M&D
AUTOMOTIVE

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1.0 Executive Summary

The purpose of this business plan is to secure $400,000, via an SBA loan, for the development of an automotive repair shop based in Austin, Texas. M&D Automotive LLC ("the Company") was founded by Matthew Deutsch. The business intends to develop a stand-alone location, which is expected to launch in the fall of this year. The business will provide the full range of automotive services specific for the needs of individuals and fleet operators.

The Services

The primary revenue center for the business will come from the ongoing repairs of any make or model of vehicle among its clients. Through its state-of-the-art facilities, M&D Automotive will use the latest in diagnostic and repair equipment to provide seamless repairs. The Company will maintain a lean operating infrastructure so that all repair services can be provided on an affordable basis. Management is committed to providing complete transparency regarding all needed repairs.

Prior to the onset of operations, the Company will recruit numerous qualified mechanics that will work at the facilities. The business will source candidates from technical schools throughout the greater Austin area.

The business, when requested, will also be able to provide automotive performance enhancements. This will be a high margin revenue center for M&D Automotive.

The services offered by the Company will be further examined in the third section of the business plan.

The Financing

As noted above, M&D Automotive is currently seeking $400,000 to establish its operations. Matthew Deutsch will provide $100,000 towards the venture. The funds will be used for real estate, furniture, fixtures, and equipment. The working capital needs of the business will be provided through Mr. Deutsch's investment.

If needed, the Company could secure additional capital to expand operations. As this is a highly economically secure enterprise, the business could acquire a revolving credit facility. This document assumes that additional capital will not be acquired during the first five years.

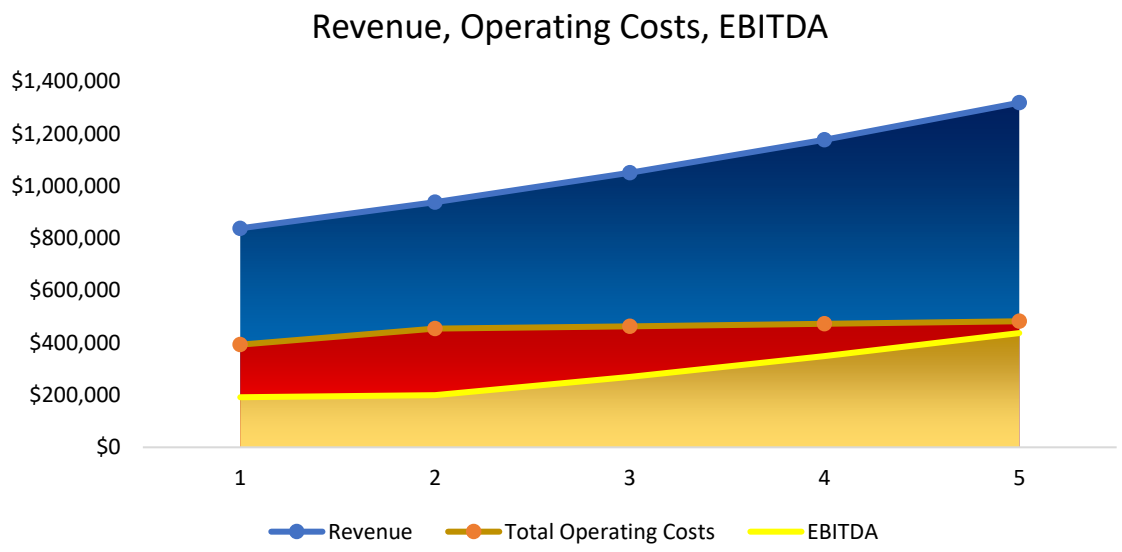
The Future

M&D Automotive will continually expand the scope of its market reach over the next five years through ongoing increases for its annual marketing budget. Given the size of the greater Austin area, there is an immense opportunity to develop additional locations as well. However, an additional location would not be developed until after the fifth year of

operation. The business may also integrate mobile repairs services and roadside assistance. If it is feasible to do so, an existing vehicle repair shop may be acquired and rebranded under the M&D Automotive name.

Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$838,050	$938,616	$1,051,250	$1,177,400	$1,318,688
Cost of Revenue	$253,680	$284,122	$318,216	$356,402	$399,170
Gross Profit	$584,370	$654,494	$733,034	$820,998	$919,518
Total Operating Costs	$392,730	$454,705	$463,357	$472,564	$482,387
EBITDA	**$191,640**	**$199,789**	**$269,677**	**$348,434**	**$437,130**

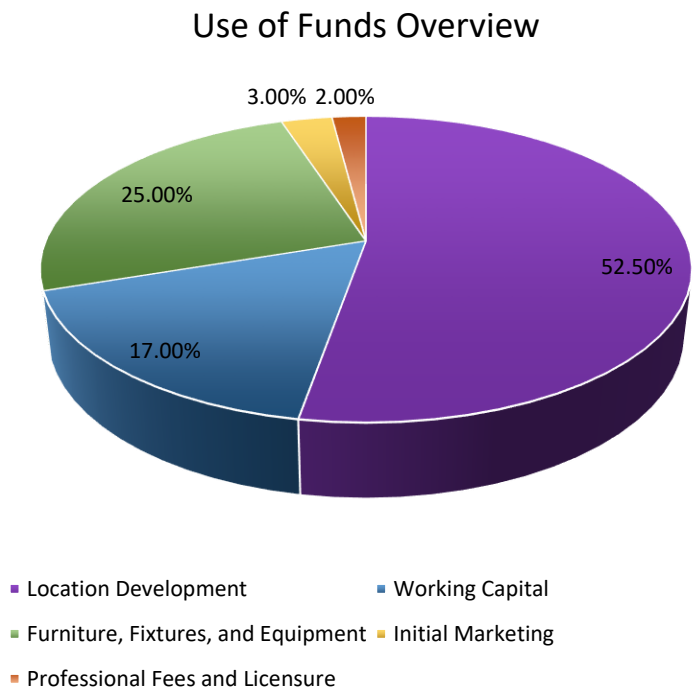


2.0 The Financing

2.1 Funds Required

A $400,000 SBA loan is sought for to develop M&D Automotive. Matthew Deutsch will provide an investment of $100,000. The funds are to be used as follows:

Use of Funds	
Location Development	$262,500
Working Capital	$85,000
Furniture, Fixtures, and Equipment	$125,000
Initial Marketing	$15,000
Professional Fees and Licensure	$10,000
Misc. Costs	$2,500
Total	$500,000



2.2 Management Equity

Matthew Deutsch is the 100% owner of the business.

2.3 Exit Strategies

If it is financially prudent to do so or if Mr. Deutsch intends to retire, a qualified business broker will be hired to manage the sale of the business to a third party. A formal valuation regarding the business and real estate will be conducted prior to sale. Based on the anticipated profitability of the business, the Company could have a value of $900,000 by the fifth year of operation (including the value of real estate).

3.0 Operations

M&D Automotive will be actively engaged in providing a wide range of vehicle repair services from its location in Austin. The business will principally focus on providing services for individuals. The Company will have the ability to service any make or model of vehicle. The business will maintain a wide inventory of automotive parts so that repairs can be made within a 24-to-48-hour period based on their complexity. Through the Company's state-of-the-art equipment – the business will be able to complete engine overhauls and extremely complex repairs when needed.

