MATT'S BBQ

Human Intelligence
Business Plans

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1.0 Executive Summary

The purpose of this business plan is to secure $100,000 in order to establish the operations of a Barbecue fare focused food truck and mobile catering service. Matt's BBQ LLC ("the Company") is a Princeton, New Jersey based business founded by Matthew Deutsch. The business intends to launch operations in the fourth quarter of this year. The business will operate on a daily basis through highly populated areas of the city. On the weekends, the Company will attend major events while also providing catering services for personal and corporate events.

The Operations

The business will provide a wide range of premium Barbecue fare that will be freshly prepared daily. The business will rent space in a commissary kitchen as it relates to pre-route food preparation. Popular dishes that will be served include smoked ribs, brisket, chicken dishes, corn on the cob, corn bread, collard greens, and okra. The business will complement its fare with a wide selection of beverages including freshly pressed juices, bottled beverages, and water. The Company will produce contribution margins of 75% on each sale. The average ticket price will be $20.

A major driver of the Company's growth will come from mobile catering. These engagements will produce $1,500 to $3,000 of revenue while concurrently increasing the brand name visibility of the business. Beyond directly marketing these services to the general public, the business will also maintain ongoing relationships with event planners within Princeton.

The third section of the business plan will further discuss the operations of Matt's BBQ.

The Financing

At this time, the Company is seeking $100,000 via a private investment. The terms of this financing are to be determined during negotiation. The funds will be principally used for the following:

- Acquisition of the Company's food truck
- Working capital for expansion and ongoing monthly expenses.
- General furniture, fixtures, and equipment purchases

The next section of this document will further document the usage of foods. Given the highly predictable income generated from the Company's operations, the business could easily secure additional capital for expansion on an as needed basis. This business plan assumes that no further capital will be acquired during the first five years of operation.

The Future

Over the next five years, the Company will make ongoing and sustained reinvestment into its marketing operations so that the business becomes one of the premier mobile food service businesses specifically for Barbecue fare. The Company will also continually expand the scope of its operations as it relates to providing onsite catering services. This will be accomplished through direct outreach with event planners within the Princeton market as well as through ongoing market efforts. After the fifth year of operation, the business may acquire additional food trucks.

Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$201,210	$235,416	$270,728	$303,215	$333,537
Cost of Revenue	$50,303	$58,854	$67,682	$75,804	$83,384
Gross Profit	$150,908	$176,562	$203,046	$227,412	$250,153
Total Operating Costs	$108,912	$116,530	$124,629	$133,038	$141,828
EBITDA	**$41,996**	**$60,031**	**$78,417**	**$94,374**	**$108,325**

2.0 The Financing

2.1 Funds Required and Use of Funds

At this time, Management is seeking $100,000 in order to launch the operations of Matt's BBQ.

Use of Funds	
Truck Acquisition and Retrofitting	$65,000
Furniture, Fixtures, and Equipment	$5,000
Pre-Launch Marketing	$2,500
Working Capital	$20,000
Professional Fees	$5,000
Misc. Costs	$2,500
Total	$100,000

2.2 Investor and Management Equity

On a tentative basis, Management intends to sell a 40% interest in the business.

2.3 Exit Strategies

If it is financially prudent to do so, the Company will work with a business broker to divest Matt's BBQ to a third party. Based on historical sales of food trucks and mobile food service businesses, the Company could be sold for up to three times the previous year's earnings. This event is not expected to occur within the first five years of operation.

3.0 Operations

The Company will provide a wide range of premium BBQ from its food truck. All food will be prepared at a commissary kitchen that will house the Company's smoker for ribs and brisket. The Company will operate on a daily basis throughout Princeton with a major focus on targeting students and faculty at Princeton University. The Company's website and social media pages will be updated daily to indicate the planned stops and route of the truck.

The Company's primary fare will include:

- Brisket
- Chicken Dishes
- Pulled Pork
- Smoked Ribs

Side dishes will include:

- Coleslaw
- Collard Greens
- Corn Bread
- Mac n' Cheese
- Potato Salad

During the weekends, the Company will provide mobile catering services. The Company will coordinate these efforts with regional event planners that will have Matt's BBQ come to events that they are managing. This will be a major profit center for the business.

4.0 Overview of the Organization

4.1 Registered Name

Matt's BBQ, LLC. The business is registered as a limited liability company in the State of New Jersey.

4.2 Commencement of Operations

The business will commence revenue generating operations the fourth quarter of this year.

4.3 Mission Statement

Matt's BBQ's mission is to provide the Princeton public with a wide range of premium Barbecue fare.

4.4 Vision Statement

The Owner expects to build a business that will achieve over $333,000 of revenue by the fifth year of operations.

