and generate more than $250,000, an LLC is the optimal choice.

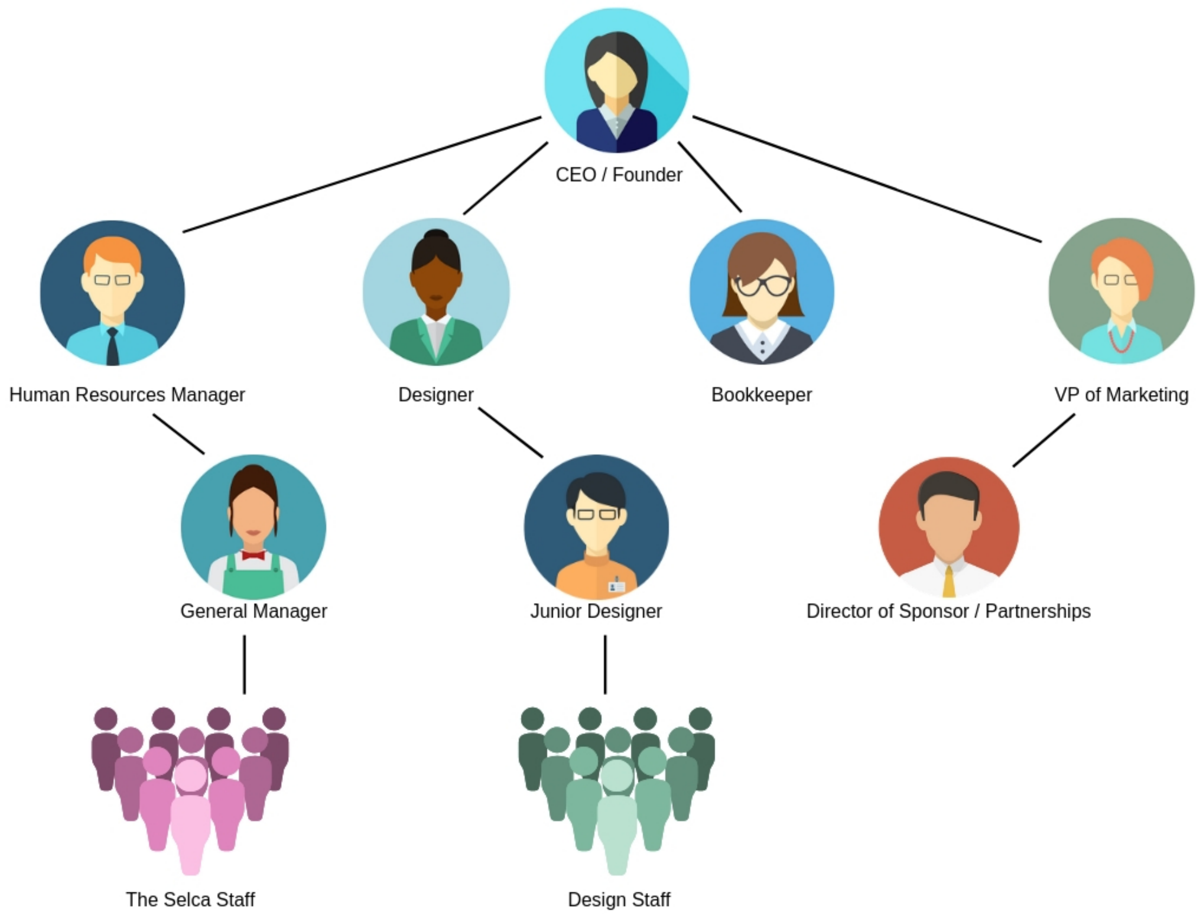
Management Structure

Initially, The Selca will have minimal employees; however, as the business continues to grow, it will hire more staff along with upper-level professionals to help operate and grow The Selca further. Below is an organization chart of The Selca at its inception.



The organization chart is quite simple and houses minimal employees. At the top is the CEO/Founder who will oversee the business at large will also be in charge of the social media, gaining brand deals/partnerships, and finding new opportunities for the public to gain awareness of The Selca. The general manager will be in charge of operating the business and handle anything related directly to the customers. In addition, he/she will oversee The Selca Staff; these are the general employees who assist the customers and maintain The Selca's day-to-day operations. These individuals will interview for the position and will need to exude a level of energy and possess an outgoing, friendly disposition to create a fun, exciting environment. The in-house designer will be in charge of designing the rooms, hiring free-lance artists, lighting specialists, and artisans to complete said designs, and make sure the designs are completed in a timely manner.