Most importantly, the Company intends to onboard numerous mechanics that will render services at the M&D Automotive location. These individuals will be required to have undergone substantial formal training at a technical school so that they can operate in a mechanic capacity. Generally, at least three years of prior experience will be required.

M&D Automotive intends to operate as a licensed inspection station for the State of Texas. This state requires that all vehicles undergo a yearly inspection. This will further increase revenue while driving additional traffic to the location.

Moving forward, Management intends to integrate mobile and roadside assistance into its operations. These services will be offered 24/7, which will provide M&D Automotive with a substantial differentiating factor. This will also expand the market reach of the business throughout the greater Austin metropolitan area.

4.0 Overview of the Organization

4.1 Registered Name

M&D Automotive LLC. The business is registered as a limited liability company in the State of Texas.

4.2 Commencement of Operations

Full scale operations will start in the fall of this year.

4.3 Mission Statement

The Company's mission is to provide seamless vehicle repairs that are provided transparently and at an affordable cost.

4.4 Vision Statement

M&D Automotive's mission is to become a widely recognized and respected automotive repair shop in Austin.

4.5 Organizational Objectives

- Implement numerous marketing strategies that will create significant brand name visibility from the onset if operations (including a massive pre-launch campaign).
- Properly onboard mechanics that will work on behalf of M&D Automotive.
- Implement fiscally sound procedures to ensure the profitability of the business.
- Remain within the letter of the law regarding all facets of operation.
- Maintain an expansive online presence (including on all social media platforms).
- Use state-of-the-art vehicle diagnostic and repair technology.
- Establish relationships with fleet operators to provide ongoing service for corporations.
- Potentially include mobile services and roadside assistance to further boost revenue.
- Potentially establish additional locations (after the fifth year of operation).

5.0 Strategic Analysis

5.1 External Environment Analysis

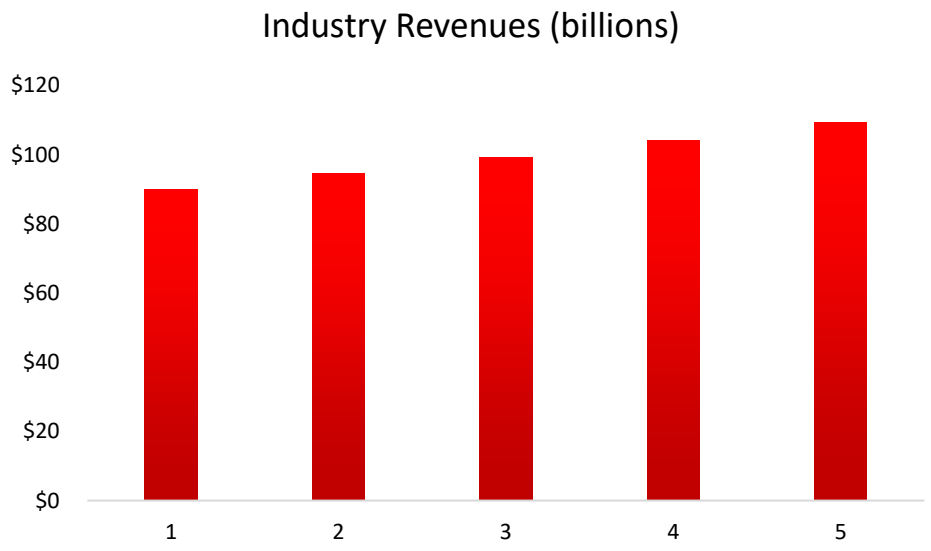
This section of analysis will detail the overall economic climate, the industry, the Company's customer profile, and the competition that the business will face as it expands it operations.

At this time, the economic climate is moderate. As a result of changing trade policies – volatility has been introduced into the economy. However, the Federal Reserve as global central banks have taken proactive measures to reduce inflation while concurrently ensuring economic growth.

Even during challenging economic climates, the demand for automotive repair services will remain strong. The vast majority of vehicle owners cannot safely complete their own vehicle repairs. As such, M&D Automotive will have a continued influx of clients that need repairs for their vehicles. It is an absolute necessity.

5.2 Industry Analysis

There are 100,000 companies that operate one or more automotive repair shops in the United States. These businesses generate $90 billion of revenue per annum while providing jobs for 800,000 people.



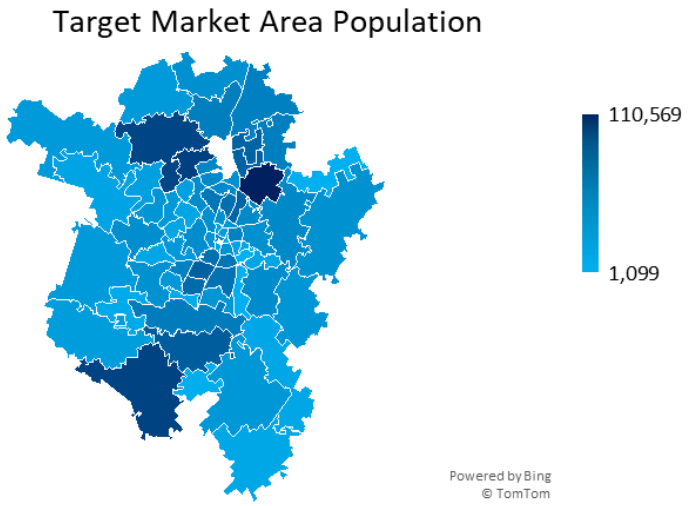
While this is a mature industry, one of the trends will be the need to provide services for the greater number of electric vehicles in the market. M&D Automotive will remain in line with this market trend to ensure that as more owners operate EVs – the Company will be able to provide comprehensive services for cars that do not operate via an internal combustion engine.

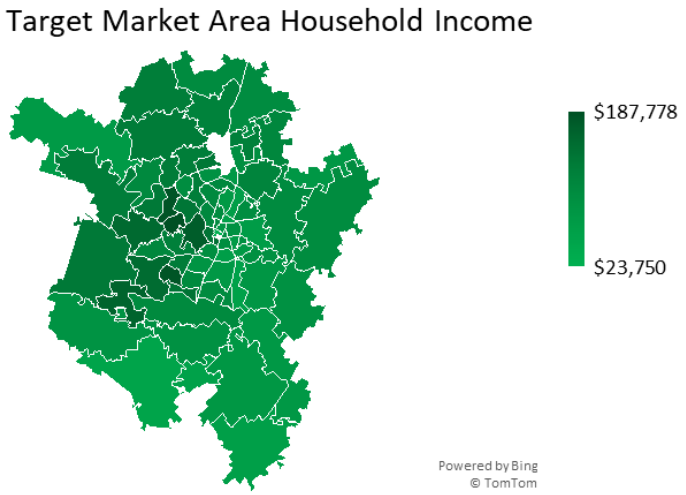
5.3 Customer Profile and Target Market Analysis

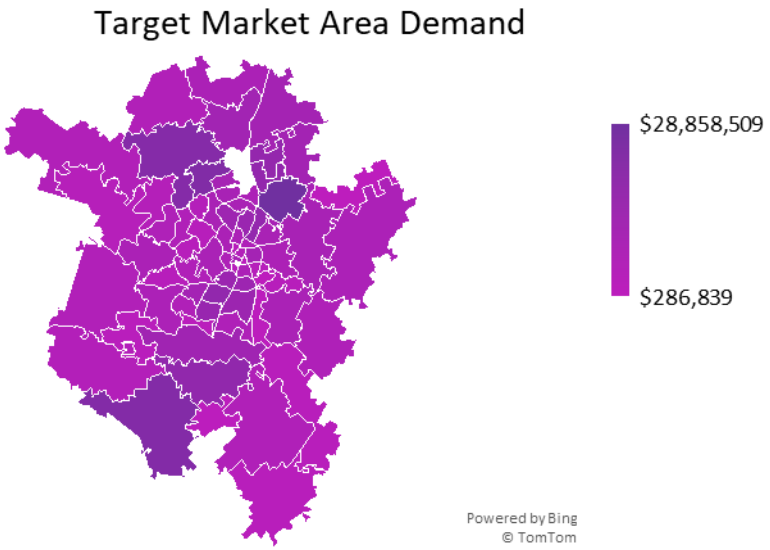
Management has developed the following demographic profile of customers that is be used in conjunction with marketing operations:

- Household income of $75,000 to $150,000
- Lives or works within 10 miles of the Company's Austin location.
- Will spend $100 to $2,000 per engagement with M&D Automotive.

