SELENA'S
MEXICAN KITCHEN

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1.0 Executive Summary

The purpose of this business plan is to secure $150,000 for the development of a Mexican restaurant based in Portland, Oregon. Selena's Mexican Kitchen LLC ("the Company") will serve a wide range of authentic entrées as well as a number of classic Mexican beverages. The line of the business is expected to occur in the third quarter of this year. The Company's Owner is Matthew Deutsch.

Operations

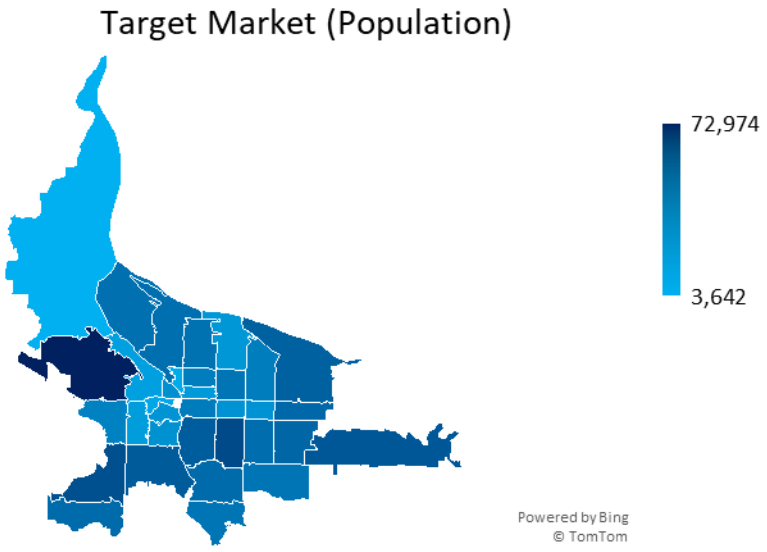
The primary driver of the company's revenue will come from the ongoing sale of exceptional Mexican cuisine that has been developed by the founder and his family over the past twenty years. Although this is their first foray into operating a restaurant, they have extensive experience operating as a catering enterprise.

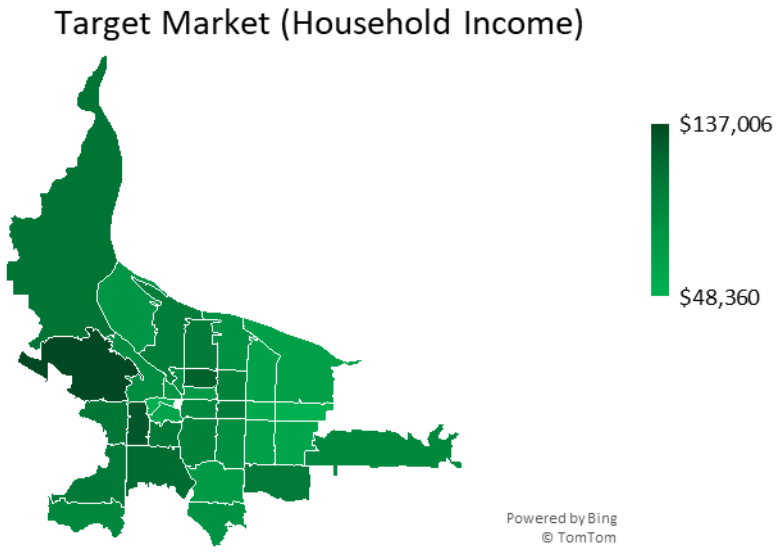
The location will feature a warm and inviting feel. In order to further drive revenues, a significant portion of the Company's operations will focus on delivery and take away options. The Company will enroll among a number of platforms that will facilitate these orders.

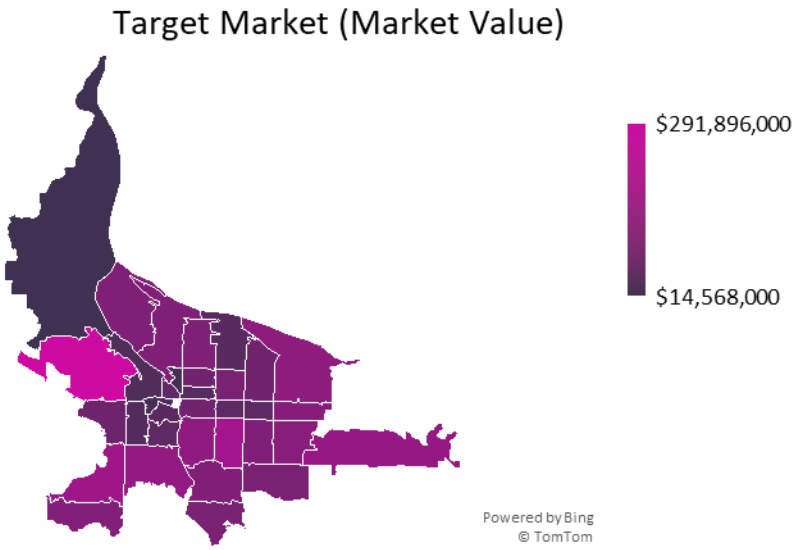
The business will offer to patients a wide range of traditional Mexican beverages as well as bottled sodas. Alcohol will not be served on site.

he third section of the business plan will further document the operations of the business.

Market Overview







The Financing

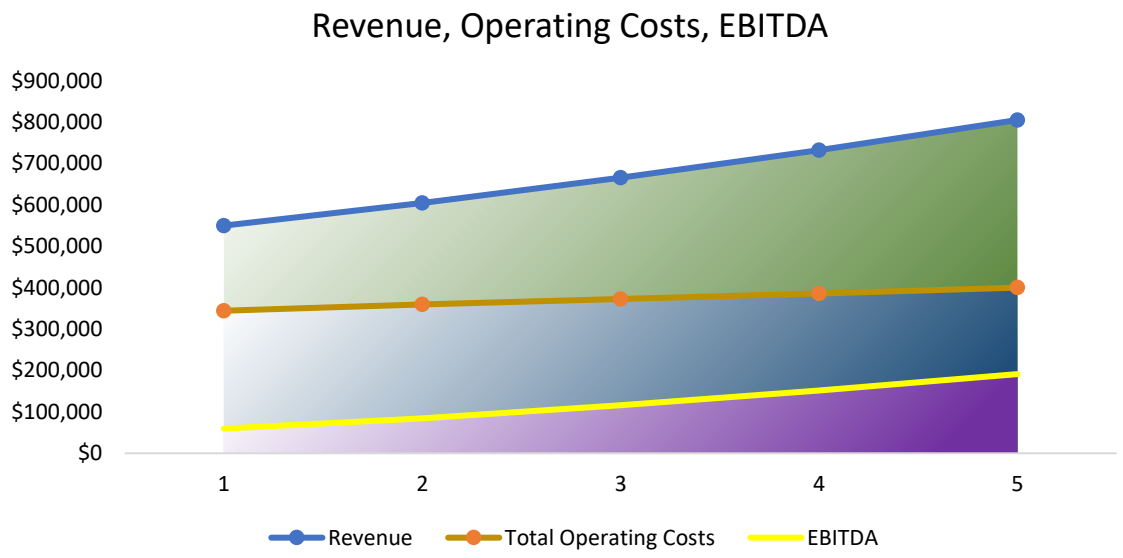
At this time, the company is seeking a $150,000 SBA loan to commence operations. This business plan assumes that the company will receive a 10-year loan carrying an 8.5% interest rate. Management will contribute $50,000 towards the venture. These funds will be principally used for the renovation of the location in Portland as well as furniture, fixtures, and equipment purchases. The working capital needs will be principally covered through the $50,000 investment being made by the Owner.

