

BUSINESS PLAN / FINANCIAL FORECAST

Hearthline Mechanical

A proposed repair and replacement contractor combining plumbing and HVAC work through one paid field team and a defined dispatch area.

PLANNING EDITION / 2026-10-20

YEAR 1 REVENUE

1,001,739.20

USD

YEAR 1 NET INCOME

-12,339.64

USD

STARTUP USES

237,288.16

USD

Your guide to the plan

Detailed · Clear & Professional | Investor fundraising

Forecast from 2027-01-01 | 3 operating years | USD | base

01	Executive summary	2
02	Company & management	2
03	Products & business model	3
04	Market & competition	4
05	Marketing & sales	4
06	Operations & milestones	5
07	Funding request & use of funds	6
08	Financial plan	6
09	Risks & contingencies	7
10	Supporting documents	8
11	Annual financial appendix	9

Planning forecast. Assumptions require review; proposed funding is not secured.

01 Executive summary

Hearthline Mechanical proposes a small independent plumbing and hvac service contractor in Suburban mixed-climate US service area; jurisdiction unselected. A proposed repair and replacement contractor combining plumbing and HVAC work through one paid field team and a defined dispatch area. The central launch decision is: Can one field team support the plumbing/HVAC mix, year-round payroll and parts-to-collection cash timing?

Business overview

Authorized homeowners and light-commercial property managers commissioning assessed service, maintenance or replacement work. Four technicians supply one available field labor-hour pool. Six exclusive categories allocate each sold hour once; inclusive realized prices cover the selected installed scope, with parts/equipment and outside specialists purchased separately. One seasonal pattern changes sold workload without adding technicians. The business will accept assignments within this service boundary and quote separately or refer work that falls outside it.

Key priorities

Use suitable paid service assignments to record diagnosis time, field hours, parts consumed, travel, callbacks and payment. A call is not a completed repair, and an equipment inquiry is not a funded replacement. Test the mixed service calendar through quiet and busy periods before interpreting the initial sold utilization as established demand. The proposed first operating month is January 2027. The owner should confirm service readiness, paid staffing and available cash before opening the calendar.

Financial highlights

The proposal requires \$481,226.71 in equity. Launch spending is \$237,288.16, leaving \$243,938.55 in opening cash. Year 1 revenue is \$1,001,739.20 and net income is -\$12,339.64. Year 1 EBITDA is positive, but depreciation and the income-tax provision bring net income below zero. Operating contribution before those charges does not eliminate the net loss. The initial project outlay is not recovered within three operating years.

02 Company & management

Hearthline Mechanical will operate as an independent service business. The working owner will control scope, staffing, commercial terms and weekly cash decisions; legal formation and the ownership agreement must be completed before trading.

Company background

Hearthline Mechanical is a fictional independent contractor in an unselected suburban mixed-climate service area. Its workshop and dispatch base supports residential and light-commercial repair/replacement work. The initial service radius must match actual technician skills, travel and permissions; the plan does not establish a licensed operating business or a contracted customer base.

Ownership & management

The proposed owner contribution is \$481,226.71 and covers all modeled equity. No external equity is included. The owner is also paid for an operating role. Legal ownership, professional eligibility and distribution terms must be verified before trading.

Team & responsibilities

Four compensated field technicians supply the sold labor-hour pool. A paid owner-manager and a paid dispatcher/administrator manage scoping, parts and customer contact without adding field hours. The initial roster is fixed throughout the forecast. Real plumbing and HVAC skill coverage, supervision, absence and service windows require a skills-based schedule rather than relying on aggregate headcount. Field technicians: 4 × \$5,833.33 monthly, plus a 15% employer-cost allowance; Owner manager: 1 × \$6,666.67 monthly, plus a 15% employer-cost allowance; Dispatch and admin: 1 × \$4,000.00 monthly, plus a 15% employer-cost allowance. A weekly roster must cover delivery, preparation, travel, administration, leave and absence. The owner's salary appears once in payroll; contributed time is not an additional cash contribution.

03

Products & business model

The offer is limited to work the team can define, price and deliver consistently. Each agreement should identify the buyer, included tasks, access requirements, deliverables, acceptance and payment terms.