As of this year, the Austin area has a population base of 2.2 million people. The median household income is $85,000. The median home value is $600,000. Approximately 75% of the population is over the age of 18 (which indicates that there are approximately 1.5 million number of drivers in the target market).







5.4 Competitive Analysis

This business plan is being presented as a sample. If this was a business plan for an actual automotive repair shop, a full competitive analysis would be developed. This includes an overview of all competitors in the effective target market radius, how long they have been in operation, and the ways in which the Company will maintain a competitive advantage.

6.0 Key Strategic Issues

6.1 Sustainable Operations

M&D Automotive will thrive in the Austin market as a result of the following:

- The ability to provide automotive services affordably will drive a large customer based.
- The operations are scalable, and the Company can seamlessly develop new automotive repair locations.
- The Company will remain profitable even during challenging business climates.
- M&D Automotive can service any make or model of vehicle.
- The business has an extensive recruitment apparatus in place for onboarding mechanics as the Company expands.
- Pre-launch marketing will ensure that the M&D Automotive brand name is well established during the development period.
- An experienced Owner (Matthew Deutsch) who will be able to develop and expand the operations of the Company in the coming years.

6.2 Basis for Growth

M&D Automotive LLC will grow through three main avenues:

- Continued expansion of the Company's marketing operations.
- Integration of mobile, towing, and roadside repair services.
- Potential development of additional locations.

7.0 Marketing Plan

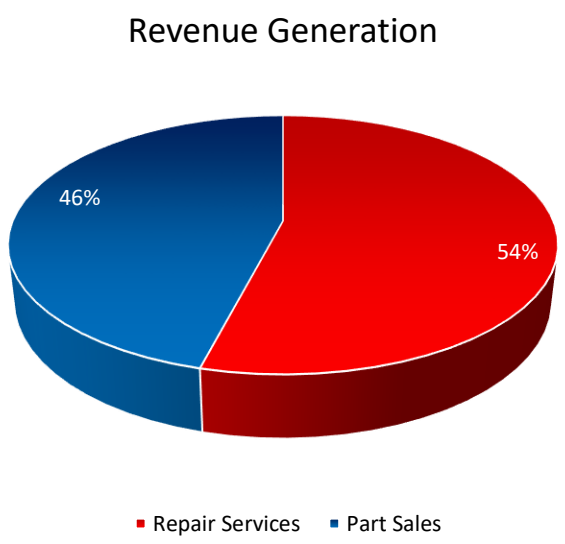
7.1 Marketing Objectives

- Engage in a wide range of pre-launch marketing strategies to create brand name awareness prior to the launch of the business.
- Maintain an expansive online presence including a proprietary website and use of social media.
- Operate as a community minded business by supporting local civic organizations through co-branding opportunities.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	**1**	**2**	**3**	**4**	**5**
Repair Services	$453,000	$507,360	$568,243	$636,432	$712,804
Part Sales	$385,050	$431,256	$483,007	$540,968	$605,884
Totals	**$838,050**	**$938,616**	**$1,051,250**	**$1,177,400**	**$1,318,688**

Gross Profit					
Year	1	2	3	4	5
Total	**$584,370**	**$654,494**	**$733,034**	**$820,998**	**$919,518**



7.3 Revenue Assumptions

Year 1

- Management will launch the operations its new location in the fall of this year.
- Revenue will reach $838,000.
- Gross profits will reach $584,000.

Year 2

- During this time, the Company will expand the scope of its marketing operations to include direct outreach with referring partners in Austin.
- Revenues are expected to increase by 12%.
- The business will achieve revenue of $938,000.

Years 3-5

- By the fifth year of operation, the Company will achieve $1.3 million of revenue.
- At this time, the Company may develop additional locations within the Western Texas market area.

7.4 Marketing Strategies

Most importantly, the Company will lay the groundwork for its marketing operations during the development period. This will include establishing an online presence via both a proprietary website and through social media marketing. This will allow Austin residents to become aware of the wide range of automotive repair services that the Company will offer from the onset of operations. Management will coordinate these efforts with a third party digitally focused marketing firm.

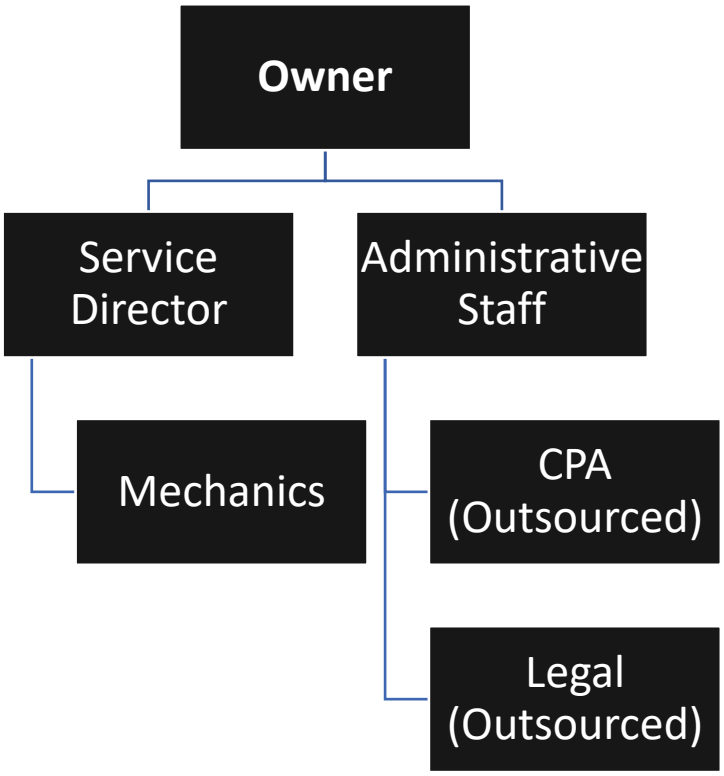
Once the operations have commenced, the Company will distribute mailed advertisements within a 10-mile radius of Austin location. These mailers will have magnetic backings so that they can be affixed to metal surfaces (such as refrigerators). This type of marketing will occur twice per year. Specialized discounts on inspections and oil changes will be offered on a regular basis to drive traffic to the location.

The business will also conduct direct outreach within the Austin market. This will include establishing referral relationships with real estate brokerages as many people ask for recommendations when they move to new locations. The Company will also establish relationships with operators of vehicle fleets including limousine/livery businesses, taxi companies, and shuttle companies. As these businesses have ongoing needs for vehicle repair – this will be a major source of income in the coming years.