The Future

The Company intends to expand the scope of operations through increased marketing efforts. A major portion of this will focus on establishing Selena's Mexican Kitchen as a sit down as well as a take away business. As there are numerous colleges in universities in Portland, management is a significant opportunity to expand the segment of operations over the next five years.

Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$549,900	$604,890	$665,379	$731,917	$805,109
Cost of Revenue	$145,935	$160,529	$176,581	$194,239	$213,663
Gross Profit	$403,965	$444,362	$488,798	$537,677	$591,445
Total Operating Costs	$344,323	$359,777	$372,638	$386,077	$400,133
EBITDA	**$59,642**	**$84,584**	**$116,160**	**$151,600**	**$191,312**

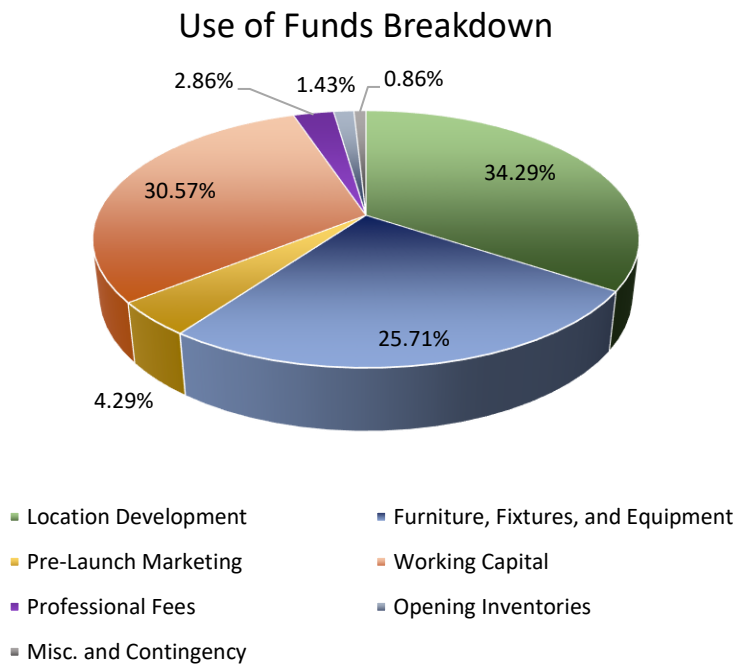


2.0 The Financing

2.1 Funds Required

An SBA loan of $150,000 is required to launch operations. Management will contribute $50,000 towards the restaurant development. The funds will be allocated as follows:

Use of Funds	
Location Development	$60,000
Furniture, Fixtures, and Equipment	$45,000
Pre-Launch Marketing	$7,500
Working Capital	$53,500
Professional Fees	$5,000
Opening Inventories	$2,500
Misc. and Contingency	$1,500
Total	$175,000



2.2 Management and Investor Equity

Matthew Deutsch retains a 100% ownership interest in the business.

2.3 Exit Strategies

Prior to the sale of Selena's Mexican Kitchen, a qualified business valuation expert will be retained to determine the free market value of the business. From there, a business broker will be retained to market the business. Based on historical standards, established restaurants have a price to earnings multiple of three times EBITDA. Based on this, the Company could have a valuation of $595,000 by the fifth year of operation.

3.0 Operations

As noted in the executive summary, Selena's Mexican Kitchen will provide a wide range of outstanding, authentic, and flavorful Mexican dishes from its moderate scale location in Portland. The scope of the company's fair will include:

- Burritos
- Chimichangas
- Fajitas
- Mexican Breakfast
- Tacos

As it relates to beverages, no alcohol will be provided on site. However, people will be free to bring their own alcoholic beverages to location. The Company will not charge a service fee among customers that bring their own wine and beer. The business will offer its patrons a number of traditional Mexican beverages as well as a wide range of soft drinks. The Company will also have a number of specialty coffee drinks with recipes originating from multiple regions in Mexico.

The business will also have the ability to host small scale events at the location.

A significant amount of business is expected to be conducted on a delivery and take away basis. The Company will work with numerous online platforms so that these sales can be easily facilitated through e-commerce channels.

4.0 Overview of the Organization

4.1 Registered Name

Selena's Mexican Kitchen LLC. The business is registered as a limited liability company in the State of Oregon.

4.2 Commencement of Operations

Revenue generating operations will commence in the third quarter of this year.

4.3 Mission Statement

To provide outstanding Mexican cuisine at an affordable price to the Portland community.

4.4 Vision Statement

To become a widely recognized Mexican restaurant and cultural institution.

4.5 Organizational Objectives

- Implement a properly developed marketing campaign prior to the launch of Selena's Mexican Kitchen's operations.
- Engage in a wide range of public relations to drive brand visibility throughout the Portland.
- Adhere to all laws and regulations regarding the sale of food and beverages to the general public.
- Maintain relationships with multiple vendors to receive preferential pricing on inventory inputs.
- Implement proper fiscal controls to ensure that the business is able to remain profitable even during times of economic recession.
- Enroll among numerous delivery platforms in order to further drive revenue.
- Maintain relationships with area planners to provide catering engagements.
- Provide onsite entertainment to further solidify Selena's Mexican Kitchen as a cultural institution within Portland.
- Potentially develop additional locations throughout Portland with the accrued profits of the business.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

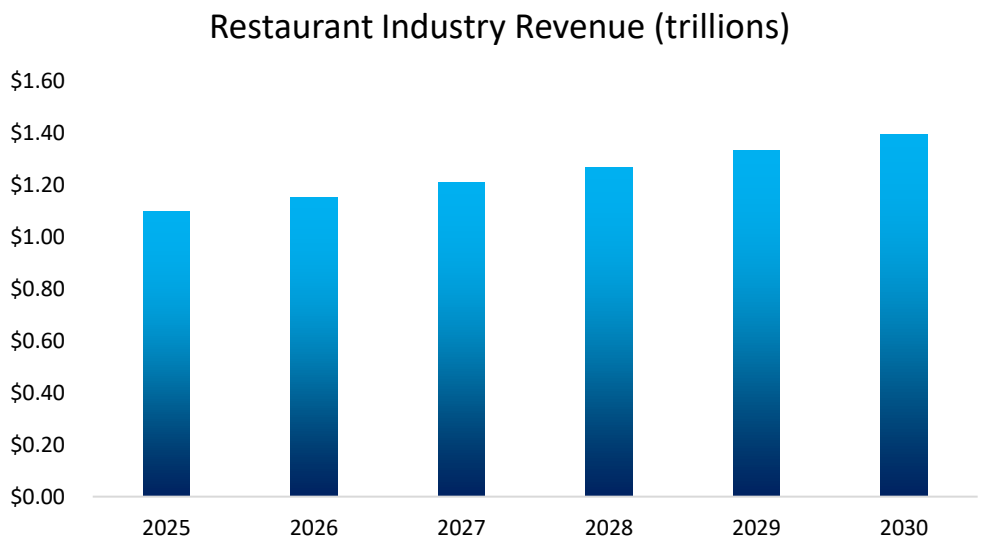
This section analysis will focus on the current economic climate, the industry, and the ongoing competition that the business will face as it establishes operations in Portland.

