

Financial Overview

Financials Framework

Version: 1.0 **Last Updated:** 2026-01-28 **Owner:** Alem Basic **Prepared by:** John (Director)

Executive Summary

Financial structure, budget allocation, revenue streams, cost centers, 50% charity commitment, and investment strategy. Clear money flow, transparent accounting, and sustainable growth.

Key Principle: Profitable, sustainable, generous. Build a business that makes money AND gives back.

1. Revenue Streams

1.1 LumisCare (SaaS — Primary Revenue)

Model: Monthly recurring subscriptions

Pricing Tiers:

Tier	Price	Includes	Target Customer
Starter	\$49/month	Up to 50 patients, basic scheduling, documentation	Solo operators, new agencies
Professional	\$99/month	Up to 200 patients, Vapi voice, analytics, compliance	Small agencies (5-20 caregivers)
Enterprise	\$199/month	Unlimited patients, custom integrations, priority support, dedicated onboarding	Growing agencies (20+ caregivers)

Discounts:

- Annual billing: 20% off (2 months free)
- Non-profit agencies: 10% off
- Beta users (first 20): 50% off for 6 months

Revenue Projections:

Timeframe	Customers	Avg Price	MRR	ARR
Month 6	10	\$99	\$990	\$11,880
Month 12	50	\$99	\$4,950	\$59,400
Month 18	100	\$99	\$9,900	\$118,800
Month 24	200	\$120 (mix)	\$24,000	\$288,000

Assumptions:

- 30% trial-to-paid conversion
- 5% monthly churn
- 70% Starter, 25% Professional, 5% Enterprise
- Average customer lifetime: 20 months

Key Metrics:

- **Customer Acquisition Cost (CAC):** Target < \$500
- **Lifetime Value (LTV):** Target > \$2,000
- **LTV/CAC Ratio:** Target > 3:1
- **Payback Period:** Target < 6 months

1.2 Bosnian Payment App (Future Revenue)

Model: Transaction fees + premium features

Revenue Sources:

Source	Rate	Notes
Merchant transaction fee	0.5-1.5%	Lower than card networks (2-3%)
P2P instant transfer	0.20 KM	Free standard, paid instant
Bill payment fee	0.50-1.00 KM	Utility bills, telecom top-ups
Bank integration license	Annual fee (TBD)	Per-bank API access
Data insights	TBD	Anonymized transaction data (Phase 2+)

Revenue Projections (Year 2+):

Users	Avg Transaction/User/Month	Volume/Month	Revenue (1% fee)	MRR
10,000	5	50,000 txns × 20 KM = 1M KM	10,000 KM	~€5,000
50,000	5	250,000 txns × 20 KM = 5M KM	50,000 KM	~€25,000
100,000	10	1,000,000 txns × 20 KM = 20M KM	200,000 KM	~€100,000

Timeline: GA launch Month 12+, meaningful revenue Month 18+

1.3 Crypto Trading (Secondary Income)

Model: Active trading for capital appreciation

Capital: \$10,000 (approved by Alem 2026-01-28)

Strategy:

- 30% USDC reserve
- 20% ETH, 15% BTC, 10% SOL, 10% BNB
- 5% alt coins, 5% meme coins, 5% swing trading
- -5% stop-loss, +8-10% take-profit

Target ROI: 5%+ monthly (conservative), 60%+ annually

Revenue Contribution: Minor (not primary business), used to fund operations or reinvest.

2. Cost Structure

2.1 Cost Centers

Infrastructure & Hosting

Category	Monthly	Notes
AWS (LumisCare)	\$500-2,000	Scales with users (ECS, RDS, S3, CloudFront)
Vapi voice AI	\$100-500	Per usage (voice-to-assessment)
Monitoring (Datadog, PagerDuty)	\$100-300	Infrastructure monitoring, on-call

Category	Monthly	Notes
CDN & DNS	\$50-100	CloudFront, Route53
Total Infrastructure	\$750-2,900/month	

SaaS Tools & Software

Tool	Monthly	Purpose
Stripe	2.9% + \$0.30/txn	Payment processing
Intercom / Crisp	\$50-200	Customer support chat
Jira / Linear	\$50-100	Project management
Apollo.io	\$100	Sales outreach
LinkedIn Sales Navigator	\$80	Sales prospecting
Notion	\$10-50	Documentation
Auth0 / Clerk	\$50-200	Authentication
GitHub	Free-\$50	Code repository
Total SaaS	\$390-780/month	

Development Services (SnowIT ? Fast Constructions)

Model: Fast Constructions pays SnowIT for development services.