4.5 Organizational Objectives

- Properly retrofit the truck once the capital has been secured.
- Maintain an expansive online presence with a focus on social media in order to create substantial brand name visibility in Princeton.
- Establish relationships with food reviewers that will promote Matt's BBQ through positive reviews.
- Provide gainful employment opportunities for the Company's staff.
- Leverage multiple forms of traditional advertising.
- Establish relationships with event planners that will call on Matt's BBQ to provide catering services.
- Implement proper protocols to ensure that the business remains profitable in any economic climate.

5.0 Market and Industry Analysis

5.1 External Environment Analysis

This section of the business plan will focus on the current economic climate, the industry, the customer profile, and competition that Matt's BBQ will face moving forward.

Currently, the economic outlook for the United States is moderate. There has been significant market volatility over the past quarter as a result of changes in global trade policy. Interest rates are continuing to remain steady, and the US Federal Reserve continues to implement appropriate fiscal policy to ensure that the economy continues to grow.

However, challenging economic climates will only have a modest impact on the Company's ability to generate revenue. Matt's BBQ is operating in the wealthy and population dense market of Princeton. Furthermore, the business is not bound by any specific location. The mobile nature of the Company's operations will contribute to the stability of the business.

5.2 Industry Analysis

Within the Untied States, there are approximately 8,300 companies that specialize in providing mobile services (including food trucks) and catering events. Many of these businesses are affiliated with a restaurant or other food service business. Each year, these businesses aggregately generate more than $4.8 billion of revenue while providing jobs to 114,000 people. The CAGR of the industry is expected to remain near 4% over the next five years.

5.3 Customer Profile

The demographics of people that enjoy Barbecue fare span the entirety of the economic spectrum. As Princeton is a diverse market, the business will be able to provide its fare to a broad range of customers. Among parties that will have Matt's BBQ provide catering operations, the business has developed the following profile that will be used during the course of marketing operations:

- Annual household income exceeding $75,000
- Lives within 20 miles of the Company's location in Princeton
- Will spend $1,500 to $3,000 on catering services rendered by Matt's BBQ

5.4 Competition

As this business plan is written as a sample, no formal competitive analysis was conducted. In any full-scale business plan, we would have examined numerous entities that provide Barbecue fare on a mobile basis throughout Princeton as well as caterers that specialize in this type of cuisine. This would include the number of years that they have been in business, their reviews, and other pertinent information about their operations.

6.0 Key Strategic Issues

6.1 Sustainable Operations

The Company will be able to maintain successful business operations because of the following:

- Substantial contribution margins generated from the sale of BBQ and beverages via the Company's mobile operations.
- Very low operating costs as the business will operate on a mobile basis while using a commissary kitchen food preparation.
- The ability to move locations throughout the entirety of the Princeton market area.
- The ability to serve food at large scale events such as music concerts and sporting events.
- Experienced and motivated Founder/CEO, Matthew Deutsch.

6.2 Basis for Growth

Matt's BBQ LLC will grow through three main avenues:

- Integration of additional trucks into the Company's ecosystem.
- Expansion of the Company's onsite catering services.
- Organic growth through increased marketing efforts (including direct outreach with food reviewers based in Princeton).

7.0 Marketing Plan

7.1 Marketing Objectives

- Leverage multiple social media platforms in order to showcase the daily location and route.
- Develop ongoing relationships with festival planners and events managers that will have the Matt's BBQ truck on location.
- Establish relationships with event planners that will call on Matt's BBQ when catering services are needed.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	**1**	**2**	**3**	**4**	**5**
Food and Beverage Sales	$105,900	$123,903	$142,488	$159,587	$175,546
Catering Services	$95,310	$111,513	$128,240	$143,628	$157,991
Total	**$201,210**	**$235,416**	**$270,728**	**$303,215**	**$333,537**

Gross Profit					
Year	1	2	3	4	5
Total	**$150,908**	**$176,562**	**$203,046**	**$227,412**	**$250,153**

7.3 Revenue Assumptions

Year 1

- Matt's BBQ will establish its operations in the fourth quarter of this year.
- Anticipated first year revenues will reach $201,000.
- Gross profits from sales will reach $150,000.

Year 2

- During Year 2 of operations, the business will generate $235,000 of revenue.
- Gross profits from sales will reach $176,000.

Years 3-5

- By the fifth year of operations, the business will generate $333,000 of revenue.
- Gross profits from sales will reach $250,000.
- Management may acquire and retrofit trucks that can service a greater portion of the Mercer County area.

7.4 Marketing Strategies

Management intends on using a number of marketing strategies that will pique the interest of Princeton residents. As noted earlier, the business will be one of the few mobile trucks that provides Barbecue. This will be a major differentiating factor for the business. The truck will feature an assortment of signage that is visually attracting. This will create substantial brand name awareness as the truck travels throughout Princeton.