At this time, the economic climate within the United States is moderate. As results of the pandemic, there has been a significant degree of inflation that has occurred over the past five years. As a result of evolving trade policies, this has exacerbated certain issues related to inflation. However, the US Federal Reserve is taking appropriate measures to ensure that the right inflation remains under control and that economic growth continues to occur.

It should be noted that the issues related to this matter will not have a major impact on Selena's Mexican Kitchen's s ability to generate revenue and general profit. This is due to the fact that the business will maintain a highly affordable pricing point as compared to the income of the greater Portland area. Furthermore, the business will engage in a wide range of delivery and take away operations, which will allow the business generate substantial additional revenue.

5.2 Industry Analysis

As of this year, there are 700,000 businesses that own and operate one or more locations that provide food service within the United States. Approximately 10% of these restaurants operate in Mexican cuisine capacity. Each year, these businesses generate approximately $1.1 trillion of revenue also providing jobs to slightly under 16 million people.



This is a mature industry and its future growth will be similar to that economy as a whole. One of the major trends that has occurred over the past ten years is the integration of technology in order to drive additional sales. As has been one of the central themes

throughout this document, the Company will continue to use e-commerce platforms to facilitate delivery and take away order orders. The business will also integrate state-of-the-art technology into all aspects of operation to manage accounting, inventory levels, and employees.

5.3 Customer Profile

The following demographic profile will be used during the course of marketing operations:

- Household income of $50,000+
- Will spend $25 per visit (per person)
- Lives within 5 miles of the Selena's Mexican Kitchen location

5.4 Competitive Analysis

As this business plans being written as a sample, no formal analysis regarding the number of Mexican restaurants within the greater Portland area was conducted. If his business plan was written as an engagement for a client, and a full analysis of the competition would be included as well. This would include an examination of how long competitors have been business, their ratings, and how the client's business would differentiate themselves from ongoing competition.

6.0 Key Strategic Issues

6.1 Sustainable Operations

Selena's Mexican Kitchen will have sustainable operations as a result of the following:

- The business will serve authentic Mexican cuisine.
- Substantial revenues from take-away and delivery orders.
- The business is sourcing a highly visible location.
- An experienced Founder/Owner (Matthew Deutsch) that will ensure that profitability is reached quickly.
- The Company can scale its operations to include multiple locations in Portland.

6.2 Basis of Growth

The Company will expand via the following methods:

- Expansion of the marketing campaigns that are conducted throughout Portland.
- Potential development of additional locations within Portland or other major markets in Oregon.
- Yearly increases in price to keep pace with inflation.
- Expansion of breakfast hours to include early morning service.

7.0 Marketing Plan

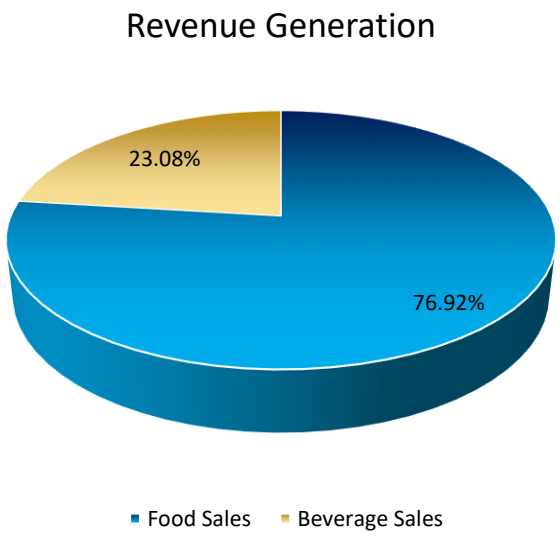
7.1 Marketing Objectives

- Properly implement a pre-launch marketing campaign to drive interest before the grand opening period.
- Maintain a presence among multiple online platforms that will contribute to the Company's SEO.
- Enroll among numerous delivery platforms to facilitate take-away and delivery orders.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	**1**	**2**	**3**	**4**	**5**
Food Sales	$423,000	$465,300	$511,830	$563,013	$619,314
Beverage Sales	$126,900	$139,590	$153,549	$168,904	$185,794
Totals	**$549,900**	**$604,890**	**$665,379**	**$731,917**	**$805,109**

Gross Profit					
Year	1	2	3	4	5
Total	**$403,965**	**$444,362**	**$488,798**	**$537,677**	**$591,445**



7.3 Revenue Assumptions

Year 1

- First year revenue will reach $549,000.
- Gross profits will reach $403,000.

Year 2

- Through greater marketing efforts, revenue will reach $604,000.
- Gross profits will reach $442,000.
- Total income will increase by 10%.

Years 3-5

- By the fifth year of operation, total revenue will reach $805,000.
- Gross profits will reach $591,000.

7.4 Marketing Strategies

Given the level of competition within the greater Portland area, Management will use a number of marketing strategies that will create a major differentiating factor for Selena's Mexican Kitchen as it develops operations. Management is currently in the process of working with several commercial real estate brokers to find a suitable location for the business. The Company is specifically seeking a location that is located near a major university or college in order to drive a substantial amount of patronage among young people. Given the affordable pricing point of the company's fair, is expected that numerous students will become ongoing customers of Selena's Mexican Kitchen.

The Company will also maintain an expense of presence on the internet, which will be linked directly to numerous platforms and facilitate delivery orders. The Company's website will feature images of the cuisine, videos of the location, and information about the Founder, and his background in creating exceptional Mexican food.

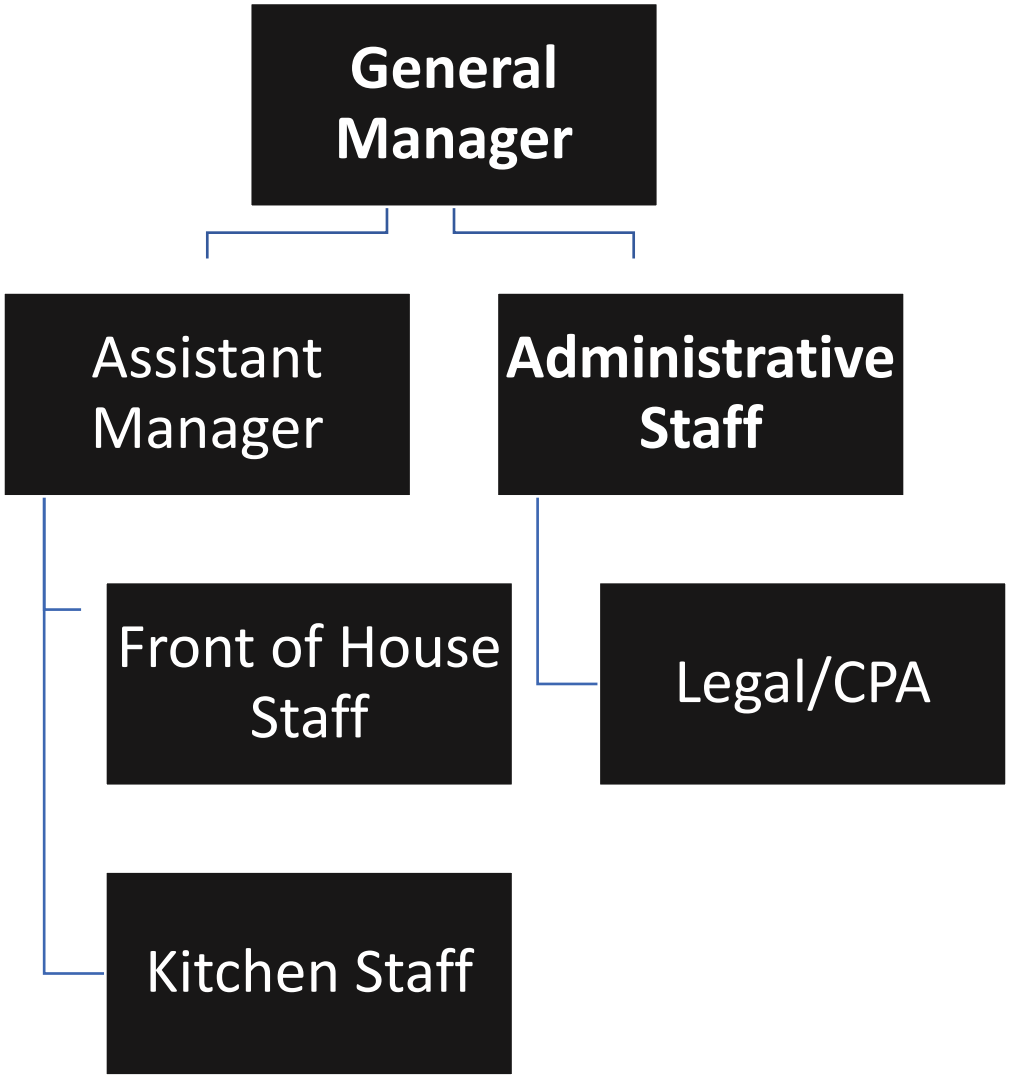
This website will undergo search engine optimization specific for the Portland market. These efforts will be coordinated with a local firm that specializes in SEO specific for food service businesses.