Options:

Option A: Revenue Share

- SnowIT receives 50% of Fast Constructions revenue
- Example: \$1,000 MRR → \$500 to SnowIT, \$500 to Fast Constructions
- **Pros:** Aligned incentives, SnowIT shares upside
- **Cons:** Variable income for SnowIT, complex accounting

Option B: Fixed Monthly Retainer

- SnowIT receives \$3,000-\$10,000/month (market rate for BiH dev team)
- **Pros:** Predictable, simple, easier for tax/transfer pricing
- **Cons:** Not aligned with revenue growth

Option C: Hybrid

- Base retainer (\$2,000/month) + 25% revenue share
- **Pros:** Balanced, some predictability + upside
- **Cons:** Still complex accounting

Recommendation: Start with **Option B (Fixed Retainer)** — \$5,000/month to SnowIT. Simpler for early stage.

Documented in Development Services Agreement (see LEGAL-STRUCTURE.md).

Marketing & Sales

Category	Monthly	Notes
Cold outreach tools	\$200	Apollo, LinkedIn
Advertising (Google, Facebook)	\$500-2,000	Scale with revenue
Content creation	\$200-500	Blog, videos (mostly internal)
Conferences / events	\$0-1,000	Occasional
Total Marketing	\$900-3,700/month	

Professional Services

Service	Frequency	Cost	Notes
Accountant (US)	Monthly or quarterly	\$200-500/month	Tax filing, bookkeeping
Accountant (BiH)	Quarterly	\$100-300/quarter	SnowIT accounting
Lawyer	As needed	\$200-400/hour	Contracts, IP, compliance
Patent attorney	One-time + ongoing	\$3K-6K (provisional), \$50K-110K (full)	File within 60 days
Total Professional Services	\$300-1,000/month	(average)	

Insurance

Type	Annual	Monthly
Cyber liability	\$2,000-5,000	\$170-420
Professional liability (E&O)	\$1,500-3,000	\$125-250
General liability	\$500-1,000	\$40-85
Total Insurance	\$4,000-9,000/year	\$335-755/month

Team Compensation (SnowIT)

Current: All agents are virtual (no direct cost to Alem yet).

Future (if hiring real humans):

Role	Salary (BiH market)	Annual Cost
------	---------------------	-------------

Senior Developer (BiH)	€2,000-3,000/month	€24K-36K
Junior Developer (BiH)	€1,000-1,500/month	€12K-18K
QA Engineer (BiH)	€1,500-2,500/month	€18K-30K
DevOps (BiH)	€2,500-4,000/month	€30K-48K
US Sales Rep (part-time)	\$3,000-5,000/month	\$36K-60K

Note: Currently deferred. Agents (virtual) have no direct cost. Asmir (SnowIT partner) may hire real humans when revenue supports it.

2.2 Total Burn Rate (Early Stage)

Before meaningful revenue:

Category	Monthly Low	Monthly High
Infrastructure	\$750	\$2,900
SaaS tools	\$390	\$780
Development (SnowIT payment)	\$5,000	\$5,000
Marketing	\$900	\$3,700
Professional services	\$300	\$1,000
Insurance	\$335	\$755
Total Burn	\$7,675/month	\$14,135/month

Average: ~\$10,000/month burn in early stage (pre-revenue)

Runway: Depends on capital available.

- If \$60K available → 6 months runway (at \$10K/month burn)
- If \$100K available → 10 months runway

Break-even target: 100 customers × \$99/month = \$9,900 MRR (covers \$10K/month burn)

3. Capital Allocation

3.1 Current Capital

Trading Capital: \$10,000 (allocated to Nick for crypto trading)

Operating Capital: TBD (Alem to clarify)

Questions for Alem:

- ☐ How much operating capital is available for LumisCare?
- ☐ Should we raise external funding (angel, seed) or bootstrap?
- ☐ What is acceptable burn rate before break-even?

3.2 Funding Strategy

Option A: Bootstrap

- No external investors
- Grow slowly with revenue
- **Pros:** Full control, no dilution
- **Cons:** Slower growth, limited capital

Option B: Angel / Seed Round

- Raise \$100K-500K from angels or small VCs
- **Pros:** Faster growth, capital for marketing and team
- **Cons:** Dilution (10-20%), investor expectations

Option C: Grants & Credits

- Apply for Google for Startups (\$100K-\$350K GCP credits)
- Apply for AWS Activate (\$5K-\$100K credits)
- Healthcare innovation grants
- **Pros:** No dilution, free resources
- **Cons:** Application process, limited to credits (not cash)

Recommendation: Start with **Option C (Grants) + Option A (Bootstrap)**, raise **Option B** only if growth justifies it.

