Elegant Apparel
ESTD. 2025

Human Intelligence
Business Plans

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1.0 Executive Summary

The purpose of this business plan is to raise and examine the allocation of $100,000 for the continued development and expansion of an ecommerce boutique. Elegant Apparel, LLC ("the Company") was founded in 2025 by Matthew Deutsch. The Company will offer a broad range of modernly styled women's apparel. The business is based in Princeton, New Jersey. Full scale revenue generating operations are expected to commence in the second to third quarter of this year.

The Operations

As stated above, Elegant Apparel will be actively involved with the online sale of apparel and accessory products for women. The Company will use a state-of-the-art Shopify hosted platform in order to generate its sales. Beyond the business' website, the Company will also maintain listings on Amazon (through the Amazon FBA program), Etsy, eBay, Target, and related platforms. This will ensure a rapid inventory turnover.

The Company will offer products on a direct-to-consumer basis as well as through dropshipping. Initially, the business will offer numerous products that are provided by third-party platforms which will create a substantial diversity in the apparel and accessory products offered.

The third section of the business plan will discuss the operations of Elegant Apparel.

The Financing

At this time, Management is seeking $100,000 in order to launch the operations of Elegant Apparel. This document assumes that the Company will receive a 7-year term loan carrying a 6% interest rate. The funds will be used for the following:

- Development of the Elegant Apparel website
- Working capital
- Inventory acquisitions

The next section of the business plan will further discuss the usage of funds. As the Company expands, Management may seek to acquire additional capital for larger inventory acquisitions.

Expansion Plan

Over the next three years, the Company will continue to expand its operations to include new inventories while also expanding marketing campaigns. Management may also acquire existing online boutiques that can be integrated into the business' operations.

Revenue Forecasts

Below is an overview of the anticipated revenues and profits of the business over the next three years:

Proforma Profit and Loss (Yearly)					
Year	1	2	3	4	5
Revenue	$727,260	$1,018,164	$1,374,521	$1,786,878	$2,233,597
Cost of Revenue	$256,122	$358,571	$484,071	$629,292	$786,615
Gross Profit	$471,138	$659,593	$890,451	$1,157,586	$1,446,983
Total Operating Costs	$363,962	$431,653	$535,351	$579,969	$667,007
EBITDA	**$107,176**	**$227,940**	**$355,100**	**$577,617**	**$779,976**

2.0 The Financing

2.1 Funds Required

Elegant Apparel, LLC will acquire a loan of $100,000 to launch operations. The funds will be used as follows:

Use of Funds	
Platform Development	$5,000
Furniture, Fixtures, and Equipment	$10,000
Inventory	$35,000
General Working Capital	$50,000
Marketing	$17,500
Misc. Costs	$2,500
Total	$120,000

The Founder will provide $20,000 towards the business.

2.2 Management Equity

Matthew Deutsch will retain a 100% ownership interest in Elegant Apparel, LLC.

2.3 Exit Strategies

If it is financially prudent to do so (or if the Owner wants to move onto different projects), Mr. Deutsch will hire a qualified business broker to sell the business to a third party. Online boutiques typically carry a price to earnings multiple of three to five times the previous year's net profit. This event is not expected to occur for a substantial period of time.

3.0 Operations

As stated in the executive summary, Elegant Apparel will be actively involved with the direct sale of apparel and related items. In order to offer customers with a major selection of products, the business will also use drop shipping in order to provide products from third-party sellers. The Company will carry proprietary inventories as well as products among major apparel brands.

In regards to ecommerce operations, the Company will use Shopify as its technology suite. As will be discussed in the marketing plan, this platform allows for seamless integration of digital marketing. The business will use search engine optimization, pay per click marketing, and specialized advertising strategies to drive traffic to the platform.

To further increase visibility, the Company will work with several models that will showcase carried inventories on the website. The business will also develop a number of videos of individuals wearing Elegant Apparel clothing – which will be shown on the platform as well. This will further increase the rate of inventory turnover.

In addition to maintaining an expansive proprietary website, the Company will also sell its products on third-party marketplaces including Amazon, Etsy, eBay, Not on High Street, and related platforms. These accounts will produce substantial revenues for the business while increasing inventory turnover. The Company will maintain an expansive affiliate marketing program that will further drive traffic to the website.

4.0 Overview of the Organization

4.1 Registered Name

Janes Boutique, LLC. The business is registered as a limited liability company in the State of New Jersey.

4.2 Commencement of Operations

Management intends to launch operations in 2025.

4.3 Mission Statement

The Company's mission is to provide exceptional apparel cost effectively to customers throughout the United States.

4.4 Vision Statement

By the fifth year of operation, Matthew Deutsch anticipates that Elegant Apparel will generate $2.2 million of revenue.