The Company will frequently post images of repaired vehicles among all social media platforms. This will assist with creating greater brand name visibility in the Austin area. Videos of the location will also be posted on a regular basis as will discounts on oil changes and general maintenance.

8.0 Organizational Plan

8.1 Corporate Organization

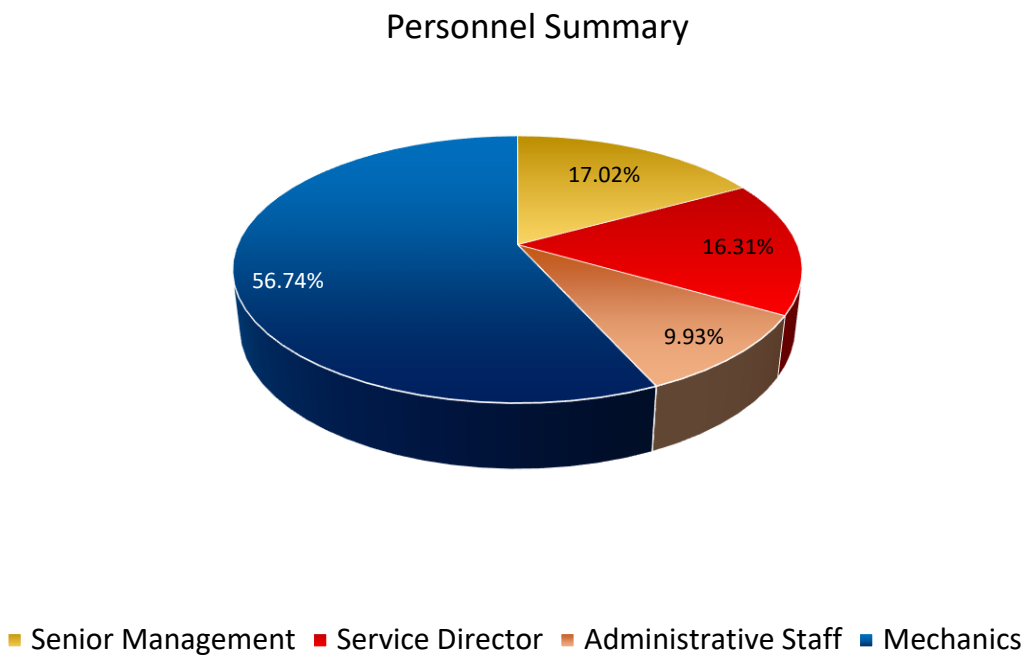


8.2 Organizational Budget

Personnel Plan - Yearly					
Year	1	2	3	4	5
Senior Management	$60,000	$60,600	$61,206	$61,818	$62,436
Service Director	$57,500	$58,075	$58,656	$59,242	$59,835
Administrative Staff	$35,000	$35,350	$35,704	$36,061	$36,421
Mechanics	$150,000	$202,000	$204,020	$206,060	$208,121
Total	**$302,500**	**$356,025**	**$359,585**	**$363,181**	**$366,813**

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
Senior Management	1	1	1	1	1
Service Director	1	1	1	1	1
Administrative Staff	1	1	1	1	1
Mechanics	3	4	4	4	4
Total	**6**	**7**	**7**	**7**	**7**

8.2 Organizational Budget (Cont.)



9.0 Financial Plan

9.1 Underlying Assumptions

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

- M&D Automotive will have a compounded annual growth rate of 12%.
- Management will acquire $400,000 to establish the Company's operations (carrying a 20-year term and a 9% interest rate).
- John doe will contribute $100,000 toward the venture.

9.2 Financial Highlights

- M&D Automotive will achieve profitability in the first year of operation.
- Integration of mobile services will drastically boost revenue and profit.
- The operations of this auto repair shop are highly scalable.

9.3 Sensitivity Analysis

M&D Automotive will enjoy substantial economic stability given that automotive repairs need to be completed by competent professionals. The Company will generate substantial contribution margins from mechanic labor as well as the sale of automotive parts. Furthermore, the business will be based in the population dense market area of Austin. This will ensure a continued influx of clients throughout the life of the business.

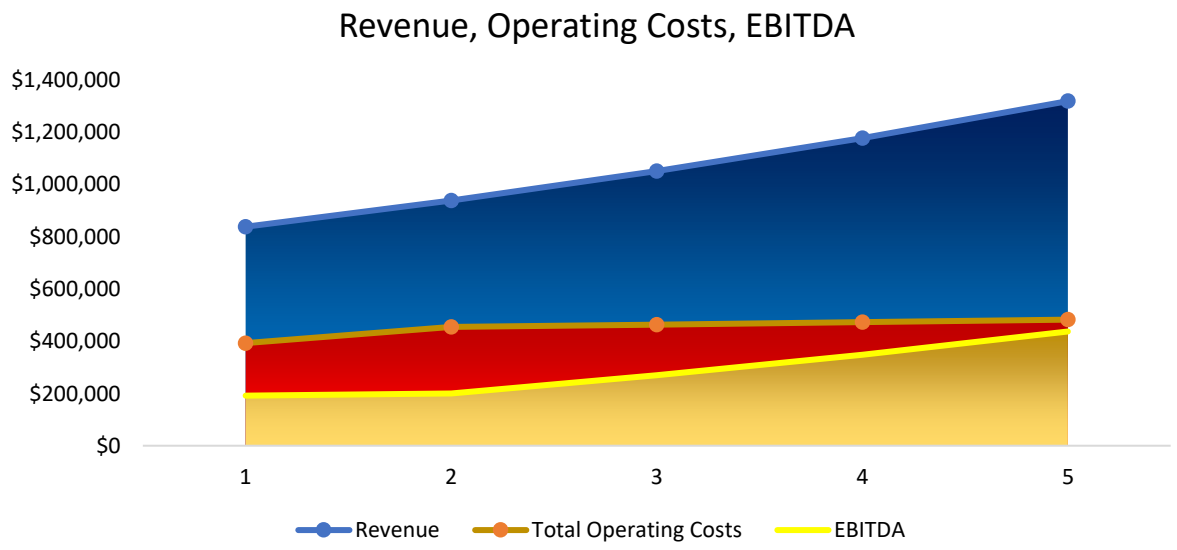
9.4 Source of Funds

Financing	
Equity	
Equity Capitalization	$100,000.00
Total Equity Financing	$100,000.00
Banks and Lenders	
Business Loan	$400,000.00
Total Debt Financing	$400,000.00
Total Financing	**$500,000.00**