As with any other business, The Selca expects to grow. Particularly in the first year, The Selca is expected to grow exponentially, and to support this growth, The Selca's team will expand as well. Below is an organization chart for The Selca once it matures and garners a larger audience.



In addition to the previous work chart, The Selca will employ a VP of Human Resources that is in charge of the people side of the business. Within The Selca Staff, there will be three general managers to help run the business. Along with the designer, there will be a junior designer to aid in the aesthetics, which is an essential part of The Selca as attracting customers will largely rely on them. However, it cannot be solely relied on the designer, so The Selca will expand its Marketing department and also include a Director of Sponsor/Partnerships whose sole job is to secure brand deals with varying companies. Also, to manage the money side of the business, The Selca will hire a bookkeeper.

Location

The Selca will be located in the Fashion District of Downtown Los Angeles. The Downtown area is a trendy place within Los Angeles and already houses well-known attractions such as the Broad and the Staples Center. However, prices in central Downtown are far too high for The Selca to support, so it will be situated in the cheaper sub-neighborhood known as the Fashion District. Although not as glamorous, the Fashion District is an up and coming neighborhood and only a few minutes away from the established parts of Downtown Los Angeles. Average annual rent per square foot in this area is $25-30. The Selca will start with 7,500 square feet. However, expansion in the future, which most likely means moving to a new location, is a viable option.

Setup

It will take around 4 months to design, prepare, and complete The Selca and be ready for customers. Within the first month, The Selca will hire a head designer that will decide how the rooms will be designed and executed. There will be three large-scale installations and around 10 smaller studio-like areas. The head designer will be in charge of hiring the necessary specialists i.e. electrician, florist, artists, etc... to achieve the designs.

In addition to physical repairs and maintenance, The Selca will create a website where potential customers will learn more about the business, it's mission, and general information. More importantly, the website will be the main place where customers purchase tickets.

Operations

The hours of operation will be Monday through Thursday 12 pm – 6 pm, Friday 12 pm – 9 pm, and Saturday and Sunday 10 am – 9 pm. A general manager will lead each shift, and around 5 Selca Staff will be clocked in per shift. A customer will reserve tickets online based on time of entry. If customers without online reservations come to The Selca, they may be allowed to purchase tickets at the door if capacity has not been reached for that particular time. Times to enter The Selca will be in 15-minute intervals to manage the number of customers entering. The Selca expects customers to stay 30 minutes to one hour.

The First Supper

A couple weeks before The Selca opens up to the general public, the business will invite social influencers for an event. The event will include small hors d'oeuvres and The Selca branded swag bags. Most importantly, they will share The Selca on their stories in real-time, and following the event, post photos of themselves in the completed rooms to broadcast to their followers. This is a huge opportunity to reach a larger audience and for many Instagram users to gain awareness of this business.

First Year Schedule

Month	Actions
Month 1 June 2019	• Find a location • Hire designer • Start designing rooms • Begin cosmetic changes to building • Hire VP of Marketing
Month 2 July 2019	• Finalize designs • Hire team to execute designs • Start social media pages • Begin contacting social influencers • Find partner to sponsor opening • Create a website
Month 3 August 2019	• Interview for The Selca Staff • Release press release about The Selca opening • Complete rooms and all designs • Clear inspections • Start training The Selca Staff • Continue promoting on social media
Month 4 September 2019	• Invite social influencers to an event at The Selca • Open website to the public • Tickets available to public • Open The Selca
Month 5 – 12 October 2019 – May 2020	• Operate the business • Continue to grow via social media • Hire more staff • Find new partners and brand deals • Update smaller rooms periodically • Begin creating new designs for large rooms

Financial Plan

The Selca has prepared the following projected financial statements: income statement, statement of cash flows, and balance sheet for the fiscal years 2019, 2020, and 2021. The first year consists of financial information aggregated monthly while the latter two years have financial information compiled quarterly.