4.5 Organizational Objectives

- Use multiple online marketing strategies to drive traffic to the Elegant Apparel website.
- Source inventories from multiple vendors to provide a wide selection to clients.
- Use third-party platforms in order to increase inventory turnover.
- Implement policies that will ensure that Elegant Apparel can remain profitable in any economic climate.
- Maintain a presence among all social media platforms in order to showcase inventories as well as the business as a whole.
- Hire qualified marketing experts that will properly position the business' brand online.
- Provide comprehensive compensation for staff members that further the operations of the business.
- Create numerous videos that showcase both the inventories and the general operations of Elegant Apparel.

5.0 Market and Online Boutique Industry Analysis

5.1 Economic Analysis

This section of the business plan will discuss the economy as a whole, the online boutique and online clothing sales industry, the customer profile of the Company, and the ongoing competitive matters that the business will face.

Currently, the economic climate in the United States and on a global basis is stable. Over the past two years, interest rates remained relatively low as central banks sought to remedy economic issues. In turn, this has caused inflationary issues among all industries. However, central banks have taken aggressive measures to reduce the inflation rate. These strategies have begun to take hold, and they are expected to continue to abate the inflation rate over the next twelve months.

It should be noted that the products offered by the Elegant Apparel will remain in demand in almost all economic climates. The pricing point for these products is moderate as compared to the income of the targeted consumer.

5.2 Industry Analysis

Within the United States, the online distribution of apparel is a $55 billion a year industry. Currently, there are nearly 40,000 companies that are engaged in this industry. Aggregate employment is 100,000 people. Of these revenues, nearly $13 billion is spent on brands that produce their own product lines. Total apparel industry sales are $350 billion.

This is a mature industry. The future growth rate of the industry, as a whole, is expected to remain in line with that of the growth of the economy. One of the common trends within this industry is to offer both proprietary brands coupled with apparel from other manufacturers. The Company will capitalize on this trend through the life of the business.

5.3 Customer Profile

Among consumers that will frequently purchase apparel and related boutique items from the Company, the following demographic profile will be used:

- Household income of $40,000 to $150,000
- Will spend $50 to $200 per garment on the platform
- Lives within 50 miles of a major metropolitan area
- Has access to high speed internet at home and on their mobile devices

There are nearly 100 million people that fall into the above demographic profile.

5.4 Competition

For any new online boutique that is commencing operations, it is important that a full competitive analysis is completed among similar companies that offer identical apparel products. In this section of the business plan, a full overview of companies that maintain proprietary platforms as well as sellers accounts among major third-party marketplaces (such as Amazon, Etsy, eBay, Walmart, and Target) should be completed. As this business plan is being shown as a sample only, this section has been intentionally truncated.

6.0 Key Strategic Issues

6.1 Sustainable Operations

The Company will maintain viable operations as a result of the following:

- Low operating costs will ensure profitability in any economic climate.
- Strong demand for the types of apparel carried by Elegant Apparel.
- A motivated Owner/CEO (Matthew Deutsch) who will be able to effectively launch the operations of the business.
- The Company will carry inventories across a number of brands, which will provide a strong differentiating factor.
- The use of third-party marketplaces will further drive profits.
- The Company will work with numerous SEO firms and PPC management firms in order to generate both organic and paid traffic on a cost-effective basis.

6.2 Avenues of Growth

Elegant Apparel will expand through the following avenues:

- Continued expansion of the Company's marketing operations.
- Acquire new inventories on an ongoing basis in order to foster repeat patronage.
- Potentially acquire existing online clothing platforms that can be integrated into Elegant Apparel.

7.0 Marketing Plan

7.1 Marketing Objectives

- Maintain an expansive presence among all major social media platforms.
- Use search engine optimization to drive traffic to the Elegant Apparel website.
- Develop relationships with major apparel distributors that will provide inventories to the business with competitive wholesale pricing.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	**1**	**2**	**3**	**4**	**5**
Apparel Sales	$632,400	$885,360	$1,195,236	$1,553,807	$1,942,259
Shipping and Handling	$94,860	$132,804	$179,285	$233,071	$291,339
Totals	**$727,260**	**$1,018,164**	**$1,374,521**	**$1,786,878**	**$2,233,597**

Gross Profit					
Year	1	2	3	4	5
Total	**$471,138**	**$659,593**	**$890,451**	**$1,157,586**	**$1,446,983**

7.3 Marketing Strategies

Elegant Apparel will use a broad range of marketing strategies in order to showcase the numerous apparel products offered by the business while concurrently expanding brand name visibility. The Company intends to use Shopify as its service provider, which allows

for the seamless integration of online tools that boost the presence of the business' online store.