The Company will maintain a massive presence among all social media pages. On a real-time basis, the Company will indicate the location of truck on Facebook, X, and Instagram. On these pages, the Company will showcase the unique Barbecue fare offered, images of the truck, and information about the Founder. In time, the business will receive a number of positive reviews from patrons that will further boost brand name recognition.

Prior to the launch of operations, the Company will conduct direct outreach with food reviewers and bloggers within Princeton. This will assist the business in its public relations related operations. It is expected that numerous reviews will be produced within the first six to twelve months of operation.

The business will also conduct direct outreach with event planners that will have Matt's BBQ use the Company's onsite catering services. As Barbecue fare is popular in this market, Management sees a substantial opportunity to increase revenue and profits through these types of operations. This type of relationship development will occur throughout the life of the business.

Matt's BBQ will also maintain an expansive proprietary website. This platform will showcase the cuisine, daily location/route, images of the Company's fare, and videos of the business attending events and serving food. This platform will be mobile device friendly, and it will be search engine optimized so that when searches for mobile catering services are conducted – the website will appear frequently within the body of the search results.

8.0 Organizational Plan

8.1 Corporate Organization

8.2 Organizational Budget

Personnel Plan - Yearly					
Year	1	2	3	4	5
Owner	$40,000	$43,600	$47,524	$51,801	$56,463
Food Service Staff	$20,000	$20,600	$21,218	$21,855	$22,510
Administrative Staff	$17,500	$18,025	$18,566	$19,123	$19,696
Total	**$77,500**	**$82,225**	**$87,308**	**$92,778**	**$98,670**

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
Owner	1	1	1	1	1
Food Service Staff	1	1	1	1	1
Administrative Staff	1	1	1	1	1
Total	**3**	**3**	**3**	**3**	**3**

8.2 Organizational Budget (Cont.)

9.0 Financial Plan

9.1 Underlying Assumptions

The Company has based its proforma financial statements on the following:

- Matt's BBQ, LLC will achieve an average annual revenue growth rate of 15% per annum (CAGR).
- The business will acquire $100,000, via private investment, in order to establish operations.

9.2 Financial Highlights

- Low operating costs as a function of anticipated revenues.
- Profitability in each year.
- Substantial secondary revenues from onsite catering for private events.

9.3 Sensitivity Analysis

The Company's revenues are modestly sensitive to the overall conditions of the economy. Matt's BBQ will generate substantial contribution margins from its sales. Furthermore, as a mobile focused business – the Company is not bound by any fixed which further reduces economic risks. The business is located in the population dense and wealthy market of Princeton, which will further ensure the ongoing profitability of the business.

9.4 Source of Funds

Financing	
Equity	
Equity Capitalization	$100,000.00
Total Equity Financing	$100,000.00
Banks and Lenders	
Total Debt Financing	$0.00
Total Financing	**$100,000.00**

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$201,210	$235,416	$270,728	$303,215	$333,537
Cost of Revenue	$50,303	$58,854	$67,682	$75,804	$83,384
Gross Margin	75.00%	75.00%	75.00%	75.00%	75.00%
Gross Profit	$150,908	$176,562	$203,046	$227,412	$250,153
Expenses					
Payroll	$77,500	$82,225	$87,308	$92,778	$98,670
General and Administrative	$4,024	$4,708	$5,415	$6,064	$6,671
Business Development	$2,736	$3,202	$3,682	$4,124	$4,536
Marketing	$2,415	$2,825	$3,249	$3,639	$4,002
Insurance	$2,500	$2,625	$2,756	$2,894	$3,039
Professional Fees	$3,500	$3,675	$3,859	$4,052	$4,254
Vehicle Costs	$9,000	$9,450	$9,923	$10,419	$10,940
Misc. Costs	$1,308	$1,530	$1,760	$1,971	$2,168
Payroll Taxes	$5,929	$6,290	$6,679	$7,098	$7,548
Total Operating Costs	**$108,912**	**$116,530**	**$124,629**	**$133,038**	**$141,828**
EBITDA	**$41,996**	**$60,031**	**$78,417**	**$94,374**	**$108,325**
Federal Income Tax	$8,311	$12,708	$17,279	$20,893	$24,131
State Income Tax	$1,662	$2,542	$3,456	$4,179	$4,826
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$8,750	$9,200	$9,300	$10,800	$11,800
Net Profit	**$23,272**	**$35,582**	**$48,382**	**$58,502**	**$67,567**
Profit Margin	**11.57%**	**15.11%**	**17.87%**	**19.29%**	**20.26%**