The first three months show a projected net loss because other than the $50,000 source of income from brand deal revenue, The Selca will have no other income source. This is because these three months will be used to prepare the building by meeting all codes and standards, making any necessary renovations, and installing the artworks. Once The Selca opens to the public, it is projecting to have on average 15 customers per 15 minute slot—this is an average; peak times and days will likely have more while off-peak periods will have less. With ticket prices at $30, each month sees a steady net income. The average number of customers slowly decreases towards the end of the year. In response to this, The Selca will close in December to set up new rooms and ensure repeat customers. The business chose December because it is a slow month and will be closed during the holiday season anyways. Following the new setup, The Selca is projecting an increase in the average number of customers.

The first three months of the first year will provide only a slight net increase in cash possible through The Selca's initial investment; however, once the business opens, this will quickly change to a net increase. As of now, The Selca is not projecting to have much if any investing activities, such as the sale of fixed assets, the sale of investments, and the collection of insurance and loans proceeds. However, if any were to occur, management will properly record such transactions in the statement of cash flows accordingly. Similarly, financing activities will be handled in this manner. Looking at the balance sheet, the amount of assets is minimal because The Selca is primarily a service business.

According to the year one income statement, The Selca will need initial financing of $325,000. This number is derived by adding the first three months expenses, the amount needed before opening The Selca to the general public. To finance initial setup costs, angel investors will be offered 20% equity for $325,000—$80,000 in month 1, $125,000 in month 2, and $120,000 in month 3. Once The Selca opens, profits generated from ticket sales will sustain any further expenses accrued. Although The Selca is not planning to expand or venture to other locations currently, if it were to, the business would look into additional financing at that time.

Budgeting Assumptions

		Year 1	Year 2	Year 3
1	Online Ticket Revenue	Estimating average 15 people per 15 minutes at a ticket price of $30 Starting in February, estimating a decrease in visitors to 10 people per 15 min	*Will close for month of December to set up new rooms With the introduction of a new rooms, estimating average 20 people per 15 minutes at a ticket price of $32	*Will close for month of December to set up new rooms Starting in June, estimating a decrease in visitors to 15 people per 15 min Starting in September, estimating a decrease in visitors to 10 people per 15 min With introduction of new rooms, estimating an average of 25 people per 15 minutes at a ticket price of $35
2	Walk-In Ticket Revenue	Estimating 5 per day		
3	Brand/Partnership Revenue	Initial brand deal of $50,000 Additional brand deals:	New partnership/brand deal estimating $50,000 for the year	New partnership/brand deal estimating $100,000
4	Rent Expense	3 large installations: 1200 sq ft each Small studio stations: 1000 sq ft Office space: 1000 sq ft Entrance: 900 sq ft Bathroom and miscellaneous spaces: 1000 sq ft Total square footage: 7500 sq ft * $25 / SF / Year (Average price in Fashion District Downtown Los Angeles) $187,500 / Year	Expecting rent to increase to $30 / SF / Year	Expanding The Selca to 10,000 square feet in the same building at $35 / SF / Year
5	Utilities	7500 sq ft *$0.20 / SF / month $1500 / month		10,000 sq ft * $0.25 / SF / month $2500 / month

6	Salaries and Wages Expense	Average designer salary in LA: $60,000 Average general manager salary in LA: $50,000 The Selca Staff: $12 / hr (10 workers in every shift) Renovation workers: $20 / hr (8 hours per day during renovation) (12 workers)	Designer salary: $70,000 General manager salary: $55,000 (2) The Selca Staff: $13 / hour (10 workers per shift) Renovation workers: $22 / hour (15 workers for month of renovation) Hire VP of Marketing: $80,000 Outsource bookkeeping to freelance accountant: $20 / hour (10 hours per week)	Designer salary: $80,000 Hire junior designer: $55,000 General manager salary: $60,000 (3) The Selca Staff: $14 / hour (12 workers per shift) Renovation workers: $24 / hour (20 workers for month of renovation) VP of Marketing: $90,000 Hire Director of Sponsor / Partnerships: $60,000 Bookkeeper: $20 / hour (12 hours per week) Hire Human Resources Manager: $75,000
7	Employee Benefits	According to eHealth, UnitedHealth offers insurance for $120 / employee. * 4 full-time employees $480 / month	6 full-time employees	9 full-time employees