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss (Yearly)					
Year	1	2	3	4	5
Revenue	$838,050	$938,616	$1,051,250	$1,177,400	$1,318,688
Cost of Revenue	$253,680	$284,122	$318,216	$356,402	$399,170
Gross Margin	69.73%	69.73%	69.73%	69.73%	69.73%
Gross Profit	$584,370	$654,494	$733,034	$820,998	$919,518
Expenses					
Payroll	$302,500	$356,025	$359,585	$363,181	$366,813
Facility Costs	$17,500	$17,675	$17,852	$18,030	$18,211
General and Administrative	$15,923	$17,834	$19,974	$22,371	$25,055
Professional Fees and Licensure	$3,000	$3,030	$3,060	$3,091	$3,122
Insurance	$8,000	$8,080	$8,161	$8,242	$8,325
Marketing	$8,381	$9,386	$10,512	$11,774	$13,187
Vehicle Costs	$8,000	$8,400	$8,820	$9,261	$9,724
Misc. Costs	$6,285	$7,040	$7,884	$8,830	$9,890
Payroll Taxes	$23,141	$27,236	$27,508	$27,783	$28,061
Total Operating Costs	**$392,730**	**$454,705**	**$463,357**	**$472,564**	**$482,387**
EBITDA	**$191,640**	**$199,789**	**$269,677**	**$348,434**	**$437,130**
Federal Income Tax	$35,486	$37,625	$55,188	$74,961	$97,186
State Income Tax	$7,097	$7,525	$11,038	$14,992	$19,437
Interest Expense	$33,695	$32,991	$32,225	$31,391	$30,484
Depreciation Expenses	$16,000	$16,300	$16,700	$17,200	$17,900
Net Profit	**$99,362**	**$105,349**	**$154,526**	**$209,890**	**$272,122**
Profit Margin	**11.86%**	**11.22%**	**14.70%**	**17.83%**	**20.64%**

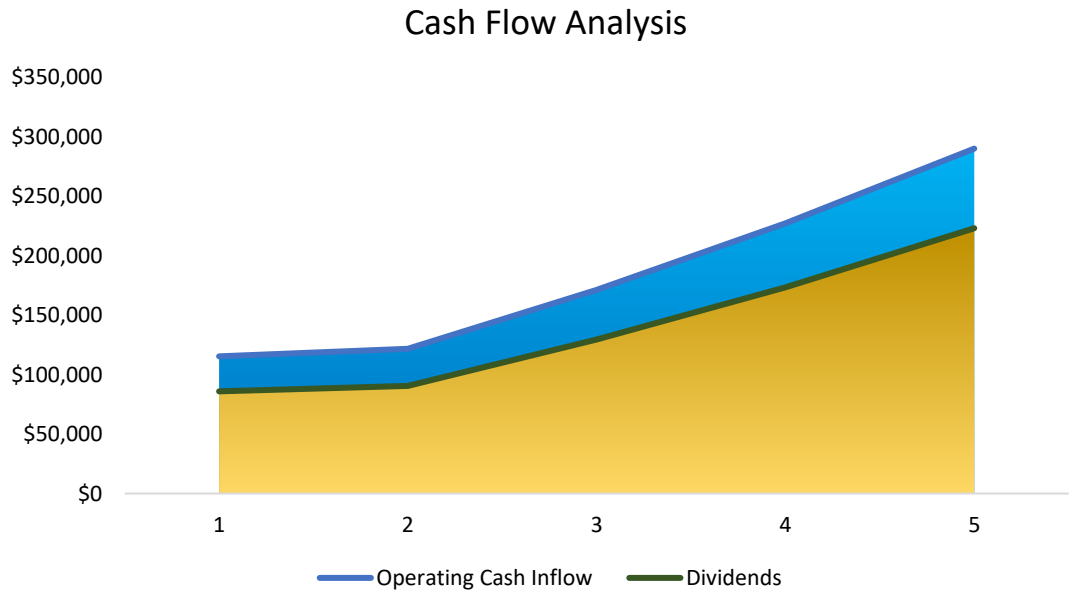


B) Common Size Income Statement

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	30.27%	30.27%	30.27%	30.27%	30.27%
Gross Profit	69.73%	69.73%	69.73%	69.73%	69.73%
Expenses					
Payroll	36.10%	37.93%	34.21%	30.85%	27.82%
Facility Costs	2.09%	1.88%	1.70%	1.53%	1.38%
General and Administrative	1.90%	1.90%	1.90%	1.90%	1.90%
Professional Fees and Licensure	0.36%	0.32%	0.29%	0.26%	0.24%
Insurance	0.95%	0.86%	0.78%	0.70%	0.63%
Marketing	1.00%	1.00%	1.00%	1.00%	1.00%
Vehicle Costs	0.95%	0.89%	0.84%	0.79%	0.74%
Misc. Costs	0.75%	0.75%	0.75%	0.75%	0.75%
Payroll Taxes	2.76%	2.90%	2.62%	2.36%	2.13%
Total Operating Costs	46.86%	48.44%	44.08%	40.14%	36.58%
EBITDA	22.87%	21.29%	25.65%	29.59%	33.15%
Federal Income Tax	4.23%	4.01%	5.25%	6.37%	7.37%
State Income Tax	0.85%	0.80%	1.05%	1.27%	1.47%
Interest Expense	4.02%	3.51%	3.07%	2.67%	2.31%
Depreciation Expenses	1.91%	1.74%	1.59%	1.46%	1.36%
Net Profit	11.86%	11.22%	14.70%	17.83%	20.64%

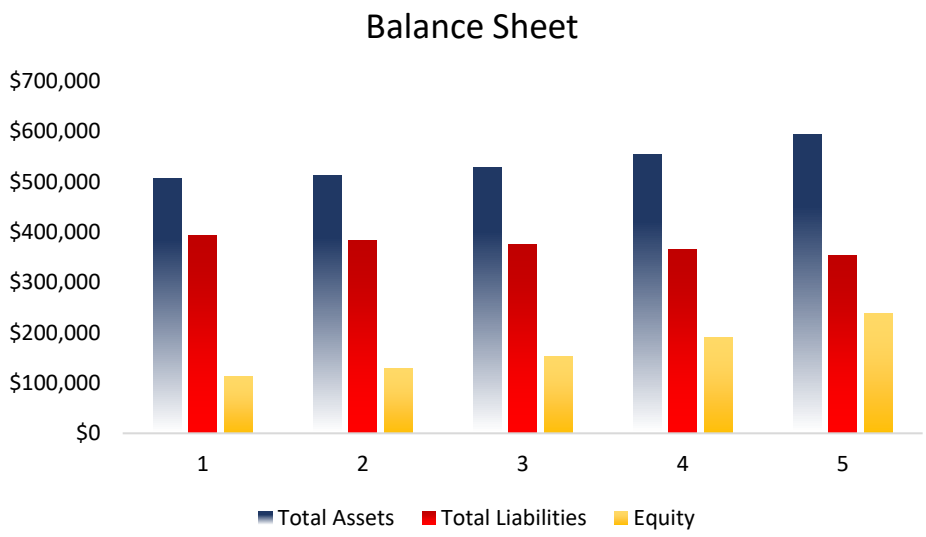
C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	$115,362	$121,649	$171,226	$227,090	$290,022
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$115,362**	**$121,649**	**$171,226**	**$227,090**	**$290,022**
Other Cash Inflows					
Equity Investment	$100,000	$0	$0	$0	$0
Increased Borrowings	$400,000	$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	**$501,000**	**$1,050**	**$1,103**	**$1,158**	**$1,216**
Total Cash Inflow	**$616,362**	**$122,699**	**$172,329**	**$228,247**	**$291,238**
Cash Outflows					
Repayment of Principal	$7,961	$8,665	$9,430	$10,264	$11,171
A/P Decreases	$700	$735	$772	$810	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$400,000	$18,247	$25,684	$34,063	$43,503
Dividends	$85,921	$90,387	$129,437	$173,460	$223,081
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$494,582**	**$118,034**	**$165,323**	**$218,598**	**$278,606**
Net Cash Flow	**$121,780**	**$4,665**	**$7,006**	**$9,649**	**$12,631**
Cash Balance	**$121,780**	**$126,445**	**$133,451**	**$143,100**	**$155,731**