The business will also maintain an expansive presence among all social media platforms with a focus on Facebook, Instagram, and TikTok. Through these channels, Management will frequently announce new items as well as special promotions. Several times per month, the business will host musical acts that will play classic and modern Mexican music. This is expected to be a major draw within the coming years.

The Company will also support community events, especially those that are geared towards students. The business will provide financial contributions to civics organizations through co- branding opportunities, which will further increase brand-name awareness for the Mexican restaurant.

8.0 Organizational Plan

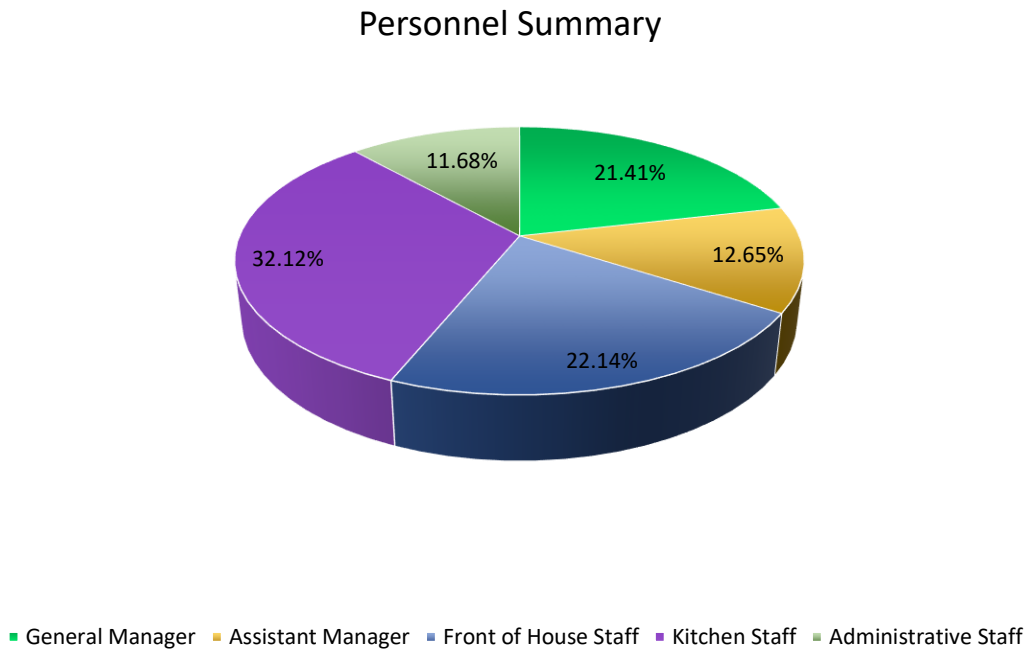
8.1 Organizational Hierarchy



8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
General Manager	$55,000	$56,650	$58,350	$60,100	$61,903
Assistant Manager	$32,500	$33,475	$34,479	$35,514	$36,579
Front of House Staff	$53,958	$58,581	$60,339	$62,149	$64,013
Kitchen Staff	$82,500	$84,975	$87,524	$90,150	$92,854
Administrative Staff	$30,000	$30,900	$31,827	$32,782	$33,765
Total	**$253,958**	**$264,581**	**$272,519**	**$280,694**	**$289,115**

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
General Manager	1	1	1	1	1
Assistant Manager	1	1	1	1	1
Front of House Staff	4	4	4	4	4
Kitchen Staff	3	3	3	3	3
Administrative Staff	1	1	1	1	1
Total	**10**	**10**	**10**	**10**	**10**



9.0 Financial Plan

9.1 Underlying Assumptions

- The business will have a compounded annual growth rate of 10%.
- Selena's Mexican Kitchen LLC will acquire a $125,000 SBA loan.
- Management will contribute $50,000 toward the venture.

9.2 Financial Highlights

- Profitability starting in the first year of operation.
- Substantial gross profits generated from the sale of Mexican cuisine and as well as beverages.
- The Company will expand its market reach through take-away and delivery operations.

9.3 Sensitivity Analysis

The business' revenues will be economically secure even during challenging economic climates. This is due to the fact that Selena's Mexican Kitchen will have an affordable pricing point, which is relatively low as compared to the income of people in Portland. Furthermore, the business will benefit from its take-away and delivery operations which will enhance economic stability.

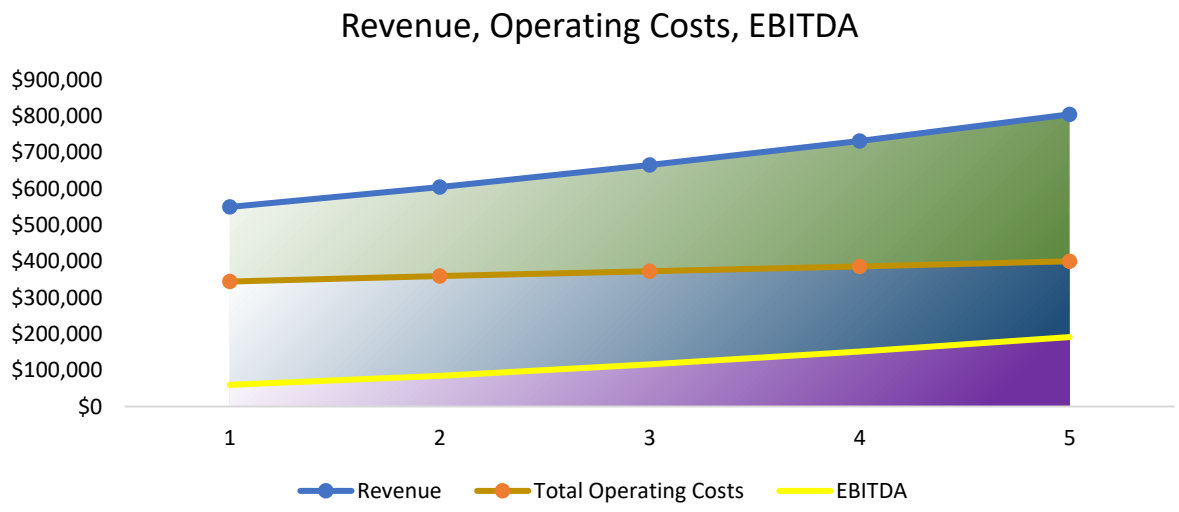
9.4 Source of Funds

Financing	
Equity	
Equity Capitalization	$50,000.00
Total Equity Financing	$50,000.00
Banks and Lenders	
SBA Loan	$125,000.00
Total Debt Financing	$125,000.00
Total Financing	**$175,000.00**