The Company will aggressively use search engine optimization so that when searches for modern women's apparel are conducted among major search engines – the Elegant Apparel website will appear frequently within the search. The business will work with a qualified search engine optimization firm to meet these goals. It is expected that it will take one to three months for the initial results of this type of marketing to take hold. Mr. Deutsch will have the website continue to undergo search engine optimization techniques through the life of the business.

Beyond search engine optimization, the business will also maintain a presence on all social media platforms including Facebook, Instagram, Twitter, Tik Tok, and YouTube. For Facebook and Instagram, the Company will use targeted advertisements. As the Company's sales increase, the business will continue to increase its weekly marketing budget for this purpose.

The Company will work with a digital marketing firm to create videos for each piece carried in the online store. These videos will be distributed among all social media platforms after they have been uploaded to YouTube.

In addition to the sale of apparel and related products through the Company's website, the Company will also offer its products on Etsy and Amazon. This will further drive substantial revenues. Moving forward, the business will list its apparel inventories among numerous other platforms as well.

Matthew Deutsch will also become a member of a number of professional organizations that focus on ecommerce sellers. This will further increase business opportunities as Elegant Apparel expands over the next five years.

8.0 Organizational Plan

8.1 Corporate Organization

8.2 Organizational Budget

Personnel Plan - Yearly					
Year	1	2	3	4	5
Senior Management	$65,000	$66,950	$68,959	$71,027	$73,158
Operations Managers	$57,500	$59,225	$61,002	$62,832	$64,717
Administrative Managers	$55,000	$56,650	$58,350	$60,100	$61,903
Customer Service Staff	$25,000	$25,750	$53,045	$54,636	$56,275
Marketing Staff	$32,500	$66,950	$103,438	$106,541	$146,316
Administrative Staff	$27,500	$28,325	$29,175	$30,050	$30,951
Total	**$262,500**	**$303,850**	**$373,967**	**$385,186**	**$433,321**

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
Senior Management	1	1	1	1	1
Operations Managers	1	1	1	1	1
Administrative Managers	1	1	1	1	1
Customer Service Staff	1	1	2	2	2
Marketing Staff	1	2	3	3	4
Administrative Staff	0	1	1	1	1
Total	**5**	**7**	**9**	**9**	**10**

8.2 Organizational Budget (Cont.)

9.0 Financial Plan

9.1 Underlying Assumptions

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

- Elegant Apparel, LLC will acquire $100,000 (carrying a 7-year term and a 6% interest rate).
- Management will inject $20,000 into the business.
- The business will settle most short term payables on a monthly basis.

9.2 Financial Highlights

- Moderately low operating costs as this is an online focused boutique.
- Continued reinvestment of after-tax cash flow into the Company's marketing campaigns will provide year-on-year growth of 34%.

9.3 Sensitivity Analysis

The Company's revenues are moderately sensitive to negative changes in the economy. The business' carried apparel and boutique products will have a moderate pricing point, which will be affordable by the targeted demographics in most economic climates. The business will maintain a low-cost operating infrastructure. As such, Elegant Apparel will be able to remain profitable at all times.

9.4 Source of Funds

Financing	
Equity	
Equity Capitalization	$20,000.00
Total Equity Financing	$20,000.00
Banks and Lenders	
Business Loan	$100,000.00
Total Debt Financing	$100,000.00
Total Financing	**$120,000.00**

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss (Yearly)					
Year	1	2	3	4	5
Revenue	$727,260	$1,018,164	$1,374,521	$1,786,878	$2,233,597
Cost of Revenue	$256,122	$358,571	$484,071	$629,292	$786,615
Gross Margin	64.78%	64.78%	64.78%	64.78%	64.78%
Gross Profit	$471,138	$659,593	$890,451	$1,157,586	$1,446,983
Expenses					
Payroll	$262,500	$303,850	$373,967	$385,186	$433,321
Facility Costs	$20,000	$20,600	$21,218	$21,855	$22,510
General and Administrative	$18,182	$25,454	$34,363	$44,672	$55,840
Professional Fees and Licensure	$3,500	$3,850	$4,235	$4,659	$5,124
Insurance	$2,500	$2,575	$2,652	$2,732	$2,814
Marketing	$25,454	$35,636	$48,108	$62,541	$78,176
Business Development	$9,018	$12,625	$17,044	$22,157	$27,697
Misc. Costs	$2,727	$3,818	$5,154	$6,701	$8,376
Payroll Taxes	$20,081	$23,245	$28,608	$29,467	$33,149
Total Operating Costs	**$363,962**	**$431,653**	**$535,351**	**$579,969**	**$667,007**
EBITDA	**$107,176**	**$227,940**	**$355,100**	**$577,617**	**$779,976**
Federal Income Tax	$23,810	$53,433	$85,221	$140,826	$191,661
State Income Tax	$4,762	$10,687	$17,044	$28,165	$38,332
Interest Expense	$6,636	$5,807	$4,918	$3,964	$2,941
Depreciation Expenses	$5,300	$8,400	$9,300	$10,350	$10,390
Net Profit	**$66,668**	**$149,613**	**$238,618**	**$394,313**	**$536,651**
Profit Margin	**9.17%**	**14.69%**	**17.36%**	**22.07%**	**24.03%**