B) Common Size Income Statement

Profit and Loss (Common Size)					
Year	1	2	3	4	5
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Revenue	25.00%	25.00%	25.00%	25.00%	25.00%
Gross Profit	75.00%	75.00%	75.00%	75.00%	75.00%
Expenses					
Payroll	38.52%	34.93%	32.25%	30.60%	29.58%
General and Administrative	2.00%	2.00%	2.00%	2.00%	2.00%
Business Development	1.36%	1.36%	1.36%	1.36%	1.36%
Marketing	1.20%	1.20%	1.20%	1.20%	1.20%
Insurance	1.24%	1.12%	1.02%	0.95%	0.91%
Professional Fees	1.74%	1.56%	1.43%	1.34%	1.28%
Vehicle Costs	4.47%	4.01%	3.67%	3.44%	3.28%
Misc. Costs	0.65%	0.65%	0.65%	0.65%	0.65%
Payroll Taxes	2.95%	2.67%	2.47%	2.34%	2.26%
Total Operating Costs	54.13%	49.50%	46.03%	43.88%	42.52%
EBITDA	20.87%	25.50%	28.97%	31.12%	32.48%
Federal Income Tax	4.13%	5.40%	6.38%	6.89%	7.23%
State Income Tax	0.83%	1.08%	1.28%	1.38%	1.45%
Interest Expense	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation Expenses	4.35%	3.91%	3.44%	3.56%	3.54%
Net Profit	11.57%	15.11%	17.87%	19.29%	20.26%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	$32,022	$44,782	$57,682	$69,302	$79,367
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$32,022**	**$44,782**	**$57,682**	**$69,302**	**$79,367**
Other Cash Inflows					
Equity Investment	$100,000	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$1,000	$1,050	$1,103	$1,158	$1,216
Total Other Cash Inflows	**$101,000**	**$1,050**	**$1,103**	**$1,158**	**$1,216**
Total Cash Inflow	**$133,022**	**$45,832**	**$58,784**	**$70,459**	**$80,583**
Cash Outflows					
Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$700	$735	$772	$810	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$70,000	$4,478	$5,768	$6,930	$7,937
Dividends	$0	$32,243	$41,531	$49,897	$57,144
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$70,700**	**$37,456**	**$48,071**	**$57,638**	**$65,932**
Net Cash Flow	**$62,322**	**$8,376**	**$10,713**	**$12,822**	**$14,651**
Cash Balance	**$62,322**	**$70,698**	**$81,411**	**$94,233**	**$108,884**

D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	$62,322	$70,698	$81,411	$94,233	$108,884
Fixed Assets	$70,000	$74,478	$80,246	$87,177	$95,113
Accumulated Depreciation	($8,750)	($17,950)	($27,250)	($38,050)	($49,850)
Total Assets	**$123,572**	**$127,226**	**$134,408**	**$143,359**	**$154,147**
Liabilities and Equity					
Accounts Payable	$300	$615	$946	$1,293	$1,658
Long Term Liabilities	$0	$0	$0	$0	$0
Other Liabilities	$0	$0	$0	$0	$0
Total Liabilities	**$300**	**$615**	**$946**	**$1,293**	**$1,658**
Equity	**$123,272**	**$126,611**	**$133,462**	**$142,066**	**$152,489**
Total Liabilities and Equity	**$123,572**	**$127,226**	**$134,408**	**$143,359**	**$154,147**

E) Expanded Sensitivity Analysis

Sensitivity Analysis (20% Higher)					
Year	1	2	3	4	5
Revenue	$241,452	$282,499	$324,874	$363,859	$400,244
Cost of Revenue	$60,363	$70,625	$81,218	$90,965	$100,061
Gross Profit	$181,089	$211,874	$243,655	$272,894	$300,183
Total Operating Costs	$108,912	$116,530	$124,629	$133,038	$141,828
EBITDA	**$72,177**	**$95,344**	**$119,026**	**$139,856**	**$158,355**

Sensitivity Analysis (10% Higher)					
Year	1	2	3	4	5
Revenue	$221,331	$258,957	$297,801	$333,537	$366,891
Cost of Revenue	$55,333	$64,739	$74,450	$83,384	$91,723
Gross Profit	$165,998	$194,218	$223,351	$250,153	$275,168
Total Operating Costs	$108,912	$116,530	$124,629	$133,038	$141,828
EBITDA	**$57,086**	**$77,688**	**$98,721**	**$117,115**	**$133,340**

Sensitivity Analysis (10% Lower)					
Year	1	2	3	4	5
Revenue	$181,089	$211,874	$243,655	$272,894	$300,183
Cost of Revenue	$45,272	$52,969	$60,914	$68,223	$75,046
Gross Profit	$135,817	$158,906	$182,741	$204,670	$225,137
Total Operating Costs	$108,912	$116,530	$124,629	$133,038	$141,828
EBITDA	**$26,905**	**$42,375**	**$58,112**	**$71,633**	**$83,309**