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$549,900	$604,890	$665,379	$731,917	$805,109
Cost of Revenue	$145,935	$160,529	$176,581	$194,239	$213,663
Gross Margin	73.46%	73.46%	73.46%	73.46%	73.46%
Gross Profit	$403,965	$444,362	$488,798	$537,677	$591,445
Expenses					
Payroll	$253,958	$264,581	$272,519	$280,694	$289,115
General and Administrative	$10,998	$12,098	$13,308	$14,638	$16,102
Business Development	$4,124	$4,537	$4,990	$5,489	$6,038
Marketing	$6,929	$7,622	$8,384	$9,222	$10,144
Insurance Costs	$7,500	$7,875	$8,269	$8,682	$9,116
Professional Fees	$5,000	$5,250	$5,513	$5,788	$6,078
Facility Costs	$35,000	$36,050	$37,132	$38,245	$39,393
Misc. Costs	$1,386	$1,524	$1,677	$1,844	$2,029
Payroll Taxes	$19,428	$20,240	$20,848	$21,473	$22,117
Total Operating Costs	**$344,323**	**$359,777**	**$372,638**	**$386,077**	**$400,133**
EBITDA	**$59,642**	**$84,584**	**$116,160**	**$151,600**	**$191,312**
Federal Income Tax	$8,984	$15,336	$23,361	$32,368	$42,461
State Income Tax	$1,797	$3,067	$4,672	$6,474	$8,492
Interest Expense	$10,307	$9,574	$8,776	$7,908	$6,964
Depreciation Expenses	$13,400	$13,668	$13,941	$14,220	$14,505
Net Profit	**$25,155**	**$42,940**	**$65,410**	**$90,630**	**$118,891**
Profit Margin	**4.57%**	**7.10%**	**9.83%**	**12.38%**	**14.77%**

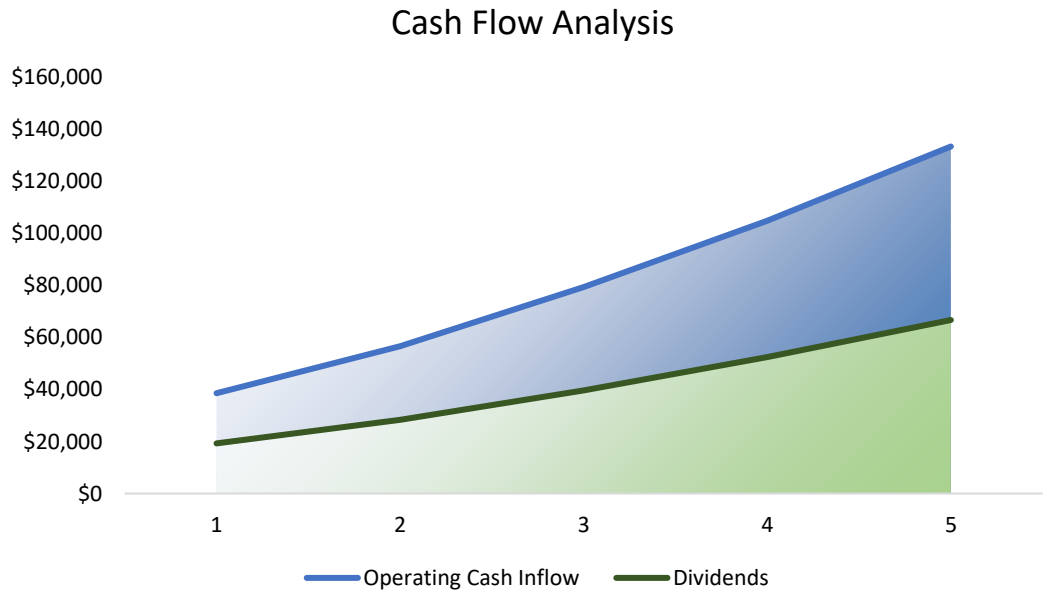


B) Common Size Income Statement

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	26.54%	26.54%	26.54%	26.54%	26.54%
Gross Profit	73.46%	73.46%	73.46%	73.46%	73.46%
Expenses					
Payroll	46.18%	43.74%	40.96%	38.35%	35.91%
General and Administrative	2.00%	2.00%	2.00%	2.00%	2.00%
Business Development	0.75%	0.75%	0.75%	0.75%	0.75%
Marketing	1.26%	1.26%	1.26%	1.26%	1.26%
Insurance Costs	1.36%	1.30%	1.24%	1.19%	1.13%
Professional Fees	0.91%	0.87%	0.83%	0.79%	0.75%
Facility Costs	6.36%	5.96%	5.58%	5.23%	4.89%
Misc. Costs	0.25%	0.25%	0.25%	0.25%	0.25%
Payroll Taxes	3.53%	3.35%	3.13%	2.93%	2.75%
Total Operating Costs	62.62%	59.48%	56.00%	52.75%	49.70%
EBITDA	10.85%	13.98%	17.46%	20.71%	23.76%
Federal Income Tax	1.63%	2.54%	3.51%	4.42%	5.27%
State Income Tax	0.33%	0.51%	0.70%	0.88%	1.05%
Interest Expense	1.87%	1.58%	1.32%	1.08%	0.86%
Depreciation Expenses	2.44%	2.26%	2.10%	1.94%	1.80%
Net Profit	4.57%	7.10%	9.83%	12.38%	14.77%

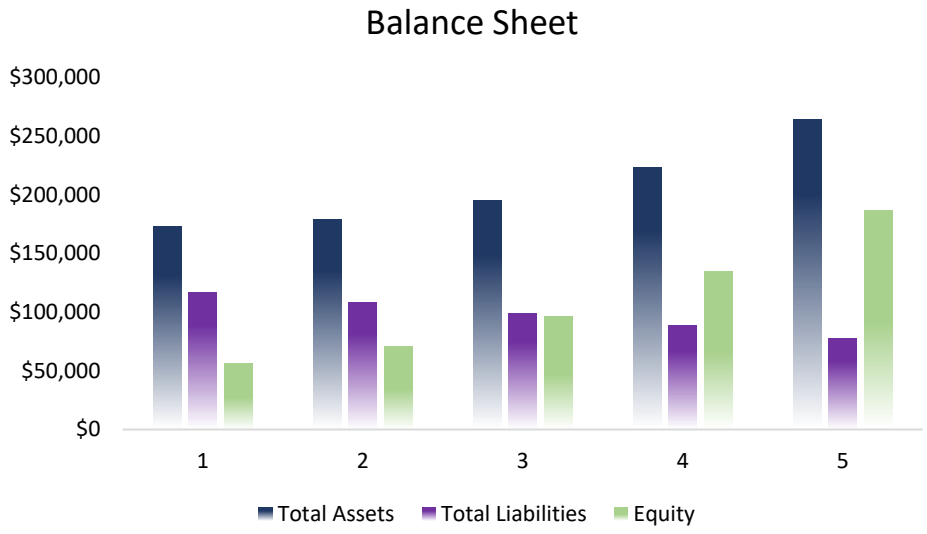
C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	$38,555	$56,608	$79,351	$104,850	$133,396
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$38,555**	**$56,608**	**$79,351**	**$104,850**	**$133,396**
Other Cash Inflows					
Equity Investment	$50,000	$0	$0	$0	$0
Increased Borrowings	$125,000	$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	**$176,000**	**$1,050**	**$1,103**	**$1,158**	**$1,216**
Total Cash Inflow	**$214,555**	**$57,658**	**$80,453**	**$106,008**	**$134,611**
Cash Outflows					
Repayment of Principal	$8,291	$9,024	$9,821	$10,689	$11,634
A/P Decreases	$700	$735	$772	$810	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$107,500	$2,830	$3,968	$5,243	$6,670
Dividends	$19,277	$28,304	$39,675	$52,425	$66,698
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$135,768**	**$40,893**	**$54,236**	**$69,167**	**$85,853**
Net Cash Flow	**$78,786**	**$16,765**	**$26,217**	**$36,840**	**$48,758**
Cash Balance	**$78,786**	**$95,551**	**$121,768**	**$158,609**	**$207,367**