B) Common Size Income Statement

Proforma 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	35.22%	35.22%	35.22%	35.22%	35.22%
Gross Profit	64.78%	64.78%	64.78%	64.78%	64.78%
Expenses					
Payroll	36.09%	29.84%	27.21%	21.56%	19.40%
Facility Costs	2.75%	2.02%	1.54%	1.22%	1.01%
General and Administrative	2.50%	2.50%	2.50%	2.50%	2.50%
Professional Fees and Licensure	0.48%	0.38%	0.31%	0.26%	0.23%
Insurance	0.34%	0.25%	0.19%	0.15%	0.13%
Marketing	3.50%	3.50%	3.50%	3.50%	3.50%
Business Development	1.24%	1.24%	1.24%	1.24%	1.24%
Misc. Costs	0.38%	0.38%	0.38%	0.38%	0.38%
Payroll Taxes	2.76%	2.28%	2.08%	1.65%	1.48%
Total Operating Costs	50.05%	42.40%	38.95%	32.46%	29.86%
EBITDA	14.74%	22.39%	25.83%	32.33%	34.92%
Federal Income Tax	3.27%	5.25%	6.20%	7.88%	8.58%
State Income Tax	0.65%	1.05%	1.24%	1.58%	1.72%
Interest Expense	0.91%	0.57%	0.36%	0.22%	0.13%
Depreciation Expenses	0.73%	0.83%	0.68%	0.58%	0.47%
Net Profit	9.17%	14.69%	17.36%	22.07%	24.03%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	$71,968	$158,013	$247,918	$404,663	$547,041
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$71,968**	**$158,013**	**$247,918**	**$404,663**	**$547,041**
Other Cash Inflows					
Equity Investment	$20,000	$0	$0	$0	$0
Increased Borrowings	$100,000	$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	**$121,000**	**$1,050**	**$1,103**	**$1,158**	**$1,216**
Total Cash Inflow	**$192,968**	**$159,063**	**$249,020**	**$405,820**	**$548,257**
Cash Outflows					
Repayment of Principal	$11,475	$12,304	$13,194	$14,147	$15,170
A/P Decreases	$700	$735	$772	$810	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$50,000	$23,702	$37,188	$60,699	$82,056
Dividends	$48,394	$116,567	$187,779	$312,412	$425,497
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$110,569**	**$153,309**	**$238,932**	**$388,069**	**$523,574**
Net Cash Flow	**$82,399**	**$5,755**	**$10,088**	**$17,751**	**$24,683**
Cash Balance	**$82,399**	**$88,153**	**$98,241**	**$115,992**	**$140,675**

D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	$82,399	$88,153	$98,241	$115,992	$140,675
Fixed Assets	$50,000	$73,702	$110,890	$171,589	$253,645
Accumulated Depreciation	($5,300)	($13,700)	($23,000)	($33,350)	($43,740)
Total Assets	**$127,099**	**$148,155**	**$186,131**	**$254,231**	**$350,580**
Liabilities and Equity					
Accounts Payable	$300	$615	$946	$1,293	$1,658
Long Term Liabilities	$88,525	$76,221	$63,027	$48,880	$33,710
Other Liabilities	$0	$0	$0	$0	$0
Total Liabilities	**$88,825**	**$76,836**	**$63,973**	**$50,173**	**$35,367**
Equity	**$38,273**	**$71,319**	**$122,158**	**$204,058**	**$315,213**
Total Liabilities and Equity	**$127,099**	**$148,155**	**$186,131**	**$254,231**	**$350,580**

9.6 Breakeven Analysis

Monthly Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	$46,818	$55,526	$68,865	$74,604	$85,801
Yearly Revenue	$561,821	$666,310	$826,380	$895,254	$1,029,608

9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	40.0%	35.0%	30.0%	25.0%
Gross Margin	64.8%	64.8%	64.8%	64.8%	64.8%
Financials					
Profit Margin	9.17%	14.69%	17.36%	22.07%	24.03%
Assets to Liabilities	1.43	1.93	2.91	5.07	9.91
Equity to Liabilities	0.43	0.93	1.91	4.07	8.91
Assets to Equity	3.32	2.08	1.52	1.25	1.11
Liquidity					
Acid Test	0.93	1.15	1.54	2.31	3.98
Cash to Assets	0.65	0.60	0.53	0.46	0.40

Appendix A - SWOT Analysis

Strengths

- Low fixed operating costs as this is an online focused business.
- The Company will offer both proprietary items and apparel offered by third parties.
- The business will aggressively use social media in order to drive traffic to the Elegant Apparel website.
- Immense demand among targeted demographics for the apparel offered by the business.