Sensitivity Analysis (20% Lower)					
Year	1	2	3	4	5
Revenue	$160,968	$188,333	$216,582	$242,572	$266,830
Cost of Revenue	$40,242	$47,083	$54,146	$60,643	$66,707
Gross Profit	$120,726	$141,249	$162,437	$181,929	$200,122
Total Operating Costs	$108,912	$116,530	$124,629	$133,038	$141,828
EBITDA	**$11,814**	**$24,719**	**$37,808**	**$48,891**	**$58,294**

9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	$12,101	$12,948	$13,848	$14,782	$15,759
Yearly Revenue	$145,216	$155,374	$166,172	$177,384	$189,104

9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	17.0%	15.0%	12.0%	10.0%
Gross Margin	75.0%	75.0%	75.0%	75.0%	75.0%
Financials					
Profit Margin	11.57%	15.11%	17.87%	19.29%	20.26%
Assets to Liabilities	411.91	206.87	142.12	110.87	92.99
Equity to Liabilities	410.91	205.87	141.12	109.87	91.99
Assets to Equity	1.00	1.00	1.01	1.01	1.01
Liquidity					
Acid Test	207.74	114.96	86.08	72.88	65.68
Cash to Assets	0.50	0.56	0.61	0.66	0.71

Appendix A - SWOT Analysis

Strengths

- Limited competition among mobile food service businesses that specialize in the sale of Barbecue.
- Low operating costs will ensure that profitability is quickly reached.
- A motivated Founder/CEO, Matthew Deutsch, who will be able to bring the operations of the business to significant profitability.
- The Princeton market area is population dense, which will further contribute to economic stability.
- The Company can attend festivals and events to further boost revenues.
- Matt's BBQ can access expansion capital on an as needed basis.

Weaknesses

- This is a competitive industry.
- Complex operations regarding the safe handling of food that is served on a mobile basis.

Opportunities

- Continued expansion of the Company's menu.
- Expansion of onsite catering operations.
- Acquire additional rounds of capital to further fuel the growth of the business.
- Potential development of additional food trucks to service a greater area within Princeton.

Threats

- Inflation could cause the operating costs of the business to increase.

Appendix B – Risk Analysis

Development Risk – **Low**
The Company has already sourced the truck and has made arrangements to have it properly retrofitted to provide food service. The primary development risk is Management's ability to secure the capital sought in this document. The secondary development risk is Management's ability to roll out its marketing campaigns within the Princeton market.

Financing Risk – **Moderate**
The risks associated with this $100,000 investment are ameliorated by the high margins derived from Barbecue sales as well as the large amount of divestible FF&E and tangible assets. The mobile nature of operations further contributes to economic stability.

Marketing Risk – **Low/Moderate**
Matt's BBQ will use the marketing strategies outlined earlier to drive interest in the Company's Barbecue. The business' mobile food truck will feature substantial signage, which will be visible to all individuals that are nearby. The business will further temper these risks through aggressive use of social media.

Management Risk – **Low**
The business' Owner (Matthew Deutsch) is experienced, educated, and knowledgeable regarding all aspects of the Company's mobile food service operations and products. The Founder will be able to bring the operations of the business to profitability very quickly.

Valuation Risk – **Moderate**
The valuation risk is offset by:

- Equity capital will be in moderately liquid business venture.
- Matt's BBQ's operations are mobile, which substantially reduces business failure risk.

Exit Risk - **Moderate**
There is a great demand for established mobile food service businesses, and the Management of the Company feels that the full sale of all Matt's BBQ's assets could occur within one year of marketing the Company for sale. In the event of a business sale, the Company will use a qualified business broker to affect all transactions.

Appendix C - Reference Sources

All statistics and market information was obtained through:

1. U.S. Government Bureau of Labor Statistics
2. U.S. Economic Census
3. Statista
4. IBISWorld

Appendix D – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	**$15,200**	**$15,485**	**$15,770**	**$16,055**	**$16,340**	**$16,625**	**$16,910**
Cost of Revenue	$3,800	$3,871	$3,943	$4,014	$4,085	$4,156	$4,228
Gross Profit	$11,400	$11,614	$11,828	$12,041	$12,255	$12,469	$12,683
Expenses							
Payroll	$6,458	$6,458	$6,458	$6,458	$6,458	$6,458	$6,458
General and Administrative	$335	$335	$335	$335	$335	$335	$335
Business Development	$228	$228	$228	$228	$228	$228	$228
Marketing	$201	$201	$201	$201	$201	$201	$201
Insurance	$208	$208	$208	$208	$208	$208	$208
Professional Fees	$292	$292	$292	$292	$292	$292	$292
Vehicle Costs	$750	$750	$750	$750	$750	$750	$750
Misc. Costs	$109	$109	$109	$109	$109	$109	$109
Payroll Taxes	$494	$494	$494	$494	$494	$494	$494
Total Operating Costs	$9,076	$9,076	$9,076	$9,076	$9,076	$9,076	$9,076
EBITDA	$2,324	$2,538	$2,752	$2,965	$3,179	$3,393	$3,607
Federal Income Tax	$628	$640	$651	$663	$675	$687	$699
State Income Tax	$126	$128	$130	$133	$135	$137	$140
Interest Expense	$0	$0	$0	$0	$0	$0	$0
Depreciation Expenses	$729	$729	$729	$729	$729	$729	$729
Net Profit	$841	$1,041	$1,241	$1,440	$1,640	$1,840	$2,039