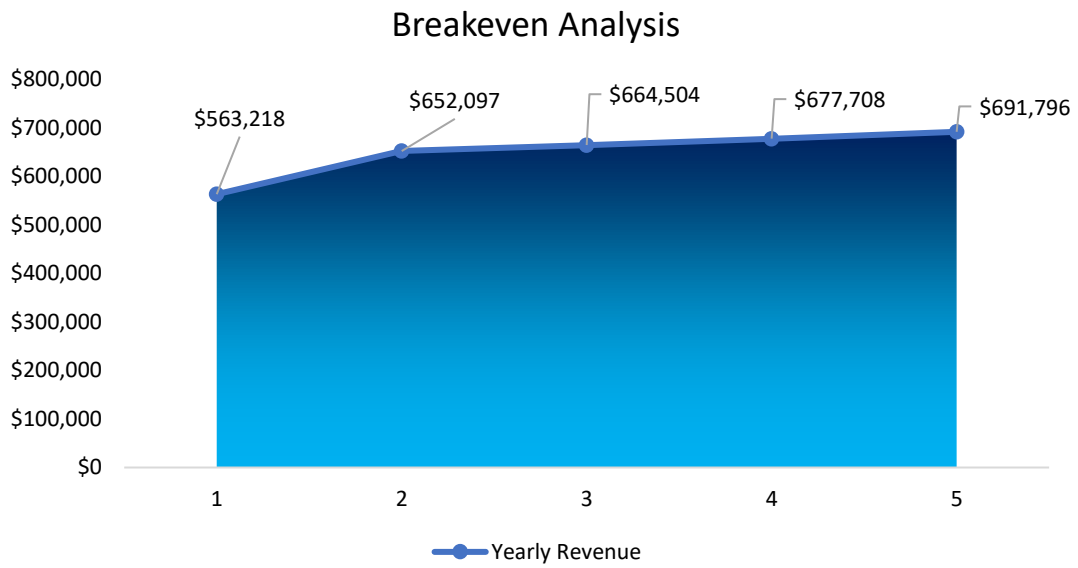
D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	$121,780	$126,445	$133,451	$143,100	$155,731
Fixed Assets	$400,000	$418,247	$443,931	$477,995	$521,498
Accumulated Depreciation	($16,000)	($32,300)	($49,000)	($66,200)	($84,100)
Total Assets	**$505,780**	**$512,392**	**$528,382**	**$554,894**	**$593,129**
Liabilities and Equity					
Accounts Payable	$300	$615	$946	$1,293	$1,658
Long Term Liabilities	$392,039	$383,374	$373,944	$363,680	$352,509
Other Liabilities	$0	$0	$0	$0	$0
Total Liabilities	**$392,339**	**$383,989**	**$374,890**	**$364,973**	**$354,166**
Equity	**$113,441**	**$128,402**	**$153,492**	**$189,921**	**$238,963**
Total Liabilities and Equity	**$505,780**	**$512,392**	**$528,382**	**$554,894**	**$593,129**



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	$46,935	$54,341	$55,375	$56,476	$57,650
Yearly Revenue	$563,218	$652,097	$664,504	$677,708	$691,796



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	12.0%	12.0%	12.0%	12.0%
Gross Margin	69.7%	69.7%	69.7%	69.7%	69.7%
Financials					
Profit Margin	11.86%	11.22%	14.70%	17.83%	20.64%
Assets to Liabilities	1.29	1.33	1.41	1.52	1.67
Equity to Liabilities	0.29	0.33	0.41	0.52	0.67
Assets to Equity	4.46	3.99	3.44	2.92	2.48
Liquidity					
Acid Test	0.31	0.33	0.36	0.39	0.44
Cash to Assets	0.24	0.25	0.25	0.26	0.26

Appendix A - SWOT Analysis

Strengths

- The business, through its lean operating infrastructure, will affordably provide auto repair to the Austin public.
- M&D Automotive will be able to remain profitable at all times given the ongoing demand for comprehensive repairs.
- The business can easily scale its operations to include roadside assistance, mobile services, and new locations.
- The Company is prepared to make repairs for electric vehicle as they become more popular.
- The population density of the Austin market will further contribute to the stability of the business.
- An experienced Owner, Matthew Deutsch, who will be able to operate this business on a daily basis.

Weaknesses

- Competition from more established automotive repair shops in the market.

Opportunities

- Integrate mobile services and roadside assistance.
- Develop additional locations (after year five).
- Expand marketing operations through numerous channels.
- Provide services to a greater number of fleet operators.

Threats

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

Appendix B – Risk Analysis

Development Risk – **Low**
Management has sourced the location that will house the operations of M&D Automotive. At this time, Matthew Deutsch is seeking the necessary funding to acquire the facilities, equipment, and conduct its launch operations. As noted earlier, the Company's marketing campaigns will launch during the development period.

Financing Risk – **Low/Moderate**
The $400,000 sought in this document will be primarily used to acquire the Company's real estate while also purchasing equipment. The risks related to this financing are reduced by the fact that automotive repair is a highly stable enterprise and the business will generate substantial contribution margins from its operations.

Marketing Risk **– Low**
The Company will use and expand upon the marketing strategies discussed earlier in this document. Most importantly, M&D Automotive will engage in a wide spread pre-launch marketing campaign that will ensure that the business' SEO campaigns and related online marketing strategies are active at the time of launch. There is an immense demand for affordable automotive repair in the Austin market.

Management Risk – **Low**
Matthew Deutsch is a highly experienced automotive mechanic. He was previously a manager for a similar enterprise in Texas. Mr. Deutsch will be able to bring the operations of M&D Automotive to profitability.

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

- Automotive repair remains in demand at all times.
- Substantial contribution margins on mechanic labor and part sales.
- The integration of mobile services can further expand revenue and profitability.

Exit Risk - **Low**
As noted in the second section of this document, these businesses are highly in demand given their economically secure nature. A qualified business broker would be hired to market M&D Automotive to a potential buyer. This event is not expected to occur for at least ten years.

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. IBISWorld

Appendix D – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	**$64,750**	**$65,675**	**$66,600**	**$67,525**	**$68,450**	**$69,375**	**$70,300**
Cost of Revenue	$19,600	$19,880	$20,160	$20,440	$20,720	$21,000	$21,280
Gross Profit	$45,150	$45,795	$46,440	$47,085	$47,730	$48,375	$49,020
Expenses							
Payroll	$25,208	$25,208	$25,208	$25,208	$25,208	$25,208	$25,208
Facility Costs	$1,458	$1,458	$1,458	$1,458	$1,458	$1,458	$1,458
General and Administrative	$1,327	$1,327	$1,327	$1,327	$1,327	$1,327	$1,327
Professional Fees and Licensure	$250	$250	$250	$250	$250	$250	$250
Insurance	$667	$667	$667	$667	$667	$667	$667
Marketing	$698	$698	$698	$698	$698	$698	$698
Vehicle Costs	$667	$667	$667	$667	$667	$667	$667
Misc. Costs	$524	$524	$524	$524	$524	$524	$524
Payroll Taxes	$1,928	$1,928	$1,928	$1,928	$1,928	$1,928	$1,928
Total Operating Costs	$32,728	$32,728	$32,728	$32,728	$32,728	$32,728	$32,728
EBITDA	$12,422	$13,067	$13,712	$14,357	$15,002	$15,647	$16,292
Federal Income Tax	$2,742	$2,781	$2,820	$2,859	$2,898	$2,938	$2,977
State Income Tax	$548	$556	$564	$572	$580	$588	$595
Interest Expense	$2,833	$2,829	$2,824	$2,820	$2,815	$2,810	$2,806
Depreciation Expenses	$1,333	$1,333	$1,333	$1,333	$1,333	$1,333	$1,333
Net Profit	$4,966	$5,568	$6,171	$6,773	$7,376	$7,979	$8,581