Weaknesses

- Substantial marketing expenditures.
- Revenues are subject to negative economic changes.

Opportunities

- Acquire additional capital to expand operations.
- Continued expansion of marketing campaigns with a focus on social media.
- Expand the types of inventories carried by the business (directly and in a drop-shipping capacity).

Threats

- Ongoing inflation could cause certain costs to increase.
- This is a competitive industry, and a substantial marketing campaign will be needed to create brand visibility.

Appendix B – Risk Analysis

Development Risk – **Moderate**
Management has already sourced the apparel that will be acquired for distribution. At this time, Management needs to source the necessary capital to launch full scale operations while concurrently implementing the marketing strategies discussed earlier.

Financing Risk – **Low/Moderate**
Elegant Apparel will need $100,000 in order to commence revenue generating operations. The financing risk is offset by the substantial contribution margins generated from sales. The business will have low operating costs, which will further contribute to the economic stability of the business.

Management Risk – **Low**
Matthew Deutsch is a seasoned ecommerce entrepreneur that will be able to launch the full scale operations of Elegant Apparel to profitability within the first twelve months of operation. He will also be able to increase revenues on a yearly basis.

Marketing Risk – **Moderate**
Elegant Apparel will use the marketing strategies outlined earlier in this document to drive traffic to the platform. The Company will use multiple third-party platforms in order to further drive sales. As discussed earlier, the Company will hire both a SEO firm and PPC management company to assist with this process.

Valuation Risk – **Low**
The valuation risk for Elegant Apparel is offset by:

- Low operating costs that will allow for ongoing expansion.
- Substantial contribution margins on sales of apparel.
- The business is highly scalable.
- The Company can source additional capital as needed to further expand operations.

Exit Risk – **Low**
Given the strong demand for profitable ecommerce companies that deal in apparel, Management would be able to divest Elegant Apparel for a substantial profit. This event is not expected to occur for a substantial period of time.

Appendix C – Reference Sources

The following sources were used to acquire statistics:

1. US Economic Census
2. Bureau of Labor Statistics

Appendix D – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	**$54,280**	**$55,430**	**$56,580**	**$57,730**	**$58,880**	**$60,030**	**$61,180**
Cost of Revenue	$19,116	$19,521	$19,926	$20,331	$20,736	$21,141	$21,546
Gross Profit	$35,164	$35,909	$36,654	$37,399	$38,144	$38,889	$39,634
Expenses							
Payroll	$21,875	$21,875	$21,875	$21,875	$21,875	$21,875	$21,875
Facility Costs	$1,667	$1,667	$1,667	$1,667	$1,667	$1,667	$1,667
General and Administrative	$1,515	$1,515	$1,515	$1,515	$1,515	$1,515	$1,515
Professional Fees and Licensure	$292	$292	$292	$292	$292	$292	$292
Insurance	$208	$208	$208	$208	$208	$208	$208
Marketing	$2,121	$2,121	$2,121	$2,121	$2,121	$2,121	$2,121
Business Development	$752	$752	$752	$752	$752	$752	$752
Misc. Costs	$227	$227	$227	$227	$227	$227	$227
Payroll Taxes	$1,673	$1,673	$1,673	$1,673	$1,673	$1,673	$1,673
Total Operating Costs	$30,330	$30,330	$30,330	$30,330	$30,330	$30,330	$30,330
EBITDA	$4,834	$5,579	$6,324	$7,069	$7,814	$8,559	$9,304
Federal Income Tax	$1,777	$1,815	$1,852	$1,890	$1,928	$1,965	$2,003
State Income Tax	$355	$363	$370	$378	$386	$393	$401
Interest Expense	$583	$578	$572	$567	$562	$556	$550
Depreciation Expenses	$442	$442	$442	$442	$442	$442	$442
Net Profit	$1,676	$2,382	$3,087	$3,792	$4,497	$5,203	$5,908