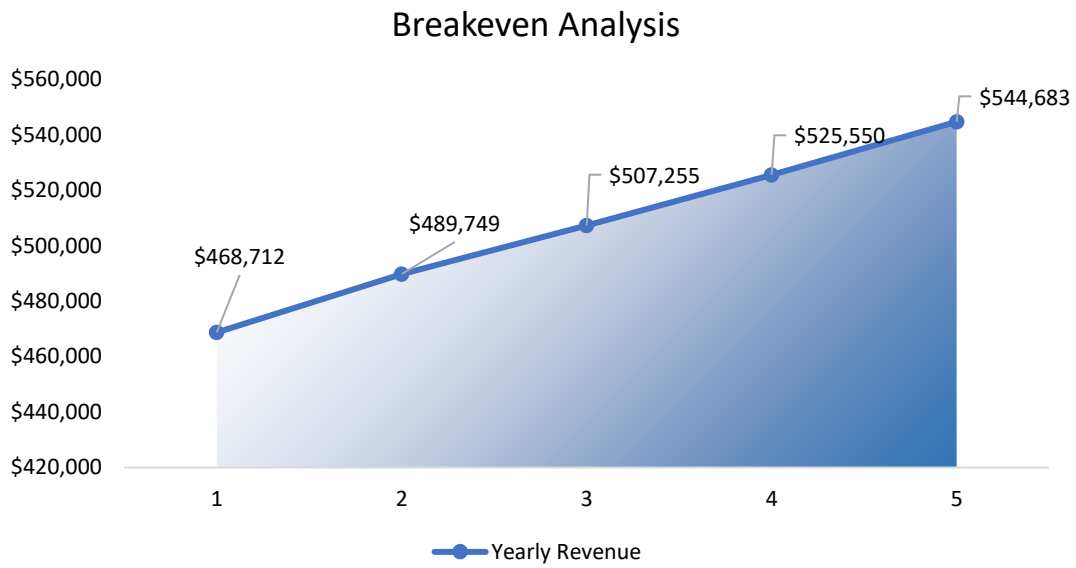
D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	$78,786	$95,551	$121,768	$158,609	$207,367
Fixed Assets and Inventory	$107,500	$110,330	$114,298	$119,540	$126,210
Accumulated Depreciation	($13,400)	($27,068)	($41,009)	($55,230)	($69,734)
Total Assets	**$172,886**	**$178,813**	**$195,057**	**$222,920**	**$263,843**
Liabilities and Equity					
Accounts Payable	$300	$615	$946	$1,293	$1,658
Long Term Liabilities	$116,709	$107,685	$97,864	$87,174	$75,540
Other Liabilities	$0	$0	$0	$0	$0
Total Liabilities	**$117,009**	**$108,300**	**$98,810**	**$88,467**	**$77,198**
Equity	**$55,877**	**$70,513**	**$96,247**	**$134,452**	**$186,645**
Total Liabilities and Equity	**$172,886**	**$178,813**	**$195,057**	**$222,920**	**$263,843**



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	$39,059	$40,812	$42,271	$43,796	$45,390
Yearly Revenue	$468,712	$489,749	$507,255	$525,550	$544,683



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	10.0%	10.0%	10.0%	10.0%
Gross Margin	73.5%	73.5%	73.5%	73.5%	73.5%
Financials					
Profit Margin	4.57%	7.10%	9.83%	12.38%	14.77%
Assets to Liabilities	1.48	1.65	1.97	2.52	3.42
Equity to Liabilities	0.48	0.65	0.97	1.52	2.42
Assets to Equity	3.09	2.54	2.03	1.66	1.41
Liquidity					
Acid Test	0.67	0.88	1.23	1.79	2.69
Cash to Assets	0.46	0.53	0.62	0.71	0.79

Appendix A – SWOT Analysis

Strengths

- The pricing point of Selena's Mexican Kitchen's fare will remain affordable even during challenging economic climates.
- An experienced Owner (Matthew Deutsch) that has extensive experience developing restaurants.
- The business will have substantial onsite entertainment, which will drive substantial traffic to the business.
- The operations of Selena's Mexican Kitchen can be scaled to include multiple locations in Portland.

Weaknesses

- Complex operations given that the business is serving food and beverages.
- Moderate competition among competing Mexican restaurants in Portland.

Opportunities

- Expansion of the Company's delivery and take-away operations.
- Continued expansion of the Company's online presence to drive brand visibility.
- Expansion of catering operations.
- Potential development of a food truck.
- Development of locations either in Portland or other markets in Oregon.

Threats

- Economic uncertainty as a result of changing economic policies.
- Inflation could cause common inventory inputs to increase in price.

Appendix B – Critical Risks

Development Risk – **Low**
The recipes, business protocols, and procedures that Selena's Mexican Kitchen will employ have already been developed. The principal development risk faced by the business is management ability to secure the funding so in this document.

Financing Risk – **Low/Moderate**
At this time, the business is seeking a $150,000 SBA loan to commence operations. This will be coupled with a $50,000 investment made by the Founder. The risk related to this financing are upset by the highly predictable streams of revenue that the business will produce from sale of its Mexican cuisine and beverages. The business will have highly control of our operating costs.

Marketing Risk **– Low**
Company will use the high impact marketing strategies discussed earlier in this document during the pre-launch phase as well as through the grant opening. The Company is committed to implementing ongoing and unique marketing strategies that will position Selena's Mexican Kitchen as a local institution within the Portland area.

Management Risk – **Low**
Matthew Deutsch is a highly experienced restaurant operator and consultant. He will be able to bring the operations of Selena's Mexican Kitchen to profitability within its first year of operation. He, along with his family, are poised to make the business a well-recognized Portland restaurant.

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

- Substantial contribution margins from the sale of Mexican cuisine and beverages.

- The low pricing point will ensure substantial traffic to the location even during challenging economic climates.