8	Insurance	According to an online Hiscox quote, monthly insurance is $360 / month which includes the following coverage: Damage to someone else's property Damage to rented properties (e.g. a fire) Injury to a third party including related medical expenses Actions of your staff, including temporary employees Claims of personal injury including libel and slander		
9	Marketing	3% of total revenue	5% of total revenue	7% of total revenue
10	Design Materials	Budget: $100,000 (split over 3 months)	Budget: $120,000	Budget: $200,000
11	Website	According to this site, a small business' website costs $2000 - 8000. I'm projecting The Selca to be somewhere in the upper-middle range: $6,000. Monthly maintenance fees will amount to around $250 / month.	Maintenance increase to $500 / month	Maintenance increase to $1000 / month
12	Filing Expense	To file as an LLC in the state of CA, you pay an initial fee of $100 and following that $25 per year. In addition, an LLC pays $800 per year in taxes to the California Franchise Tax Board.		
13	Sales Tax Expense and Payable	7.25% in the State of California		
14	Equipment	3 computers @ $1000 each 1 Square Register @$1000 Miscellaneous Equipment: $10000	3 additional computers Miscellaneous: $10000	3 additional computers Miscellaneous: $10000

15	Furniture	3 desks @ \$500 each 3 chairs @ \$50 each Miscellaneous Furniture: \$1000	3 additional desks 3 additional chairs Miscellaneous: \$1000	3 additional desks 3 additional chairs Miscellaneous: \$1000
16	Depreciation Expense	Useful Life of Equipment: 5 years Useful Life of Furniture: 7 years		

7 https://www.ehealthinsurance.com/ehi/sbg-health/new-quote?intermediateRequired=false&resetRefineSearch=true&groupId=5141444
8 https://quote.hiscox.com/portalserver/insurance/quote-buy#
11 https://digital.com/blog/how-much-does-website-cost/
12 https://www.incorporate.com/learning-center/california/california-llc-taxes-fees

The Selca, LLC.
Income Statement
For the fiscal year ending May 31, 2020

Revenue	June	July	August	September	October	November	December	January	February	March	April	May	Year Total
Online Ticket Sales Revenue				$426,600	$428,400	$354,600	$277,200	$423,000	$277,200	$291,600	$278,400	$301,200	$3,058,200
Walk-in Ticket Sales Revenue				$ 4,500	$ 4,650	$ 3,750	$ 3,000	$ 4,650	$ 4,200	$ 4,650	$ 4,500	$ 4,650	$ 38,550
Brand/Partnership Revenue	$ 50,000												$ 50,000
Total Revenue	$ 50,000	$ –	$ –	$431,100	$433,050	$358,350	$280,200	$427,650	$281,400	$296,250	$282,900	$305,850	$3,146,750
Operating Expenses:													
Rent Expense	$ 15,625	$ 15,625	$ 15,625	$ 15,625	$ 15,625	$ 15,625	$ 15,625	$ 15,625	$ 15,625	$ 15,625	$ 15,625	$ 15,625	$ 187,500
Utilities	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 18,000
Salaries and Wages Expense	$ 66,767	$ 68,687	$ 66,767	$ 37,607	$ 37,727	$ 32,807	$ 27,647	$ 37,367	$ 36,887	$ 38,327	$ 37,007	$ 39,287	$ 526,884
Payroll Tax Expense	$ 5,108	$ 5,255	$ 5,108	$ 2,877	$ 2,886	$ 2,510	$ 2,115	$ 2,859	$ 2,822	$ 2,932	$ 2,831	$ 3,005	$ 40,307
Employee Benefits	$ 480	$ 480	$ 480	$ 480	$ 480	$ 480	$ 480	$ 480	$ 480	$ 480	$ 480	$ 480	$ 5,760
Depreciation	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 3,179	$ 3,179
Insurance	$ 360	$ 360	$ 360	$ 360	$ 360	$ 360	$ 360	$ 360	$ 360	$ 360	$ 360	$ 360	$ 4,320
Marketing	$ –	$ –	$ –	$ 12,933	$ 12,992	$ 10,751	$ 8,406	$ 12,830	$ 8,442	$ 8,888	$ 8,487	$ 9,176	$ 92,903
Design Materials	$ 33,333	$ 33,333	$ 33,333										$ 100,000
Website		$ 6,000	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 250	$ 8,500
Sales Tax Expense	$ –	$ –	$ –	$ 31,255	$ 31,396	$ 25,980	$ 20,315	$ 31,005	$ 20,402	$ 21,478	$ 20,510	$ 22,174	$ 224,514
Filing Expense	$ 900												$ 900
Total Operating Expenses	$124,073	$ 131,240	$ 123,423	$102,887	$103,216	$ 90,263	$ 76,697	$102,275	$ 86,767	$ 89,840	$ 87,050	$ 95,036	$1,212,766
Income from Operations	$ (74,073)	$(131,240)	$(123,423)	$328,213	$329,834	$268,087	$203,503	$325,375	$194,633	$206,410	$195,850	$210,814	$1,933,984
Other gains and losses	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Net income before taxes	$ (74,073)	$(131,240)	$(123,423)	$328,213	$329,834	$268,087	$203,503	$325,375	$194,633	$206,410	$195,850	$210,814	$1,933,984
Income tax expense	$ –	$ –	$ –	$ 29,014	$ 29,157	$ 23,699	$ 17,990	$ 28,763	$ 17,206	$ 18,247	$ 17,313	$ 18,636	$ 200,024
Net income after taxes	$ (74,073)	$(131,240)	$(123,423)	$299,199	$300,677	$244,388	$185,513	$296,612	$177,427	$188,164	$178,537	$192,178	$1,733,959