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Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
Revenue	**$62,330**	**$63,480**	**$64,630**	**$65,780**	**$66,930**	**$727,260**
Cost of Revenue	$21,951	$22,356	$22,761	$23,166	$23,571	$256,122
Gross Profit	$40,379	$41,124	$41,869	$42,614	$43,359	$471,138
Expenses						
Payroll	$21,875	$21,875	$21,875	$21,875	$21,875	$262,500
Facility Costs	$1,667	$1,667	$1,667	$1,667	$1,667	$20,000
General and Administrative	$1,515	$1,515	$1,515	$1,515	$1,515	$18,182
Professional Fees and Licensure	$292	$292	$292	$292	$292	$3,500
Insurance	$208	$208	$208	$208	$208	$2,500
Marketing	$2,121	$2,121	$2,121	$2,121	$2,121	$25,454
Business Development	$752	$752	$752	$752	$752	$9,018
Misc. Costs	$227	$227	$227	$227	$227	$2,727
Payroll Taxes	$1,673	$1,673	$1,673	$1,673	$1,673	$20,081
Total Operating Costs	$30,330	$30,330	$30,330	$30,330	$30,330	$363,962
EBITDA	$10,049	$10,794	$11,539	$12,284	$13,029	$107,176
Federal Income Tax	$2,041	$2,078	$2,116	$2,154	$2,191	$23,810
State Income Tax	$408	$416	$423	$431	$438	$4,762
Interest Expense	$545	$539	$534	$528	$522	$6,636
Depreciation Expenses	$442	$442	$442	$442	$442	$5,300
Net Profit	$6,614	$7,319	$8,024	$8,730	$9,436	$66,668

Profit and Loss Statement (Second Year)					
	Year 2				
Quarter	Q1	Q2	Q3	Q4	Year 2
Revenue	$246,905	$251,996	$257,086	$262,177	$1,018,164
Cost of Revenue	$86,953	$88,746	$90,539	$92,332	$358,571
Gross Profit	**$159,951**	**$163,249**	**$166,547**	**$169,845**	**$659,593**
Expenses					
Payroll	$75,963	$75,963	$75,963	$75,963	$303,850
Facility Costs	$5,150	$5,150	$5,150	$5,150	$20,600
General and Administrative	$6,173	$6,300	$6,427	$6,554	$25,454
Professional Fees and Licensure	$934	$953	$972	$991	$3,850
Insurance	$644	$644	$644	$644	$2,575
Marketing	$8,642	$8,820	$8,998	$9,176	$35,636
Business Development	$3,156	$3,156	$3,156	$3,156	$12,625
Misc. Costs	$926	$945	$964	$983	$3,818
Payroll Taxes	$5,637	$5,753	$5,869	$5,985	$23,245
Total Operating Costs	**$107,223**	**$107,683**	**$108,143**	**$108,603**	**$431,653**
EBITDA	**$52,728**	**$55,566**	**$58,404**	**$61,242**	**$227,940**
Federal Income Tax	$12,958	$13,225	$13,492	$13,759	$53,433
State Income Tax	$2,592	$2,645	$2,698	$2,752	$10,687
Interest Expense	$1,532	$1,479	$1,425	$1,371	$5,807
Depreciation Expenses	$2,100	$2,100	$2,100	$2,100	$8,400
Net Profit	**$33,547**	**$36,117**	**$38,688**	**$41,260**	**$149,613**

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Profit and Loss Statement (Third Year)					
	Year 3				
Quarter	Q1	Q2	Q3	Q4	Year 3
Revenue	$333,321	$340,194	$347,067	$353,939	$1,374,521
Cost of Revenue	$117,387	$119,807	$122,228	$124,648	$484,071
Gross Profit	**$215,934**	**$220,387**	**$224,839**	**$229,291**	**$890,451**
Expenses					
Payroll	$93,492	$93,492	$93,492	$93,492	$373,967
Facility Costs	$5,145	$5,251	$5,358	$5,464	$21,218
General and Administrative	$8,333	$8,505	$8,677	$8,848	$34,363
Professional Fees and Licensure	$1,027	$1,048	$1,069	$1,091	$4,235
Insurance	$663	$663	$663	$663	$2,652
Marketing	$11,666	$11,907	$12,147	$12,388	$48,108
Business Development	$4,261	$4,261	$4,261	$4,261	$17,044
Misc. Costs	$1,250	$1,276	$1,301	$1,327	$5,154
Payroll Taxes	$7,152	$7,152	$7,152	$7,152	$28,608
Total Operating Costs	**$132,990**	**$133,555**	**$134,120**	**$134,686**	**$535,351**
EBITDA	**$82,945**	**$86,832**	**$90,718**	**$94,605**	**$355,100**
Federal Income Tax	$20,666	$21,092	$21,518	$21,944	$85,221
State Income Tax	$4,133	$4,218	$4,304	$4,389	$17,044
Interest Expense	$1,315	$1,259	$1,201	$1,143	$4,918
Depreciation Expenses	$2,325	$2,325	$2,325	$2,325	$9,300
Net Profit	**$54,505**	**$57,937**	**$61,370**	**$64,805**	**$238,618**