Products & services

The six categories are plumbing repairs, drain services, water-heater installation, HVAC repairs, maintenance and replacement. A job's sold field hours belong to one category in this scenario. Replacement prices are inclusive hourly equivalents, not equipment-only prices plus another full installation fee. Parts/equipment and separately purchased specialist services remain distinct cost categories.

Pricing & revenue streams

4 paid field technicians provide 640.000 scheduled hours per month (160.000 per person). Requested sold time starts at 55% of allocated capacity and follows a 3-month ramp. 6 service shares total 100%; each hour is allocated once. The twelve seasonal weights average one and change requested hours, with capacity retained. Requested work grows 0% annually, subject to the available-hour ceiling; fees grow 2% annually. Staffing stays fixed. Plumbing: 28% of the shared capacity at \$180.00 per billable hour. Drains: 12% of the shared capacity at \$170.00 per billable hour. Water heaters: 10% of the shared capacity at \$375.00 per billable hour. HVAC

repairs: 22% of the shared capacity at \$210.00 per billable hour. HVAC upkeep: 10% of the shared capacity at \$150.00 per billable hour. HVAC renewal: 18% of the shared capacity at \$500.00 per billable hour. Fees exclude customer sales tax. Confirm scope and any exceptional materials before accepting a fixed price.

Customer value

The proposed benefit is clear diagnosis, agreed scope and coordinated repair or replacement with documented handover. Customers need to understand exclusions, access, equipment configuration and approval of extra work. The company would not promise energy savings, emergency response times or a code-compliant installation before the actual equipment, jurisdiction and qualified delivery arrangements are assessed.

04

Market & competition

The initial market is the specific buyer and buying occasion described below. The launch should be justified by paid work in a practical service area, rather than by applying a market-share percentage to a broad industry estimate.

Target customers

Authorized homeowners and light-commercial property managers commissioning assessed service, maintenance or replacement work. Confirm who commissions the work, who supplies access or records and who authorizes payment. Keep the initial territory small enough to support the promised response and delivery time.

Demand & validation

Use suitable paid service assignments to record diagnosis time, field hours, parts consumed, travel, callbacks and payment. A call is not a completed repair, and an equipment inquiry is not a funded replacement. Test the mixed service calendar through quiet and busy periods before interpreting the initial sold utilization as established demand.

Competition & positioning

Alternatives include specialist plumbing firms, HVAC service firms and other suitable combined contractors. Compare diagnosis, included parts, field effort, response coverage, warranties and collection terms. An equipment-only advertisement is not comparable with the inclusive installed-service equivalent. No named-provider ranking, representative local fee or measured territorial market share is asserted.

05

Marketing & sales

The acquisition process should bring in work that fits the team and produces collected contribution after delivery costs. Track qualified opportunities, accepted quotes, completed work and cash received as separate steps.

Customer acquisition

Proposed channels are appropriate local search, property-manager introductions and clearly described maintenance follow-up. Fixed brand spending and performance lead costs are separate from paid owner time. Track relevant calls, authorized work, completed scopes and collected contribution. Qualification must reject requests outside actual competence or travel coverage instead of treating all inquiries as saleable work.

Sales process

Record the authorized buyer, diagnosis, included equipment/parts, change approval, access, acceptance and invoice terms before commitment. The forecast blends residential completion payments with commercial invoice credit. It does not treat customer deposits or a full replacement booking as already earned cash. Actual finance offers, retention and installment terms require a separate contract cash review.

Retention & measurement

After handover, retain service records and invite an appropriate separately authorized maintenance visit. Maintenance hours are already part of the six-way allocation; they cannot also become an additional automatic subscription. Track callbacks, unresolved faults, parts reliability and invoice age. The case supplies no measured repeat-booking rate or achieved equipment-performance improvement.

06

Operations & milestones

Delivery must fit the paid team's hours, equipment and service window. Work should enter the calendar only after scope, competence, access and required resources are confirmed.