Action Items:

- ☐ Apply to Google for Startups (John prepares, Alem approves)
- ☐ Apply to AWS Activate
- ☐ Research healthcare innovation grants (Selma)

3.3 Investment Strategy (Trading)

Capital: \$10,000 (approved)

Allocation (Target):

- 30% USDC (reserve): \$3,000
- 20% ETH: \$2,000
- 15% BTC: \$1,500
- 10% SOL: \$1,000
- 10% BNB: \$1,000
- 5% alt coins: \$500
- 5% meme coins: \$500
- 5% swing trading: \$500

Risk Management:

- -5% stop-loss on all positions (auto-sell if loss exceeds 5%)
- +8-10% take-profit targets
- Max 30% in any single asset
- Monthly rebalancing

Expected Returns:

- Conservative: 3-5% monthly (\$300-500/month on \$10K)
- Moderate: 5-8% monthly (\$500-800/month)
- Aggressive: 10%+ monthly (\$1,000+/month) — higher risk

Use of Profits:

- 50% reinvested (compound growth)
- 50% to operating expenses or charity

Responsible: Nick (execution), John (oversight), Alem (strategy approval)

4. Charitable Giving (50% Commitment)

4.1 Policy

Commitment: 50% of all net profits donated to charity.

Which Entity?

- **Fast Constructions (USA)** — recommended (tax-deductible in US)
- OR Alem Basic (individual) — if taking distributions

Net Profit Definition:

- Revenue - COGS - Operating Expenses - Taxes = Net Profit
- 50% of Net Profit → Charity
- 50% of Net Profit → Retained earnings or distributions

Frequency: Annually (easier accounting, better for tax deduction)

Example (Year 1):

- Revenue: \$100,000
- Expenses: \$60,000
- Net Profit: \$40,000
- Charity: \$20,000 (50%)
- Retained: \$20,000 (50%)

4.2 Charity Selection

Focus Areas:

- Healthcare access (aligned with LumisCare mission)
- Underserved communities (US and Bosnia)
- Education (STEM, healthcare training)
- Disaster relief (if needed)

Criteria:

- US-registered 501(c)(3) or equivalent
- Verified via GuideStar, Charity Navigator, or BBB Wise Giving Alliance
- Transparent financials (>80% of funds to programs, not overhead)
- Proven impact

Potential Charities:

- Direct Relief (healthcare access)
- Partners in Health (underserved communities)
- Doctors Without Borders (global health)
- Local BiH charities (if Payment App succeeds)

Decision: Alem selects charities (or delegates to John with approval).

4.3 Transparency & Marketing

Public Commitment:

- Publish on lumiscare.com/impact (transparency page)
- "50% of profits → charity. We care about your patients AND your community."

- Use as marketing differentiator ("Healthcare software that gives back")

Annual Report:

- "In 2026, we donated \$X to [charities]."
- List charities, amounts, impact
- Share on LinkedIn, blog, email to customers

Tax Benefits:

- US: Corporate charitable donations deductible up to 10% of taxable income (C-corp)
 - Bosnia: Limited deductibility (consult accountant)
 - Norway (Alem personal): ~12,000 NOK/year deductible
-

5. Budget Planning

5.1 Monthly Budget (Early Stage)

Category	Budgeted	Actual (Month X)	Variance
Revenue	\$990	\$X	+/- Y%
Expenses			
└ Infrastructure	\$1,500	\$X	+/- Y%
└ SaaS tools	\$500	\$X	+/- Y%
└ Development (SnowIT)	\$5,000	\$X	+/- Y%
└ Marketing	\$1,000	\$X	+/- Y%
└ Professional services	\$500	\$X	+/- Y%
└ Insurance	\$500	\$X	+/- Y%
Total Expenses	\$9,000	\$X	+/- Y%
Net Profit/(Loss)	(\$8,010)	\$X	

Budget Owner: John (prepares), Alem (approves)

Review Cadence: Monthly (Monthly Business Review)

Adjustments: John can adjust <10% variance, Alem approves >10% variance.