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Profit and Loss Statement (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Revenue	$433,318	$442,252	$451,187	$460,121	$1,786,878
Cost of Revenue	$152,603	$155,750	$158,896	$162,043	$629,292
Gross Profit	**$280,715**	**$286,503**	**$292,290**	**$298,078**	**$1,157,586**
Expenses					
Payroll	$96,297	$96,297	$96,297	$96,297	$385,186
Facility Costs	$5,300	$5,409	$5,518	$5,628	$21,855
General and Administrative	$10,833	$11,056	$11,280	$11,503	$44,672
Professional Fees and Licensure	$1,130	$1,153	$1,176	$1,200	$4,659
Insurance	$683	$683	$683	$683	$2,732
Marketing	$15,166	$15,479	$15,792	$16,104	$62,541
Business Development	$5,539	$5,539	$5,539	$5,539	$22,157
Misc. Costs	$1,625	$1,658	$1,692	$1,725	$6,701
Payroll Taxes	$7,367	$7,367	$7,367	$7,367	$29,467
Total Operating Costs	**$143,939**	**$144,641**	**$145,343**	**$146,045**	**$579,969**
EBITDA	**$136,776**	**$141,861**	**$146,947**	**$152,033**	**$577,617**
Federal Income Tax	$34,150	$34,854	$35,559	$36,263	$140,826
State Income Tax	$6,830	$6,971	$7,112	$7,253	$28,165
Interest Expense	$1,083	$1,022	$961	$898	$3,964
Depreciation Expenses	$2,588	$2,588	$2,588	$2,588	$10,350
Net Profit	**$92,125**	**$96,426**	**$100,729**	**$105,033**	**$394,313**

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Profit and Loss Statement (Fifth Year)					
	Year 5				
Quarter	Q1	Q2	Q3	Q4	Year 5
Revenue	$541,647	$552,815	$563,983	$575,151	$2,233,597
Cost of Revenue	$190,754	$194,687	$198,620	$202,553	$786,615
Gross Profit	**$350,893**	**$358,128**	**$365,363**	**$372,598**	**$1,446,983**
Expenses					
Payroll	$108,330	$108,330	$108,330	$108,330	$433,321
Facility Costs	$5,459	$5,571	$5,684	$5,796	$22,510
General and Administrative	$13,541	$13,820	$14,100	$14,379	$55,840
Professional Fees and Licensure	$1,243	$1,268	$1,294	$1,320	$5,124
Insurance	$703	$703	$703	$703	$2,814
Marketing	$18,958	$19,349	$19,739	$20,130	$78,176
Business Development	$6,924	$6,924	$6,924	$6,924	$27,697
Misc. Costs	$2,031	$2,073	$2,115	$2,157	$8,376
Payroll Taxes	$8,287	$8,287	$8,287	$8,287	$33,149
Total Operating Costs	**$165,476**	**$166,327**	**$167,177**	**$168,027**	**$667,007**
EBITDA	**$185,417**	**$191,802**	**$198,186**	**$204,571**	**$779,976**
Federal Income Tax	$46,478	$47,436	$48,394	$49,353	$191,661
State Income Tax	$9,296	$9,487	$9,679	$9,871	$38,332
Interest Expense	$834	$769	$703	$635	$2,941
Depreciation Expenses	$2,598	$2,598	$2,598	$2,598	$10,390
Net Profit	**$126,212**	**$131,512**	**$136,813**	**$142,115**	**$536,651**

Appendix E – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	$2,118	$2,823	$3,528	$4,234	$4,939	$5,644	$6,350	$7,055
Cash From Receivables	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cash Inflow	$2,118	$2,823	$3,528	$4,234	$4,939	$5,644	$6,350	$7,055
Other Cash Inflows								
Equity Investment	$20,000	$0	$0	$0	$0	$0	$0	$0
Increased Borrowings	$100,000	$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	**$120,083**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**
Total Cash Inflow	**$122,201**	**$2,907**	**$3,612**	**$4,317**	**$5,022**	**$5,728**	**$6,433**	**$7,139**
Cash Outflows								
Repayment of Principal	$926	$931	$937	$942	$948	$953	$959	$964
A/P Decreases	$58	$58	$58	$58	$58	$58	$58	$58
A/R Increases	$0	$0	$0	$0	$0	$0	$0	$0
Asset Purchases	$50,000	$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	**$50,984**	**$990**	**$995**	**$1,001**	**$1,006**	**$1,012**	**$1,017**	**$1,023**
Net Cash Flow	**$71,217**	**$1,917**	**$2,617**	**$3,317**	**$4,016**	**$4,716**	**$5,416**	**$6,116**
Cash Balance	**$71,217**	**$73,134**	**$75,751**	**$79,067**	**$83,084**	**$87,800**	**$93,216**	**$99,331**