The Selca, LLC.
Income Statement
For the fiscal year ending May 31, 2021

Revenue	Q1 June – August	Q2 September – November	Q3 December – February	Q4 March – May	Year Total June – May
Online Ticket Sales Revenue	$ 865,200	$ 832,800	$ 1,154,560	$ 1,845,760	$ 4,698,320
Walk-in Ticket Sales Revenue	$ 13,800	$ 13,200	$ 9,120	$ 13,800	$ 49,920
Brand/Partnership Revenue	$ 12,500	$ 12,500	$ 12,500	$ 12,500	$ 50,000
Total Revenue	$ 891,500	$ 858,500	$ 1,176,180	$ 1,872,060	$ 4,798,240
Operating Expenses					
Rent Expense	$ 56,250	$ 56,250	$ 56,250	$ 56,250	$ 225,000
Utilities	$ 4,500	$ 4,500	$ 4,500	$ 4,500	$ 18,000
Salaries and Wages Expense	$ 161,330	$ 157,820	$ 179,950	$ 161,330	$ 660,430
Payroll Tax Expense	$ 12,342	$ 12,073	$ 13,766	$ 12,342	$ 50,523
Employee Benefits	$ 2,160	$ 2,160	$ 2,160	$ 2,160	$ 8,640
Depreciation					$ –
Insurance	$ 1,080	$ 1,080	$ 1,080	$ 1,080	$ 4,320
Marketing	$ 43,950	$ 42,300	$ 58,184	$ 92,978	$ 237,412
Design Materials			$ 120,000		$ 120,000
Website	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 6,000
Sales Tax Expense	$ 63,728	$ 61,335	$ 84,367	$ 134,818	$ 344,247
Filing Expense	$ 825				$ 825
Total Operating Expenses	$ 347,664	$ 339,018	$ 521,757	$ 466,958	$ 1,675,397
Income from Operations	$ 543,836	$ 519,482	$ 654,423	$ 1,405,102	$ 3,122,843
Other gains and losses	$ –	$ –	$ –	$ –	$ –
Net income before taxes	$ 543,836	$ 519,482	$ 654,423	$ 1,405,102	$ 3,122,843
Income tax expense	$ 48,075	$ 45,922	$ 57,851	$ 124,211	$ 276,059
Net income after taxes	$ 495,761	$ 473,560	$ 596,572	$ 1,280,891	$ 2,846,783