5.2 Annual Budget (Year 1)

Revenue Target: \$59,400 ARR (50 customers × \$99/month)

Expense Budget:

Category	Annual	Notes
Infrastructure	\$18,000	Scales with users
SaaS tools	\$6,000	
Development (SnowIT)	\$60,000	\$5K/month
Marketing	\$24,000	Heavy in early months
Professional services	\$12,000	Includes patent filing
Insurance	\$6,000	
Total Expenses	\$126,000	

Net Loss (Year 1): ~\$66,600 (need capital to cover)

Path to Profitability:

- Break-even: ~100 customers (Month 12-15)
- Profitable: >100 customers + growing

Funding Needed (Year 1):

- Operating capital: \$70,000 (covers net loss + buffer)
- Trading capital: \$10,000 (already allocated)
- **Total:** \$80,000

Sources:

- Alem personal capital
 - Angel investors
 - Grants (Google, AWS)
 - Trading profits (if Nick successful)
-

6. Financial Reporting

6.1 Monthly Reporting (John ? Alem)

By 5th of each month:

P&L (Profit & Loss):

Line Item	Current Month	Last Month	YTD
Revenue	\$X	\$Y	\$Z
COGS	\$X	\$Y	\$Z
Gross Profit	\$X	\$Y	\$Z
Operating Expenses			
└ Infrastructure	\$X	\$Y	\$Z
└ SaaS tools	\$X	\$Y	\$Z
└ Development	\$X	\$Y	\$Z
└ Marketing	\$X	\$Y	\$Z
└ Professional services	\$X	\$Y	\$Z
└ Insurance	\$X	\$Y	\$Z
Total OpEx	\$X	\$Y	\$Z
Net Profit/(Loss)	\$X	\$Y	\$Z

Cash Flow:

Category	Current Month	Last Month
Cash In (revenue)	\$X	\$Y
Cash Out (expenses)	\$X	\$Y
Net Cash Flow	\$X	\$Y
Cash Balance (end of month)	\$X	\$Y

Runway: X months (at current burn rate)

Charitable Giving Accrual: \$X (50% of net profit YTD, paid annually)

6.2 Quarterly Reporting

Includes:

- Full P&L, cash flow, balance sheet (if applicable)
- Customer metrics (MRR, churn, LTV, CAC)
- Trading performance (ROI, Sharpe ratio)
- Variance analysis (budget vs actual)
- Forecast update (next quarter)

Reviewed at Quarterly Planning Meeting.

6.3 Annual Reporting

Includes:

- Annual financial statements (P&L, balance sheet, cash flow)
- Tax filings (prepared by accountant)
- Charitable giving summary (donations made)
- Performance vs budget
- Next year budget

Published: Transparency report on lumiscare.com/impact (charity only, not full financials)

7. Tax Strategy

7.1 Tax Jurisdictions

Entity	Jurisdiction	Tax Type	Rate	Filing
Fast Constructions (USA)	US Federal + State	Corporate income tax	21% federal + 0-9% state	Quarterly estimated, annual return
SnowIT (Bosnia)	Bosnia & Herzegovina	Corporate income tax	10%	Quarterly or annual
Alem Basic (individual)	Norway	Personal income tax	Progressive (up to ~50%)	Annual

7.2 Tax Optimization (Legal)

Strategies:

- **Charitable deductions:** 50% of profit → charity (US tax deductible)
- **R&D credits:** Apply for R&D tax credits (US, BiH) — software development qualifies
- **Transfer pricing:** Document SnowIT → Fast Constructions payment at market rate (avoid tax authority challenges)
- **Depreciation:** Depreciate software development costs over time (GAAP/tax rules)
- **Loss carryforward:** Year 1 losses offset future profits (US allows carryforward)

Accountants:

- **US:** Hire US accountant for Fast Constructions (Q1)
- **BiH:** Engage BiH accountant for SnowIT (Q1)
- **Norway:** Alem's personal accountant (for distributions)

7.3 Transfer Pricing Documentation

Required: If Fast Constructions pays SnowIT >€10K/year, document that payment is at "arm's length" (market rate).

Method:

- Benchmark BiH software developer rates: \$50-100/hour or \$3K-10K/month retainer
- Document hours worked by SnowIT team
- Invoice monthly with breakdown
- Keep records for tax authorities

Owner: Dženan (compliance) + accountants

8. Document Control

Version	Date	Changes	Author
1.0	2026-01-28	Initial document	John

Next Review: 2026-04-01 (quarterly)

Owner: Alem Basic **Maintained By:** John (Director)

End of Financials Document

Clear revenue model. Clear cost structure. Clear charity commitment. Build profitably, scale sustainably, give generously.

Revision #7

Created 2026-02-20 21:33:19 UTC by John

Updated 2026-07-26 20:02:08 UTC by John