Facilities & resources

Four used vans, tool kits, drain/inspection equipment, shop storage and dispatch hardware form the launch assets. Parts and replacement equipment are tangible goods; specialist services are not stock. Apply physical inventory coverage to the goods share once. Confirm configured equipment, supplier availability, storage, vehicle insurance and workshop terms rather than treating allowances as accepted quotes. The launch asset budget is Four used service vans: \$140,000.00; Plumbing and HVAC tool kits: \$30,000.00; Drain and inspection equipment: \$16,000.00; Shop storage and security: \$8,000.00; Computers and dispatch hardware: \$6,000.00.

Service delivery

Assess the request, assign a qualified technician, confirm the scope and parts, complete the agreed work and document testing/acceptance for billing. The seasonal calendar shifts requested sold hours while payroll and available hours remain fixed. Plumbing and HVAC jobs still need compatible skills and routing; the common hour pool does not prove interchangeability of every technician.

Launch & development milestones

Select the jurisdiction and actual scope permissions, verify field capabilities, insurance and suppliers, then complete paid service tests through collection. Review the mixed seasonal roster before promising coverage. Check the minimum cash balance before further vans or staff. Later source staffing and vehicle expansion are omitted; the first-year net loss remains visible.

07

Funding request & use of funds

All proposed equity must be available before launch payments. The funding plan separates equipment and setup spending from the cash reserve needed to support operations.

Use of funds

Launch spending totals \$237,288.16: \$200,000.00 for assets, \$24,500.00 for expensed setup and \$12,788.16 for opening inventory. Setup covers an allowance for formation, professional preparation, training and launch work. Refundable premises deposits and additional site work are excluded until scoped quotes are available.

Sources of funding

Total proposed equity is \$481,226.71, entirely from the owner. This contribution is uncommitted. No external investors or borrowing are included, and financing receipts are separate from earned revenue.

Owner contribution

The owner must confirm the availability and transfer date of the \$481,226.71 contribution. Salary pays for the owner's continuing operating work. The company still needs cash for payroll, equipment and supplier invoices, even when the owner contributes additional time.

Funding request

No external equity is requested. Receiving the proposed owner equity leaves \$243,938.55 of opening cash and a forecast funding gap of \$0.00. Confirm the owner's available funds and transfer date before committing launch payments.

08

Financial plan

The forecast covers January 2027-December 2029 in USD, with launch spending reported separately. Its usefulness depends on the service mix, fee, staffing cost and collection terms below.

Forecast assumptions

4 paid field technicians provide 640.000 scheduled hours per month (160.000 per person). Requested sold time starts at 55% of allocated capacity and follows a 3-month ramp. 6 service shares total 100%; each hour is allocated once. The twelve seasonal weights average one and change requested hours, with capacity retained. Requested work grows 0% annually, subject to the available-hour ceiling; fees grow 2% annually. Staffing stays fixed. Direct costs are 32.5% of net fees. Only purchased materials enter inventory; outside services are not stocked. Salaries are operating expenses, outside the direct-cost ratio. Salaries and fixed overhead grow 3% annually. Collections take 8 days, supplier payments 22 days and inventory coverage 14 days. The 21% flat income-tax provision and 15% employer-cost allowance are simplified planning inputs.

Financial outlook

Year 1: revenue \$1,001,739.20, EBITDA \$39,443.65, net income -\$12,339.64 and closing cash \$270,748.63. Year 2: revenue \$1,118,050.59, EBITDA \$92,382.41, net income \$38,491.11 and closing cash \$349,750.98. Year 3: revenue \$1,140,411.55, EBITDA \$88,445.47, net income \$34,987.97 and closing cash \$425,244.41. Year 1 EBITDA is positive, but depreciation and the income-tax provision bring net income below zero. Operating contribution before those charges does not eliminate the net loss. EBITDA excludes depreciation, interest and income tax; net income includes depreciation and the tax provision.

Cash needs & financial resilience

The lowest forecast cash balance is \$207,619.09, and the funding gap is \$0.00. Positive monthly operating EBITDA is first reached in month 3. The initial project outlay is not recovered within three operating years. Cash differs from profit because of equipment spending, depreciation, collection delays and financing. Review the monthly low point before committing the reserve.