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
Revenue	**$71,225**	**$72,150**	**$73,075**	**$74,000**	**$74,925**	**$838,050**
Cost of Revenue	$21,560	$21,840	$22,120	$22,400	$22,680	$253,680
Gross Profit	$49,665	$50,310	$50,955	$51,600	$52,245	$584,370
Expenses						
Payroll	$25,208	$25,208	$25,208	$25,208	$25,208	$302,500
Facility Costs	$1,458	$1,458	$1,458	$1,458	$1,458	$17,500
General and Administrative	$1,327	$1,327	$1,327	$1,327	$1,327	$15,923
Professional Fees and Licensure	$250	$250	$250	$250	$250	$3,000
Insurance	$667	$667	$667	$667	$667	$8,000
Marketing	$698	$698	$698	$698	$698	$8,381
Vehicle Costs	$667	$667	$667	$667	$667	$8,000
Misc. Costs	$524	$524	$524	$524	$524	$6,285
Payroll Taxes	$1,928	$1,928	$1,928	$1,928	$1,928	$23,141
Total Operating Costs	$32,728	$32,728	$32,728	$32,728	$32,728	$392,730
EBITDA	$16,937	$17,582	$18,227	$18,872	$19,517	$191,640
Federal Income Tax	$3,016	$3,055	$3,094	$3,133	$3,173	$35,486
State Income Tax	$603	$611	$619	$627	$635	$7,097
Interest Expense	$2,801	$2,796	$2,791	$2,787	$2,782	$33,695
Depreciation Expenses	$1,333	$1,333	$1,333	$1,333	$1,333	$16,000
Net Profit	$9,184	$9,787	$10,390	$10,992	$11,595	$99,362

Profit and Loss Statement (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Revenue	$227,614	$232,307	$237,001	$241,694	$938,616
Cost of Revenue	$68,899	$70,320	$71,741	$73,161	$284,122
Gross Profit	**$158,715**	**$161,987**	**$165,260**	**$168,532**	**$654,494**
Expenses					
Payroll	$89,006	$89,006	$89,006	$89,006	$356,025
Facility Costs	$4,419	$4,419	$4,419	$4,419	$17,675
General and Administrative	$4,325	$4,414	$4,503	$4,592	$17,834
Professional Fees and Licensure	$735	$750	$765	$780	$3,030
Insurance	$2,020	$2,020	$2,020	$2,020	$8,080
Marketing	$2,276	$2,323	$2,370	$2,417	$9,386
Vehicle Costs	$2,100	$2,100	$2,100	$2,100	$8,400
Misc. Costs	$1,707	$1,742	$1,778	$1,813	$7,040
Payroll Taxes	$6,605	$6,741	$6,877	$7,013	$27,236
Total Operating Costs	**$113,192**	**$113,515**	**$113,838**	**$114,160**	**$454,705**
EBITDA	**$45,522**	**$48,472**	**$51,422**	**$54,372**	**$199,789**
Federal Income Tax	$9,124	$9,312	$9,500	$9,688	$37,625
State Income Tax	$1,825	$1,862	$1,900	$1,938	$7,525
Interest Expense	$8,316	$8,271	$8,225	$8,178	$32,991
Depreciation Expenses	$4,075	$4,075	$4,075	$4,075	$16,300
Net Profit	**$22,183**	**$24,952**	**$27,722**	**$30,493**	**$105,349**

Profit and Loss Statement (Third Year)					
		Year 3			
Quarter	Q1	Q2	Q3	Q4	Year 3
Revenue	$254,928	$260,184	$265,441	$270,697	$1,051,250
Cost of Revenue	$77,167	$78,759	$80,350	$81,941	$318,216
Gross Profit	**$177,761**	**$181,426**	**$185,091**	**$188,756**	**$733,034**
Expenses					
Payroll	$89,896	$89,896	$89,896	$89,896	$359,585
Facility Costs	$4,463	$4,463	$4,463	$4,463	$17,852
General and Administrative	$4,844	$4,944	$5,043	$5,143	$19,974
Professional Fees and Licensure	$742	$757	$773	$788	$3,060
Insurance	$2,040	$2,040	$2,040	$2,040	$8,161
Marketing	$2,549	$2,602	$2,654	$2,707	$10,512
Vehicle Costs	$2,205	$2,205	$2,205	$2,205	$8,820
Misc. Costs	$1,912	$1,951	$1,991	$2,030	$7,884
Payroll Taxes	$6,877	$6,877	$6,877	$6,877	$27,508
Total Operating Costs	**$115,529**	**$115,736**	**$115,943**	**$116,150**	**$463,357**
EBITDA	**$62,232**	**$65,690**	**$69,148**	**$72,606**	**$269,677**
Federal Income Tax	$13,383	$13,659	$13,935	$14,211	$55,188
State Income Tax	$2,677	$2,732	$2,787	$2,842	$11,038
Interest Expense	$8,131	$8,082	$8,032	$7,981	$32,225
Depreciation Expenses	$4,175	$4,175	$4,175	$4,175	$16,700
Net Profit	**$33,867**	**$37,043**	**$40,219**	**$43,397**	**$154,526**

Profit and Loss Statement (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Revenue	$285,519	$291,406	$297,293	$303,180	$1,177,400
Cost of Revenue	$86,428	$88,210	$89,992	$91,774	$356,402
Gross Profit	**$199,092**	**$203,197**	**$207,302**	**$211,407**	**$820,998**
Expenses					
Payroll	$90,795	$90,795	$90,795	$90,795	$363,181
Facility Costs	$4,508	$4,508	$4,508	$4,508	$18,030
General and Administrative	$5,425	$5,537	$5,649	$5,760	$22,371
Professional Fees and Licensure	$750	$765	$780	$796	$3,091
Insurance	$2,061	$2,061	$2,061	$2,061	$8,242
Marketing	$2,855	$2,914	$2,973	$3,032	$11,774
Vehicle Costs	$2,315	$2,315	$2,315	$2,315	$9,261
Misc. Costs	$2,141	$2,186	$2,230	$2,274	$8,830
Payroll Taxes	$6,946	$6,946	$6,946	$6,946	$27,783
Total Operating Costs	**$117,796**	**$118,026**	**$118,256**	**$118,487**	**$472,564**
EBITDA	**$81,296**	**$85,171**	**$89,046**	**$92,920**	**$348,434**
Federal Income Tax	$18,178	$18,553	$18,928	$19,302	$74,961
State Income Tax	$3,636	$3,711	$3,786	$3,860	$14,992
Interest Expense	$7,929	$7,876	$7,821	$7,766	$31,391
Depreciation Expenses	$4,300	$4,300	$4,300	$4,300	$17,200
Net Profit	**$47,254**	**$50,732**	**$54,211**	**$57,692**	**$209,890**