The Selca, LLC.
Income Statement
For the fiscal year ending May 31, 2022

	Q1	Q2	Q3	Q4	Year Total
Revenue	June – August	September – November	December – February	March – May	
Online Ticket Sales Revenue	$ 1,384,320	$ 888,320	$ 1,599,500	$ 2,523,500	$ 6,395,640
Walk-in Ticket Sales Revenue	$ 14,560	$ 14,560	$ 9,975	$ 14,560	$ 53,655
Brand/Partnership Revenue	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 100,000
Total Revenue	$ 1,423,880	$ 927,880	$ 1,634,475	$ 2,563,060	$ 6,549,295
Operating Expenses					
Rent Expense	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 300,000
Utilities	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 30,000
Salaries and Wages Expense	$ 259,248	$ 254,712	$ 322,176	$ 259,248	$ 1,095,384
Payroll Tax Expense	$ 19,832	$ 19,485	$ 24,646	$ 19,832	$ 83,797
Employee Benefits	$ 3,240	$ 3,240	$ 3,240	$ 3,240	$ 12,960
Depreciation					$ –
Insurance	$ 1,080	$ 1,080	$ 1,080	$ 1,080	$ 4,320
Marketing	$ 97,922	$ 63,202	$ 112,663	$ 177,664	$ 451,451
Design Materials			$ 200,000		$ 200,000
Website	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 12,000
Sales Tax Expense	$ 101,419	$ 65,459	$ 116,687	$ 184,009	$ 467,574
Filing Expense	$ 825				$ 825
Total Operating Expenses	$ 569,066	$ 492,678	$ 865,993	$ 730,574	$ 2,658,310
Income from Operations	$ 854,814	$ 435,202	$ 768,482	$ 1,832,486	$ 3,890,985
Other gains and losses	$ –	$ –	$ –	$ –	$ –
Net income before taxes	$ 854,814	$ 435,202	$ 768,482	$ 1,832,486	$ 3,890,985
Income tax expense	$ 75,566	$ 38,472	$ 67,934	$ 161,992	$ 343,963
Net income after taxes	$ 779,249	$ 396,730	$ 700,549	$ 1,670,494	$ 3,547,022

The Selca, LLC.
Statement of Cash Flows
For the fiscal year ending May 31, 2020

	June	July	August	September	October	November	December	January	February	March	April	May	Year Total
Cash flows from operating activities													
Net Income	$ (74,073)	$ (131,240)	$ (123,423)	$ 299,199	$ 300,677	$ 244,388	$ 185,513	$ 296,612	$ 177,427	$ 188,164	$ 178,537	$ 192,178	$ 1,733,959
Adjustments to reconcile net income to net cash provided by operating activities:													
Increase in accounts receivable	$ –	$ –	$ –	$ 12,933	$ 12,992	$ 10,751	$ 8,406	$ 12,830	$ 8,442	$ 8,888	$ 8,487	$ 9,176	$ 92,903
Increase in accounts payable	$ 6,204	$ 6,562	$ 6,171	$ 5,144	$ 5,161	$ 4,513	$ 3,835	$ 5,114	$ 4,338	$ 4,492	$ 4,353	$ 4,752	$ 60,638
Net cash provided by operating activities	$ (67,869)	$ (124,678)	$ (117,252)	$ 291,411	$ 292,846	$ 238,151	$ 180,942	$ 288,896	$ 173,323	$ 183,768	$ 174,402	$ 187,755	$ 1,701,695
Cash flows from investing activities													
	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Cash flows from financing activities													
	$ 80,000	$ 125,000	$ 120,000	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 325,000.00
Net increase in cash	$ 12,131	$ 322	$ 2,748	$ 291,411	$ 292,846	$ 238,151	$ 180,942	$ 288,896	$ 173,323	$ 183,768	$ 174,402	$ 187,755	$ 2,026,695
Cash at beginning of month	0	$ 12,131	$ 12,453	$ 15,201	$ 306,611	$ 599,458	$ 837,609	$ 1,018,551	$ 1,307,447	$ 1,480,770	$ 1,664,539	$ 1,838,941	$ 9,093,709
Cash at end of month	$ 12,131	$ 12,453	$ 15,201	$ 306,611	$ 599,458	$ 837,609	$ 1,018,551	$ 1,307,447	$ 1,480,770	$ 1,664,539	$ 1,838,941	$ 2,026,695	$ 11,120,405