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
Revenue	**$17,195**	**$17,480**	**$17,765**	**$18,050**	**$18,335**	**$201,210**
Cost of Revenue	$4,299	$4,370	$4,441	$4,513	$4,584	$50,303
Gross Profit	$12,896	$13,110	$13,324	$13,538	$13,751	$150,908
Expenses						
Payroll	$6,458	$6,458	$6,458	$6,458	$6,458	$77,500
General and Administrative	$335	$335	$335	$335	$335	$4,024
Business Development	$228	$228	$228	$228	$228	$2,736
Marketing	$201	$201	$201	$201	$201	$2,415
Insurance	$208	$208	$208	$208	$208	$2,500
Professional Fees	$292	$292	$292	$292	$292	$3,500
Vehicle Costs	$750	$750	$750	$750	$750	$9,000
Misc. Costs	$109	$109	$109	$109	$109	$1,308
Payroll Taxes	$494	$494	$494	$494	$494	$5,929
Total Operating Costs	$9,076	$9,076	$9,076	$9,076	$9,076	$108,912
EBITDA	$3,820	$4,034	$4,248	$4,462	$4,675	$41,996
Federal Income Tax	$710	$722	$734	$746	$757	$8,311
State Income Tax	$142	$144	$147	$149	$151	$1,662
Interest Expense	$0	$0	$0	$0	$0	$0
Depreciation Expenses	$729	$729	$729	$729	$729	$8,750
Net Profit	$2,239	$2,438	$2,638	$2,838	$3,037	$23,272

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Profit and Loss Statement (Second Year)					
	Year 2				
Quarter	Q1	Q2	Q3	Q4	Year 2
Revenue	$57,088	$58,265	$59,442	$60,620	$235,416
Cost of Revenue	$14,272	$14,566	$14,861	$15,155	$58,854
Gross Profit	**$42,816**	**$43,699**	**$44,582**	**$45,465**	**$176,562**
Expenses					
Payroll	$20,556	$20,556	$20,556	$20,556	$82,225
General and Administrative	$1,177	$1,177	$1,177	$1,177	$4,708
Business Development	$776	$792	$808	$824	$3,202
Marketing	$685	$699	$713	$727	$2,825
Insurance	$656	$656	$656	$656	$2,625
Professional Fees	$891	$910	$928	$946	$3,675
Vehicle Costs	$2,363	$2,363	$2,363	$2,363	$9,450
Misc. Costs	$371	$379	$386	$394	$1,530
Payroll Taxes	$1,525	$1,557	$1,588	$1,620	$6,290
Total Operating Costs	**$29,001**	**$29,089**	**$29,176**	**$29,264**	**$116,530**
EBITDA	**$13,815**	**$14,610**	**$15,405**	**$16,201**	**$60,031**
Federal Income Tax	$3,082	$3,145	$3,209	$3,272	$12,708
State Income Tax	$616	$629	$642	$654	$2,542
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$2,300	$2,300	$2,300	$2,300	$9,200
Net Profit	**$7,817**	**$8,536**	**$9,255**	**$9,974**	**$35,582**

Profit and Loss Statement (Third Year)

	Year 3				
Quarter	Q1	Q2	Q3	Q4	Year 3
Revenue	$65,652	$67,005	$68,359	$69,712	$270,728
Cost of Revenue	$16,413	$16,751	$17,090	$17,428	$67,682
Gross Profit	**$49,239**	**$50,254**	**$51,269**	**$52,284**	**$203,046**
Expenses					
Payroll	$21,827	$21,827	$21,827	$21,827	$87,308
General and Administrative	$1,313	$1,340	$1,367	$1,394	$5,415
Business Development	$893	$911	$930	$948	$3,682
Marketing	$788	$804	$820	$837	$3,249
Insurance	$689	$689	$689	$689	$2,756
Professional Fees	$936	$955	$974	$994	$3,859
Vehicle Costs	$2,481	$2,481	$2,481	$2,481	$9,923
Misc. Costs	$427	$436	$444	$453	$1,760
Payroll Taxes	$1,670	$1,670	$1,670	$1,670	$6,679
Total Operating Costs	**$31,023**	**$31,112**	**$31,202**	**$31,292**	**$124,629**
EBITDA	**$18,216**	**$19,141**	**$20,067**	**$20,992**	**$78,417**
Federal Income Tax	$4,190	$4,277	$4,363	$4,449	$17,279
State Income Tax	$838	$855	$873	$890	$3,456
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$2,325	$2,325	$2,325	$2,325	$9,300
Net Profit	**$10,863**	**$11,685**	**$12,506**	**$13,328**	**$48,382**