Profit and Loss Statement (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Revenue	$319,782	$326,375	$332,969	$339,562	$1,318,688
Cost of Revenue	$96,799	$98,795	$100,791	$102,786	$399,170
Gross Profit	**$222,983**	**$227,581**	**$232,178**	**$236,776**	**$919,518**
Expenses					
Payroll	$91,703	$91,703	$91,703	$91,703	$366,813
Facility Costs	$4,553	$4,553	$4,553	$4,553	$18,211
General and Administrative	$6,076	$6,201	$6,326	$6,452	$25,055
Professional Fees and Licensure	$757	$773	$788	$804	$3,122
Insurance	$2,081	$2,081	$2,081	$2,081	$8,325
Marketing	$3,198	$3,264	$3,330	$3,396	$13,187
Vehicle Costs	$2,431	$2,431	$2,431	$2,431	$9,724
Misc. Costs	$2,398	$2,448	$2,497	$2,547	$9,890
Payroll Taxes	$7,015	$7,015	$7,015	$7,015	$28,061
Total Operating Costs	**$120,212**	**$120,469**	**$120,725**	**$120,981**	**$482,387**
EBITDA	**$102,771**	**$107,112**	**$111,453**	**$115,794**	**$437,130**
Federal Income Tax	$23,568	$24,054	$24,540	$25,026	$97,186
State Income Tax	$4,714	$4,811	$4,908	$5,005	$19,437
Interest Expense	$7,709	$7,651	$7,592	$7,532	$30,484
Depreciation Expenses	$4,475	$4,475	$4,475	$4,475	$17,900
Net Profit	**$62,305**	**$66,121**	**$69,939**	**$73,757**	**$272,122**

Appendix E – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	$6,299	$6,902	$7,504	$8,107	$8,709	$9,312	$9,915	$10,517
Cash From Receivables	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cash Inflow	$6,299	$6,902	$7,504	$8,107	$8,709	$9,312	$9,915	$10,517
Other Cash Inflows								
Equity Investment	$100,000	$0	$0	$0	$0	$0	$0	$0
Increased Borrowings	$400,000	$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	**$500,083**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**
Total Cash Inflow	**$506,382**	**$6,985**	**$7,587**	**$8,190**	**$8,793**	**$9,395**	**$9,998**	**$10,601**
Cash Outflows								
Repayment of Principal	$638	$642	$647	$652	$656	$661	$666	$670
A/P Decreases	$58	$58	$58	$58	$58	$58	$58	$58
A/R Increases	$0	$0	$0	$0	$0	$0	$0	$0
Asset Purchases	$400,000	$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	**$400,696**	**$701**	**$705**	**$710**	**$715**	**$719**	**$724**	**$729**
Net Cash Flow	**$105,686**	**$6,284**	**$6,882**	**$7,480**	**$8,078**	**$8,676**	**$9,274**	**$9,872**
Cash Balance	**$105,686**	**$111,970**	**$118,852**	**$126,332**	**$134,410**	**$143,086**	**$152,361**	**$162,233**

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	$11,120	$11,723	$12,326	$12,929	$115,362
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$11,120**	**$11,723**	**$12,326**	**$12,929**	**$115,362**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$100,000
Increased Borrowings	$0	$0	$0	$0	$400,000
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	$501,000
Total Cash Inflow	**$11,203**	**$11,806**	**$12,409**	**$13,012**	**$616,362**
Cash Outflows					
Repayment of Principal	$675	$680	$685	$689	$7,961
A/P Decreases	$58	$58	$58	$58	$700
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$0	$0	$0	$0	$400,000
Dividends	$0	$0	$0	$85,921	$85,921
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$733**	**$738**	**$743**	**$86,668**	**$494,582**
Net Cash Flow	**$10,470**	**$11,068**	**$11,666**	**-$73,657**	**$121,780**
Cash Balance	**$172,703**	**$183,771**	**$195,437**	**$121,780**	**$121,780**

Cash Flow Analysis (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	$26,258	$29,027	$31,797	$34,568	$121,649
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$26,258**	**$29,027**	**$31,797**	**$34,568**	**$121,649**
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	**$26,512**	**$29,287**	**$32,062**	**$34,838**	**$122,699**
Cash Outflows					
Repayment of Principal	$2,098	$2,143	$2,189	$2,235	$8,665
A/P Decreases	$178	$182	$186	$189	$735
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$18,247	$0	$0	$0	$18,247
Dividends	$0	$0	$0	$90,387	$90,387
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$20,523**	**$2,325**	**$2,374**	**$92,812**	**$118,034**
Net Cash Flow	**$5,989**	**$26,962**	**$29,688**	**-$57,974**	**$4,665**
Cash Balance	**$127,769**	**$154,731**	**$184,419**	**$126,445**	**$126,445**

Cash Flow Analysis (Third Year)					
	Year 3				
Quarter	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	$38,042	$41,218	$44,394	$47,572	$171,226
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$38,042**	**$41,218**	**$44,394**	**$47,572**	**$171,226**
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	**$38,309**	**$41,490**	**$44,673**	**$47,856**	**$172,329**
Cash Outflows					
Repayment of Principal	$2,283	$2,332	$2,382	$2,433	$9,430
A/P Decreases	$187	$191	$195	$199	$772
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$25,684	$0	$0	$0	$25,684
Dividends	$0	$0	$0	$129,437	$129,437
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$28,154**	**$2,523**	**$2,577**	**$132,068**	**$165,323**
Net Cash Flow	**$10,155**	**$38,967**	**$42,096**	**-$84,212**	**$7,006**
Cash Balance	**$136,600**	**$175,567**	**$217,663**	**$133,451**	**$133,451**

Cash Flow Analysis (Fourth Year)					
	Year 4				
Quarter	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	$51,554	$55,032	$58,511	$61,992	$227,090
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$51,554**	**$55,032**	**$58,511**	**$61,992**	**$227,090**
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	**$51,835**	**$55,319**	**$58,804**	**$62,290**	**$228,247**
Cash Outflows					
Repayment of Principal	$2,485	$2,538	$2,593	$2,648	$10,264
A/P Decreases	$197	$201	$205	$209	$810
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$34,063	$0	$0	$0	$34,063
Dividends	$0	$0	$0	$173,460	$173,460
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$36,745**	**$2,739**	**$2,797**	**$176,317**	**$218,598**
Net Cash Flow	**$15,090**	**$52,580**	**$56,007**	**-$114,027**	**$9,649**
Cash Balance	**$148,540**	**$201,120**	**$257,127**	**$143,100**	**$143,100**

Cash Flow Analysis (Fifth Year)					
	Year 5				
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	$66,780	$70,596	$74,414	$78,232	$290,022
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$66,780**	**$70,596**	**$74,414**	**$78,232**	**$290,022**
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	**$67,075**	**$70,897**	**$74,720**	**$78,545**	**$291,238**
Cash Outflows					
Repayment of Principal	$2,705	$2,763	$2,822	$2,882	$11,171
A/P Decreases	$206	$211	$215	$219	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$43,503	$0	$0	$0	$43,503
Dividends	$0	$0	$0	$223,081	$223,081
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$46,414**	**$2,973**	**$3,037**	**$226,182**	**$278,606**
Net Cash Flow	**$20,661**	**$67,924**	**$71,684**	**-$147,637**	**$12,631**
Cash Balance	**$163,760**	**$231,684**	**$303,368**	**$155,731**	**$155,731**