Exit Risk - **Low**
Management does not have any long-term plans to the business to a third-party once it reaches profitability. In the event that it is prudent to do so, a formal evaluation will be complete completed and a business broker that specializes in businesses will be retained to market the business to a third-party. This is not expected to occur for 10 to 15 years.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	**$42,250**	**$42,900**	**$43,550**	**$44,200**	**$44,850**	**$45,500**	**$46,150**
Cost of Revenue	$11,213	$11,385	$11,558	$11,730	$11,903	$12,075	$12,248
Gross Profit	$31,038	$31,515	$31,993	$32,470	$32,948	$33,425	$33,903
Expenses							
Payroll	$21,042	$21,042	$21,042	$21,042	$21,042	$21,042	$21,042
General and Administrative	$917	$917	$917	$917	$917	$917	$917
Business Development	$344	$344	$344	$344	$344	$344	$344
Marketing	$577	$577	$577	$577	$577	$577	$577
Insurance Costs	$625	$625	$625	$625	$625	$625	$625
Professional Fees	$417	$417	$417	$417	$417	$417	$417
Facility Costs	$2,917	$2,917	$2,917	$2,917	$2,917	$2,917	$2,917
Misc. Costs	$115	$115	$115	$115	$115	$115	$115
Payroll Taxes	$1,610	$1,610	$1,610	$1,610	$1,610	$1,610	$1,610
Total Operating Costs	$28,563	$28,563	$28,563	$28,563	$28,563	$28,563	$28,563
EBITDA	$2,475	$2,952	$3,430	$3,907	$4,385	$4,862	$5,340
Federal Income Tax	$690	$701	$711	$722	$733	$743	$754
State Income Tax	$138	$140	$142	$144	$147	$149	$151
Interest Expense	$885	$881	$876	$871	$866	$862	$857
Depreciation Expenses	$1,117	$1,117	$1,117	$1,117	$1,117	$1,117	$1,117
Net Profit	-$356	$114	$583	$1,053	$1,522	$1,992	$2,462

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
Revenue	**$46,800**	**$47,450**	**$48,100**	**$48,750**	**$49,400**	**$549,900**
Cost of Revenue	$12,420	$12,593	$12,765	$12,938	$13,110	$145,935
Gross Profit	$34,380	$34,858	$35,335	$35,813	$36,290	$403,965
Expenses						
Payroll	$21,042	$21,042	$21,042	$21,042	$22,500	$253,958
General and Administrative	$917	$917	$917	$917	$917	$10,998
Business Development	$344	$344	$344	$344	$344	$4,124
Marketing	$577	$577	$577	$577	$577	$6,929
Insurance Costs	$625	$625	$625	$625	$625	$7,500
Professional Fees	$417	$417	$417	$417	$417	$5,000
Facility Costs	$2,917	$2,917	$2,917	$2,917	$2,917	$35,000
Misc. Costs	$115	$115	$115	$115	$115	$1,386
Payroll Taxes	$1,610	$1,610	$1,610	$1,610	$1,721	$19,428
Total Operating Costs	$28,563	$28,563	$28,563	$28,563	$30,133	$344,323
EBITDA	$5,817	$6,295	$6,772	$7,250	$6,157	$59,642
Federal Income Tax	$765	$775	$786	$796	$807	$8,984
State Income Tax	$153	$155	$157	$159	$161	$1,797
Interest Expense	$852	$847	$842	$837	$832	$10,307
Depreciation Expenses	$1,117	$1,117	$1,117	$1,117	$1,117	$13,400
Net Profit	$2,931	$3,401	$3,871	$4,341	$3,240	$25,155

Profit and Loss Statement (Second Year)					
	Year 2				
Quarter	Q1	Q2	Q3	Q4	Year 2
Revenue	$146,686	$149,710	$152,735	$155,759	$604,890
Cost of Revenue	$38,928	$39,731	$40,533	$41,336	$160,529
Gross Profit	**$107,758**	**$109,979**	**$112,201**	**$114,423**	**$444,362**
Expenses					
Payroll	$65,019	$65,019	$65,019	$69,525	$264,581
General and Administrative	$3,024	$3,024	$3,024	$3,024	$12,098
Business Development	$1,100	$1,123	$1,146	$1,168	$4,537
Marketing	$1,848	$1,886	$1,924	$1,963	$7,622
Insurance Costs	$1,969	$1,969	$1,969	$1,969	$7,875
Professional Fees	$1,273	$1,299	$1,326	$1,352	$5,250
Facility Costs	$9,013	$9,013	$9,013	$9,013	$36,050
Misc. Costs	$370	$377	$385	$393	$1,524
Payroll Taxes	$4,908	$5,010	$5,111	$5,212	$20,240
Total Operating Costs	**$88,524**	**$88,720**	**$88,916**	**$93,618**	**$359,777**
EBITDA	**$19,234**	**$21,260**	**$23,286**	**$20,805**	**$84,584**
Federal Income Tax	$3,719	$3,796	$3,872	$3,949	$15,336
State Income Tax	$744	$759	$774	$790	$3,067
Interest Expense	$2,465	$2,418	$2,370	$2,321	$9,574
Depreciation Expenses	$3,417	$3,417	$3,417	$3,417	$13,668
Net Profit	**$8,889**	**$10,870**	**$12,852**	**$10,328**	**$42,940**

Profit and Loss Statement (Third Year)					
		Year 3			
Quarter	Q1	Q2	Q3	Q4	Year 3
Revenue	$161,354	$164,681	$168,008	$171,335	$665,379
Cost of Revenue	$42,821	$43,704	$44,587	$45,470	$176,581
Gross Profit	**$118,533**	**$120,977**	**$123,421**	**$125,865**	**$488,798**
Expenses					
Payroll	$66,969	$66,969	$66,969	$71,611	$272,519
General and Administrative	$3,227	$3,294	$3,360	$3,427	$13,308
Business Development	$1,210	$1,235	$1,260	$1,285	$4,990
Marketing	$2,033	$2,075	$2,117	$2,159	$8,384
Insurance Costs	$2,067	$2,067	$2,067	$2,067	$8,269
Professional Fees	$1,337	$1,364	$1,392	$1,419	$5,513
Facility Costs	$9,283	$9,283	$9,283	$9,283	$37,132
Misc. Costs	$407	$415	$423	$432	$1,677
Payroll Taxes	$5,123	$5,123	$5,123	$5,478	$20,848
Total Operating Costs	**$91,656**	**$91,826**	**$91,995**	**$97,161**	**$372,638**
EBITDA	**$26,877**	**$29,152**	**$31,426**	**$28,705**	**$116,160**
Federal Income Tax	$5,665	$5,782	$5,899	$6,015	$23,361
State Income Tax	$1,133	$1,156	$1,180	$1,203	$4,672
Interest Expense	$2,272	$2,221	$2,169	$2,116	$8,776
Depreciation Expenses	$3,485	$3,485	$3,485	$3,485	$13,941
Net Profit	**$14,322**	**$16,508**	**$18,694**	**$15,885**	**$65,410**

Profit and Loss Statement (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Revenue	$177,490	$181,149	$184,809	$188,469	$731,917
Cost of Revenue	$47,103	$48,074	$49,045	$50,017	$194,239
Gross Profit	**$130,387**	**$133,075**	**$135,764**	**$138,452**	**$537,677**
Expenses					
Payroll	$68,978	$68,978	$68,978	$73,759	$280,694
General and Administrative	$3,550	$3,623	$3,696	$3,769	$14,638
Business Development	$1,331	$1,359	$1,386	$1,414	$5,489
Marketing	$2,236	$2,282	$2,329	$2,375	$9,222
Insurance Costs	$2,171	$2,171	$2,171	$2,171	$8,682
Professional Fees	$1,404	$1,433	$1,462	$1,490	$5,788
Facility Costs	$9,561	$9,561	$9,561	$9,561	$38,245
Misc. Costs	$447	$456	$466	$475	$1,844
Payroll Taxes	$5,277	$5,277	$5,277	$5,643	$21,473
Total Operating Costs	**$94,955**	**$95,140**	**$95,325**	**$100,657**	**$386,077**
EBITDA	**$35,431**	**$37,935**	**$40,438**	**$37,795**	**$151,600**
Federal Income Tax	$7,849	$8,011	$8,173	$8,335	$32,368
State Income Tax	$1,570	$1,602	$1,635	$1,667	$6,474
Interest Expense	$2,061	$2,006	$1,949	$1,892	$7,908
Depreciation Expenses	$3,555	$3,555	$3,555	$3,555	$14,220
Net Profit	**$20,396**	**$22,761**	**$25,126**	**$22,347**	**$90,630**