The Selca, LLC.
Statement of Cash Flows
For the fiscal year ending May 31, 2021

	Q1	Q2	Q3	Q4	Year Total
	June – August	September – November	December – February	March – May	June – May
Cash flows from operating activities					
Net Income	$ 495,761	$ 473,560	$ 596,572	$ 1,280,891	$ 2,846,783
Adjustments to reconcile net income to net cash provided by operating activities:					
Increase in accounts receivable	$ 26,370	$ 25,380	$ 34,910	$ 55,787	$ 142,447
Increase in accounts payable	$ 17,383	$ 16,951	$ 26,088	$ 23,348	$ 83,770
Net cash provided by operating activities	$ 486,774	$ 465,130	$ 587,749	$ 1,248,452	$ 2,788,106
Cash flows from investing activities					
	$ –	$ –	$ –	$ –	$ –
Cash flows from financing activities					
	$ –	$ –	$ –	$ –	$ –
Net increase in cash	$ 486,774	$ 465,130	$ 587,749	$ 1,248,452	$ 2,788,106
Cash at beginning of quarter	$ 2,026,695	$ 2,513,469	$ 2,978,600	$ 3,566,349	$ 11,085,113
Cash at end of quarter	$ 2,513,469	$ 2,978,600	$ 3,566,349	$ 4,814,801	$ 13,873,219

The Selca, LLC.
Statement of Cash Flows
For the fiscal year ending May 31, 2022

	Q1	Q2	Q3	Q4	Year Total
	June – August	September – November	December – February	March – May	June – May
Cash flows from operating activities					
Net Income	$ 779,249	$ 396,730	$ 700,549	$ 1,670,494	$ 3,547,022
Adjustments to reconcile net income to net cash provided by operating activities:					
Increase in accounts receivable	$ 41,966	$ 27,086	$ 48,284	$ 76,142	$ 193,479
Increase in accounts payable	$ 28,453	$ 24,634	$ 43,300	$ 36,529	$ 132,916
Net cash provided by operating activities	$ 765,735	$ 394,278	$ 695,564	$ 1,630,881	$ 3,486,458
Cash flows from investing activities					
	$ –	$ –	$ –	$ –	$ –
Cash flows from financing activities					
	$ –	$ –	$ –	$ –	$ –
Net increase in cash	$ 765,735	$ 394,278	$ 695,564	$ 1,630,881	$ 3,486,458
Cash at beginning of month	$ 4,814,801	$ 5,580,537	$ 5,974,815	$ 6,670,378	$ 23,040,531
Cash at end of month	$ 5,580,537	$ 5,974,815	$ 6,670,378	$ 8,301,260	$ 26,526,989

The Selca, LLC.

Balance Sheet

For the fiscal year ending May 31, 2020

	June	July	August	September	October	November	December	January	February	March	April	May
Assets:												
Cash	$ 69,554	$ 114,912	$ 109,521	$ 306,611	$599,458	$837,609	$ 1,018,551	$1,307,447	$1,480,770	$1,664,539	$1,838,941	$2,026,695
Accounts Receivable	$ –	$ –	$ –	$ 12,933	$ 12,992	$ 10,751	$ 8,406	$ 12,830	$ 8,442	$ 8,888	$ 8,487	$ 9,176
Equipment	$ 14,000	$ 14,000	$ 14,000	$ 14,000	$ 14,000	$ 14,000	$ 14,000	$ 14,000	$ 14,000	$ 14,000	$ 14,000	$ 14,000
Less: Depreciation												$ (2,800)
Furniture	$ 2,650	$ 2,650	$ 2,650	$ 2,650	$ 2,650	$ 2,650	$ 2,650	$ 2,650	$ 2,650	$ 2,650	$ 2,650	$ 2,650
Less: Depreciation												$ (379)
Total Assets	$ 86,204	$ 131,562	$ 126,171	$ 336,194	$629,099	$865,009	$ 1,043,607	$1,336,926	$1,505,862	$1,690,076	$1,864,078	$2,049,342
Liabilities:												
Accounts Payable	$ 6,204	$ 6,562	$ 6,171	$ 5,144	$ 5,161	$ 4,513	$ 3,835	$ 5,114	$ 4,338	$ 4,492	$ 4,353	$ 4,752
Sales Tax Payable	$ –	$ –	$ –	$ 31,255	$ 31,396	$ 25,980	$ 20,315	$ 31,005	$ 20,402	$ 21,478	$ 20,510	$ 22,174
Total Liabilities	$ 6,204	$ 6,562	$ 6,171	$ 36,399	$ 36,557	$ 30,494	$ 24,149	$ 36,118	$ 24,740	$ 25,970	$ 24,863	$ 26,926
Equity:												
Paid in Capital	$ 80,000	$ 125,000	$ 120,000	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Retained Earnings	$ –	$ –	$ –	$ 299,795	$592,542	$834,516	$ 1,019,457	$1,300,808	$1,481,123	$1,664,106	$1,839,215	$2,022,416
Total Equity	$ 80,000	$ 125,000	$ 120,000	$ 299,795	$592,542	$834,516	$ 1,019,457	$1,300,808	$1,481,123	$1,664,106	$1,839,215	$2,022,416
Total Liabilities and Equity	$ 86,204	$ 131,562	$ 126,171	$ 336,194	$629,099	$865,009	$ 1,043,607	$1,336,926	$1,505,862	$1,690,076	$1,864,078	$2,049,342