Profit and Loss Statement (Fourth Year)					
	Year 4				
Quarter	Q1	Q2	Q3	Q4	Year 4
Revenue	$73,530	$75,046	$76,562	$78,078	$303,215
Cost of Revenue	$18,382	$18,761	$19,140	$19,519	$75,804
Gross Profit	**$55,147**	**$56,284**	**$57,421**	**$58,558**	**$227,412**
Expenses					
Payroll	$23,195	$23,195	$23,195	$23,195	$92,778
General and Administrative	$1,471	$1,501	$1,531	$1,562	$6,064
Business Development	$1,000	$1,021	$1,041	$1,062	$4,124
Marketing	$882	$901	$919	$937	$3,639
Insurance	$724	$724	$724	$724	$2,894
Professional Fees	$983	$1,003	$1,023	$1,043	$4,052
Vehicle Costs	$2,605	$2,605	$2,605	$2,605	$10,419
Misc. Costs	$478	$488	$498	$508	$1,971
Payroll Taxes	$1,774	$1,774	$1,774	$1,774	$7,098
Total Operating Costs	**$33,111**	**$33,210**	**$33,309**	**$33,408**	**$133,038**
EBITDA	**$22,037**	**$23,075**	**$24,112**	**$25,150**	**$94,374**
Federal Income Tax	$5,067	$5,171	$5,276	$5,380	$20,893
State Income Tax	$1,013	$1,034	$1,055	$1,076	$4,179
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$2,700	$2,700	$2,700	$2,700	$10,800
Net Profit	**$13,257**	**$14,169**	**$15,082**	**$15,994**	**$58,502**

Profit and Loss Statement (Fifth Year)					
	Year 5				
Quarter	Q1	Q2	Q3	Q4	Year 5
Revenue	$80,883	$82,550	$84,218	$85,886	$333,537
Cost of Revenue	$20,221	$20,638	$21,055	$21,471	$83,384
Gross Profit	**$60,662**	**$61,913**	**$63,164**	**$64,414**	**$250,153**
Expenses					
Payroll	$24,667	$24,667	$24,667	$24,667	$98,670
General and Administrative	$1,618	$1,651	$1,684	$1,718	$6,671
Business Development	$1,100	$1,123	$1,145	$1,168	$4,536
Marketing	$971	$991	$1,011	$1,031	$4,002
Insurance	$760	$760	$760	$760	$3,039
Professional Fees	$1,032	$1,053	$1,074	$1,095	$4,254
Vehicle Costs	$2,735	$2,735	$2,735	$2,735	$10,940
Misc. Costs	$526	$537	$547	$558	$2,168
Payroll Taxes	$1,887	$1,887	$1,887	$1,887	$7,548
Total Operating Costs	**$35,295**	**$35,403**	**$35,511**	**$35,619**	**$141,828**
EBITDA	**$25,367**	**$26,510**	**$27,652**	**$28,795**	**$108,325**
Federal Income Tax	$5,852	$5,972	$6,093	$6,214	$24,131
State Income Tax	$1,170	$1,194	$1,219	$1,243	$4,826
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$2,950	$2,950	$2,950	$2,950	$11,800
Net Profit	**$15,395**	**$16,393**	**$17,391**	**$18,389**	**$67,567**

Appendix E – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	$1,571	$1,770	$1,970	$2,169	$2,369	$2,569	$2,768	$2,968
Cash From Receivables	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cash Inflow	$1,571	$1,770	$1,970	$2,169	$2,369	$2,569	$2,768	$2,968
Other Cash Inflows								
Equity Investment	$100,000	$0	$0	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0	$0	$0	$0
A/P Increases	$83	$83	$83	$83	$83	$83	$83	$83
Total Other Cash Inflows	**$100,083**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**
Total Cash Inflow	**$101,654**	**$1,854**	**$2,053**	**$2,253**	**$2,452**	**$2,652**	**$2,852**	**$3,051**
Cash Outflows								
Repayment of Principal	$0	$0	$0	$0	$0	$0	$0	$0
A/P Decreases	$58	$58	$58	$58	$58	$58	$58	$58
A/R Increases	$0	$0	$0	$0	$0	$0	$0	$0
Asset Purchases	$70,000	$0	$0	$0	$0	$0	$0	$0
Dividends	$0	$0	$0	$0	$0	$0	$0	$0
Preferred Equity Payment	$0	$0	$0	$0	$0	$0	$0	$0
Total Cash Outflows	**$70,058**	**$58**	**$58**	**$58**	**$58**	**$58**	**$58**	**$58**
Net Cash Flow	**$31,596**	**$1,795**	**$1,995**	**$2,194**	**$2,394**	**$2,594**	**$2,793**	**$2,993**
Cash Balance	**$31,596**	**$33,391**	**$35,386**	**$37,580**	**$39,974**	**$42,568**	**$45,361**	**$48,354**