Debt & repayment

No debt or investor distributions are included. Any borrowing option needs an amount, draw date, interest rate and repayment schedule before its affordability can be assessed. Pre-tax project payback measures recovery of the operating investment; it is not a promised dividend, investor return or financing approval.

09

Risks & contingencies

The main exposure is committing paid resources before collected sales justify them. The owner should use the service-specific risks below to decide when to narrow the offer, defer spending or stop.

Key risks

Equipment lead times, diagnostic uncertainty, weather peaks, unavailable specialist skills and callbacks can reduce sold time while wages continue. A replacement can concentrate parts purchases before payment. Blended collection and supplier lags are approximations, not guaranteed credit lines; actual customer and supplier terms can materially change the working reserve.

Contingency actions

Use skill and readiness checks, an approved estimate/change process and inventory records tied to actual work. Monitor sold field hours, parts margin, callbacks and overdue commercial invoices. Test slower collections and a shifted seasonal peak with the retained payroll. Defer additional commitments if actual routing, expertise or cash cannot support them.

10

Supporting documents

The launch decision needs commercial evidence as well as a forecast. Maintain an organized working file so that costs, commitments and delivery capacity can be reviewed before money is spent.

Available supporting information

The operating proposal defines the customer, service boundary, paid roles, launch assets and collection terms. The accompanying annual financial statements set out earnings, cash flow and the balance sheet for the three-year period. All funding remains a proposal; the business is at the prelaunch stage.

Documents to obtain

Actual jurisdiction and trade permissions, verified technicians/supervision, service and equipment terms, configured supplier quotes, insurance, workshop/vehicle arrangements, paid seasonal job records and owner-funding availability remain outstanding. No issued permit, equipment endorsement, measured savings claim or secured customer pipeline is supplied. Record the actual fee, total delivery effort and date of payment for each trial assignment. Update the forecast and funding decision when quotes, commitments or measured results change a material assumption.

THE FINANCIAL FORECAST

Annual financial appendix

All amounts are USD and cover the forecast period. Operating years exclude pre-opening expenses; closing balances are never added together.

Cash & operating summary

Indicator	USD
Minimum cash, including prelaunch	207,619.09
Unfunded cash gap	0.00
Operating-period net income	61,139.44
Final closing cash	425,244.41

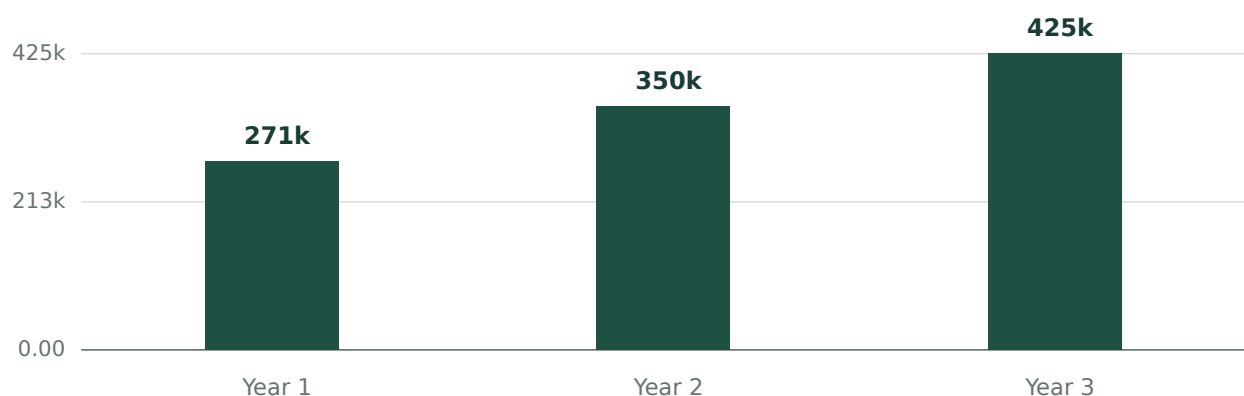
Profit and loss - USD

Item	Year 1	Year 2	Year 3
Revenue	1,001,739.20	1,118,050.59	1,140,411.55
Cost of goods sold	325,565.23	363,366.50	370,633.76
Gross profit	676,173.97	754,684.09	769,777.79
Operating expenses	636,730.32	662,301.68	681,332.32
EBITDA	39,443.65	92,382.41	88,445.47
Depreciation	40,800.00	40,800.00	40,800.00
Interest expense	0.00	0.00	0.00
Income tax	10,983.29	13,091.30	12,657.50
Net income	-12,339.64	38,491.11	34,987.97