The Selca, LLC.

Balance Sheet

For the fiscal year ending May 31, 2021

	Q1 June – August	Q2 September – November	Q3 December – February	Q4 March – May
Assets:				
Cash	$ 2,513,469	$ 2,978,600	$ 3,566,349	$ 4,814,801
Accounts Receivable	$ 26,370	$ 25,380	$ 34,910	$ 55,787
Equipment	$ 33,000	$ 33,000	$ 33,000	$ 33,000
Less: Depreciation	$ (2,800)	$ (2,800)	$ (2,800)	$ (9,400)
Furniture	$ 5,300	$ 5,300	$ 5,300	$ 5,300
Less: Depreciation	$ (379)	$ (379)	$ (379)	$ (1,136)
Total Assets	$ 2,574,961	$ 3,039,101	$ 3,636,381	$ 4,898,352
Liabilities:				
Accounts Payable	$ 17,383	$ 16,951	$ 26,088	$ 23,348
Sales Tax Payable	$ 63,728	$ 61,335	$ 84,367	$ 134,818
Total Liabilities	$ 81,111	$ 78,286	$ 110,455	$ 158,166
Equity:				
Retained Earnings	$ 2,493,850	$ 2,960,815	$ 3,525,926	$ 4,740,186
Total Equity	$ 2,493,850	$ 2,960,815	$ 3,525,926	$ 4,740,186
Total Liabilities and Equity	$ 2,574,961	$ 3,039,101	$ 3,636,381	$ 4,898,352

The Selca, LLC.
Balance Sheet
For the fiscal year ending May 31, 2022

	Q1 June – August	Q2 September – November	Q3 December – February	Q4 March – May
Assets:				
Cash	$ 5,580,537	$ 5,974,815	$ 6,670,378	$ 8,301,260
Accounts Receivable	$ 41,966	$ 27,086	$ 48,284	$ 76,142
Equipment	$ 46,000	$ 46,000	$ 46,000	$ 46,000
Less: Depreciation	$ (9,400)	$ (9,400)	$ (9,400)	$ (18,600)
Furniture	$ 7,950	$ 7,950	$ 7,950	$ 7,950
Less: Depreciation	$ (1,136)	$ (1,136)	$ (1,136)	$ (2,271)
Total Assets	$ 5,665,918	$ 6,045,315	$ 6,762,077	$ 8,410,480
Liabilities:				
Accounts Payable	$ 28,453	$ 24,634	$ 43,300	$ 36,529
Sales Tax Payable	$ 101,419	$ 65,459	$ 116,687	$ 184,009
Total Liabilities	$ 129,872	$ 90,093	$ 159,987	$ 220,538
Equity:				
Retained Earnings	$ 5,536,045	$ 5,955,223	$ 6,602,090	$ 8,189,942
Total Equity	$ 5,536,045	$ 5,955,223	$ 6,602,090	$ 8,189,942
Total Liabilities and Equity	$ 5,665,918	$ 6,045,315	$ 6,762,077	$ 8,410,480