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	$7,761	$8,466	$9,172	$9,877	$71,968
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$7,761**	**$8,466**	**$9,172**	**$9,877**	**$71,968**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$20,000
Increased Borrowings	$0	$0	$0	$0	$100,000
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	$121,000
Total Cash Inflow	**$7,844**	**$8,549**	**$9,255**	**$9,961**	**$192,968**
Cash Outflows					
Repayment of Principal	$970	$976	$981	$987	$11,475
A/P Decreases	$58	$58	$58	$58	$700
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$0	$0	$0	$0	$50,000
Dividends	$0	$0	$0	$48,394	$48,394
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$1,028**	**$1,034**	**$1,040**	**$49,440**	**$110,569**
Net Cash Flow	**$6,816**	**$7,515**	**$8,215**	**-$39,479**	**$82,399**
Cash Balance	**$106,147**	**$113,663**	**$121,878**	**$82,399**	**$82,399**

Cash Flow Analysis (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	$35,647	$38,217	$40,788	$43,360	$158,013
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$35,647**	**$38,217**	**$40,788**	**$43,360**	**$158,013**
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	**$35,902**	**$38,477**	**$41,054**	**$43,631**	**$159,063**
Cash Outflows					
Repayment of Principal	$2,996	$3,049	$3,102	$3,157	$12,304
A/P Decreases	$178	$182	$186	$189	$735
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$23,702	$0	$0	$0	$23,702
Dividends	$0	$0	$0	$116,567	$116,567
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$26,876**	**$3,231**	**$3,288**	**$119,914**	**$153,309**
Net Cash Flow	**$9,026**	**$35,247**	**$37,766**	**-$76,283**	**$5,755**
Cash Balance	**$91,424**	**$126,671**	**$164,436**	**$88,153**	**$88,153**

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Cash Flow Analysis (Third Year)					
	Year 3				
Quarter	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	$56,830	$60,262	$63,695	$67,130	$247,918
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$56,830**	**$60,262**	**$63,695**	**$67,130**	**$247,918**
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	**$57,098**	**$60,535**	**$63,974**	**$67,413**	**$249,020**
Cash Outflows					
Repayment of Principal	$3,213	$3,269	$3,327	$3,385	$13,194
A/P Decreases	$187	$191	$195	$199	$772
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$37,188	$0	$0	$0	$37,188
Dividends	$0	$0	$0	$187,779	$187,779
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$40,587**	**$3,460**	**$3,522**	**$191,363**	**$238,932**
Net Cash Flow	**$16,510**	**$57,075**	**$60,452**	**-$123,950**	**$10,088**
Cash Balance	**$104,664**	**$161,739**	**$222,191**	**$98,241**	**$98,241**

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Cash Flow Analysis (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	$94,712	$99,014	$103,316	$107,620	$404,663
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$94,712**	**$99,014**	**$103,316**	**$107,620**	**$404,663**
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	**$94,993**	**$99,300**	**$103,609**	**$107,918**	**$405,820**
Cash Outflows					
Repayment of Principal	$3,445	$3,505	$3,567	$3,630	$14,147
A/P Decreases	$197	$201	$205	$209	$810
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$60,699	$0	$0	$0	$60,699
Dividends	$0	$0	$0	$312,412	$312,412
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$64,341**	**$3,706**	**$3,772**	**$316,251**	**$388,069**
Net Cash Flow	**$30,652**	**$95,594**	**$99,837**	**-$208,333**	**$17,751**
Cash Balance	**$128,894**	**$224,488**	**$324,325**	**$115,992**	**$115,992**

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Cash Flow Analysis (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	$128,809	$134,109	$139,410	$144,712	$547,041
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$128,809**	**$134,109**	**$139,410**	**$144,712**	**$547,041**
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	**$129,104**	**$134,410**	**$139,717**	**$145,025**	**$548,257**
Cash Outflows					
Repayment of Principal	$3,694	$3,759	$3,825	$3,892	$15,170
A/P Decreases	$206	$211	$215	$219	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$82,056	$0	$0	$0	$82,056
Dividends	$0	$0	$0	$425,497	$425,497
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$85,956**	**$3,969**	**$4,040**	**$429,608**	**$523,574**
Net Cash Flow	**$43,148**	**$130,441**	**$135,677**	**-$284,583**	**$24,683**
Cash Balance	**$159,140**	**$289,581**	**$425,258**	**$140,675**	**$140,675**