Cash flow - USD

Item	Year 1	Year 2	Year 3
Opening cash	243,938.55	270,748.63	349,750.98
Operating cash flow	26,810.08	79,002.35	75,493.43
Investing cash flow	0.00	0.00	0.00
Financing cash flow	0.00	0.00	0.00
Net cash movement	26,810.08	79,002.35	75,493.43
Closing cash	270,748.63	349,750.98	425,244.41

Closing cash, year by year



Year-end cash balances. Exact figures appear in the cash-flow table above.

Balance sheet - USD

Item	Year 1	Year 2	Year 3
Cash	270,748.63	349,750.98	425,244.41
Receivables	24,358.40	24,845.57	25,342.48
Inventory	12,788.16	13,043.93	13,304.81
Fixed assets, net	159,200.00	118,400.00	77,600.00
Total assets	467,095.19	506,040.48	541,491.70
Payables	22,708.12	23,162.30	23,625.55
Loan balances	0.00	0.00	0.00
Total liabilities	22,708.12	23,162.30	23,625.55
Equity	444,387.07	482,878.18	517,866.15
Reconciliation difference	0.00	0.00	0.00

Launch budget & proposed funding

Item	USD
Setup expenses	24,500.00
Asset purchases	200,000.00
Opening stock purchases	12,788.16
Equity contributions	481,226.71
Loan proceeds	0.00
Cash at launch	243,938.55
Opening inventory balance	12,788.16
Opening loan balance	0.00

Operating break-even - USD

Measure	Year 1	Year 2	Year 3
Break-even revenue	935,999.78	964,079.89	993,002.43
Margin of safety	65,739.42	153,970.70	147,409.12

Project payback

Measure	Forecast result
Initial project outlay (USD)	237,288.16
Payback	Not recovered within the forecast
Final cumulative project cash (USD)	-19,250.21

Review before committing

11 financial checks passed; 0 require attention. The forecast is a planning scenario, not an audit, financing approval or promised return.

Planning model, not audited accounts or tax advice. Revenue is invoiced as earned; monthly subscriptions only. Annual prepayments, refundable deposits, milestone invoices, unbilled contract assets, customer taxes, seller settlements, capitalized interest and tax-loss carryforwards are not modeled.

Collection and supplier terms use 30-day monthly interpolation. Inventory purchases and non-stock direct costs use supplier terms; operating costs, setup costs, taxes and opening stock are paid immediately. Stock coverage applies only to linked goods costs. Production stock is tracked separately at unit cost.

Fictional editorial scenario. Prices, workload, wages, costs and financing are illustrative planning inputs, not current quotes, measured local averages or actual company results.

Five-year source narrowed to Jan 2027-Dec 2029; initial paid roster, mix and base fees retained. Later expansion omitted. Fixed utilization and three-month ramp; fees grow 2%, paid/fixed costs 3%. Fractional rows are prorated budgets. Owner pay counted once. Stock uses physical goods days; supplier lag is blended. Deposits/prepayments excluded; setup paid once. Source noncash loss allowances become conservative cash buffers. Tax/employer allowances illustrative.

A 15% illustrative employer allowance is added to paid salaries. The flat 21% native tax provision is a simplified planning input, not an entity or personal tax opinion. Customer sales-tax receipts/remittances and owner distributions are outside this scenario.

All equity is proposed, uncommitted month-0 cash. No debt is modeled. Opening cash is a reserve, not an extra startup expense. Asset/setup/insurance/premises allowances need scoped quotes; refundable premises deposits and site-specific additional works are excluded.

Calculation basis: operating and pre-opening periods remain separate. Stock, supplier terms, depreciation and debt terms affect profit and cash differently. Payback is project cash before financing, not an investor distribution. Review the assumptions and accounting policies alongside these statements.