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	$3,168	$3,367	$3,567	$3,766	$32,022
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$3,168**	**$3,367**	**$3,567**	**$3,766**	**$32,022**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$100,000
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$83	$83	$83	$83	$1,000
Total Other Cash Inflows	$83	$83	$83	$83	$101,000
Total Cash Inflow	**$3,251**	**$3,451**	**$3,650**	**$3,850**	**$133,022**
Cash Outflows					
Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$58	$58	$58	$58	$700
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$0	$0	$0	$0	$70,000
Dividends	$0	$0	$0	$0	$0
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$58**	**$58**	**$58**	**$58**	**$70,700**
Net Cash Flow	**$3,193**	**$3,392**	**$3,592**	**$3,791**	**$62,322**
Cash Balance	**$51,547**	**$54,939**	**$58,531**	**$62,322**	**$62,322**

Cash Flow Analysis (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	$10,117	$10,836	$11,555	$12,274	$44,782
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$10,117**	**$10,836**	**$11,555**	**$12,274**	**$44,782**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$255	$260	$265	$270	$1,050
Total Other Cash Inflows	**$255**	**$260**	**$265**	**$270**	**$1,050**
Total Cash Inflow	**$10,372**	**$11,096**	**$11,820**	**$12,544**	**$45,832**
Cash Outflows					
Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$178	$182	$186	$189	$735
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$4,478	$0	$0	$0	$4,478
Dividends	$0	$0	$0	$32,243	$32,243
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$4,656**	**$182**	**$186**	**$32,432**	**$37,456**
Net Cash Flow	**$5,715**	**$10,914**	**$11,635**	**-$19,888**	**$8,376**
Cash Balance	**$68,037**	**$78,951**	**$90,586**	**$70,698**	**$70,698**

Cash Flow Analysis (Third Year)

	Year 3				
Quarter	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	$13,188	$14,010	$14,831	$15,653	$57,682
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$13,188**	**$14,010**	**$14,831**	**$15,653**	**$57,682**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$267	$273	$278	$284	$1,103
Total Other Cash Inflows	**$267**	**$273**	**$278**	**$284**	**$1,103**
Total Cash Inflow	**$13,455**	**$14,282**	**$15,110**	**$15,937**	**$58,784**
Cash Outflows					
Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$187	$191	$195	$199	$772
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$2,884	$2,884	$0	$0	$5,768
Dividends	$0	$0	$0	$41,531	$41,531
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$3,071**	**$3,075**	**$195**	**$41,730**	**$48,071**
Net Cash Flow	**$10,384**	**$11,207**	**$14,915**	**-$25,793**	**$10,713**
Cash Balance	**$81,082**	**$92,289**	**$107,204**	**$81,411**	**$81,411**

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Cash Flow Analysis (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	$15,957	$16,869	$17,782	$18,694	$69,302
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$15,957**	**$16,869**	**$17,782**	**$18,694**	**$69,302**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$281	$287	$292	$298	$1,158
Total Other Cash Inflows	**$281**	**$287**	**$292**	**$298**	**$1,158**
Total Cash Inflow	**$16,237**	**$17,156**	**$18,074**	**$18,992**	**$70,459**
Cash Outflows					
Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$197	$201	$205	$209	$810
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$3,465	$3,465	$0	$0	$6,930
Dividends	$0	$0	$0	$49,897	$49,897
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$3,662**	**$3,666**	**$205**	**$50,106**	**$57,638**
Net Cash Flow	**$12,576**	**$13,490**	**$17,869**	**-$31,114**	**$12,822**
Cash Balance	**$93,987**	**$107,477**	**$125,346**	**$94,233**	**$94,233**

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Cash Flow Analysis (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	$18,345	$19,343	$20,341	$21,339	$79,367
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$18,345**	**$19,343**	**$20,341**	**$21,339**	**$79,367**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$295	$301	$307	$313	$1,216
Total Other Cash Inflows	**$295**	**$301**	**$307**	**$313**	**$1,216**
Total Cash Inflow	**$18,640**	**$19,644**	**$20,648**	**$21,652**	**$80,583**
Cash Outflows					
Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$206	$211	$215	$219	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$3,968	$3,968	$0	$0	$7,937
Dividends	$0	$0	$0	$57,144	$57,144
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$4,175**	**$4,179**	**$215**	**$57,364**	**$65,932**
Net Cash Flow	**$14,465**	**$15,465**	**$20,433**	**-$35,712**	**$14,651**
Cash Balance	**$108,698**	**$124,163**	**$144,596**	**$108,884**	**$108,884**