Profit and Loss Statement (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Revenue	$195,239	$199,264	$203,290	$207,315	$805,109
Cost of Revenue	$51,813	$52,882	$53,950	$55,018	$213,663
Gross Profit	**$143,425**	**$146,383**	**$149,340**	**$152,297**	**$591,445**
Expenses					
Payroll	$71,048	$71,048	$71,048	$75,972	$289,115
General and Administrative	$3,905	$3,985	$4,066	$4,146	$16,102
Business Development	$1,464	$1,494	$1,525	$1,555	$6,038
Marketing	$2,460	$2,511	$2,561	$2,612	$10,144
Insurance Costs	$2,279	$2,279	$2,279	$2,279	$9,116
Professional Fees	$1,474	$1,504	$1,535	$1,565	$6,078
Facility Costs	$9,848	$9,848	$9,848	$9,848	$39,393
Misc. Costs	$492	$502	$512	$522	$2,029
Payroll Taxes	$5,435	$5,435	$5,435	$5,812	$22,117
Total Operating Costs	**$98,405**	**$98,607**	**$98,809**	**$104,312**	**$400,133**
EBITDA	**$45,020**	**$47,776**	**$50,531**	**$47,985**	**$191,312**
Federal Income Tax	$10,297	$10,509	$10,721	$10,934	$42,461
State Income Tax	$2,059	$2,102	$2,144	$2,187	$8,492
Interest Expense	$1,833	$1,772	$1,711	$1,648	$6,964
Depreciation Expenses	$3,626	$3,626	$3,626	$3,626	$14,505
Net Profit	**$27,205**	**$29,766**	**$32,328**	**$29,591**	**$118,891**

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	$761	$1,231	$1,700	$2,170	$2,639	$3,109	$3,578	$4,048
Cash From Receivables	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cash Inflow	$761	$1,231	$1,700	$2,170	$2,639	$3,109	$3,578	$4,048
Other Cash Inflows								
Equity Investment	$50,000	$0	$0	$0	$0	$0	$0	$0
Increased Borrowings	$125,000	$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	**$175,083**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**
Total Cash Inflow	**$175,844**	**$1,314**	**$1,783**	**$2,253**	**$2,722**	**$3,192**	**$3,662**	**$4,131**
Cash Outflows								
Repayment of Principal	$664	$669	$674	$679	$683	$688	$693	$698
A/P Decreases	$58	$58	$58	$58	$58	$58	$58	$58
A/R Increases	$0	$0	$0	$0	$0	$0	$0	$0
Asset Purchases	$107,500	$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	**$108,223**	**$727**	**$732**	**$737**	**$742**	**$747**	**$751**	**$756**
Net Cash Flow	**$67,622**	**$586**	**$1,051**	**$1,516**	**$1,981**	**$2,445**	**$2,910**	**$3,375**
Cash Balance	**$67,622**	**$68,208**	**$69,259**	**$70,775**	**$72,756**	**$75,201**	**$78,111**	**$81,486**

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	$4,518	$4,987	$5,457	$4,357	$38,555
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$4,518**	**$4,987**	**$5,457**	**$4,357**	**$38,555**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$50,000
Increased Borrowings	$0	$0	$0	$0	$125,000
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	$176,000
Total Cash Inflow	**$4,601**	**$5,071**	**$5,541**	**$4,440**	**$214,555**
Cash Outflows					
Repayment of Principal	$703	$708	$713	$718	$8,291
A/P Decreases	$58	$58	$58	$58	$700
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$0	$0	$0	$0	$107,500
Dividends	$0	$0	$0	$19,277	$19,277
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$761**	**$766**	**$771**	**$20,054**	**$135,768**
Net Cash Flow	**$3,840**	**$4,304**	**$4,769**	**-$15,613**	**$78,786**
Cash Balance	**$85,326**	**$89,630**	**$94,400**	**$78,786**	**$78,786**

Cash Flow Analysis (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	$12,306	$14,287	$16,269	$13,745	$56,608
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$12,306**	**$14,287**	**$16,269**	**$13,745**	**$56,608**
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	**$12,561**	**$14,547**	**$16,534**	**$14,016**	**$57,658**
Cash Outflows					
Repayment of Principal	$2,185	$2,232	$2,279	$2,328	$9,024
A/P Decreases	$178	$182	$186	$189	$735
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$2,830	$0	$0	$0	$2,830
Dividends	$0	$0	$0	$28,304	$28,304
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$5,193**	**$2,413**	**$2,465**	**$30,821**	**$40,893**
Net Cash Flow	**$7,368**	**$12,134**	**$14,069**	**-$16,806**	**$16,765**
Cash Balance	**$86,154**	**$98,288**	**$112,357**	**$95,551**	**$95,551**

Cash Flow Analysis (Third Year)					
		Year 3			
Quarter	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	$17,808	$19,993	$22,180	$19,371	$79,351
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$17,808**	**$19,993**	**$22,180**	**$19,371**	**$79,351**
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	**$18,075**	**$20,266**	**$22,458**	**$19,654**	**$80,453**
Cash Outflows					
Repayment of Principal	$2,378	$2,429	$2,481	$2,534	$9,821
A/P Decreases	$187	$191	$195	$199	$772
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$3,968	$0	$0	$0	$3,968
Dividends	$0	$0	$0	$39,675	$39,675
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$6,533**	**$2,620**	**$2,676**	**$42,408**	**$54,236**
Net Cash Flow	**$11,542**	**$17,646**	**$19,782**	**-$22,754**	**$26,217**
Cash Balance	**$107,094**	**$124,740**	**$144,522**	**$121,768**	**$121,768**

Cash Flow Analysis (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	$23,951	$26,316	$28,681	$25,902	$104,850
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$23,951**	**$26,316**	**$28,681**	**$25,902**	**$104,850**
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	**$24,232**	**$26,602**	**$28,974**	**$26,200**	**$106,008**
Cash Outflows					
Repayment of Principal	$2,588	$2,643	$2,700	$2,758	$10,689
A/P Decreases	$197	$201	$205	$209	$810
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$2,621	$2,621	$0	$0	$5,243
Dividends	$0	$0	$0	$52,425	$52,425
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$5,406**	**$5,465**	**$2,905**	**$55,392**	**$69,167**
Net Cash Flow	**$18,826**	**$21,137**	**$26,069**	**-$29,191**	**$36,840**
Cash Balance	**$140,594**	**$161,731**	**$187,800**	**$158,609**	**$158,609**

Cash Flow Analysis (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	$30,832	$33,392	$35,954	$33,217	$133,396
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$30,832**	**$33,392**	**$35,954**	**$33,217**	**$133,396**
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	**$31,126**	**$33,693**	**$36,261**	**$33,530**	**$134,611**
Cash Outflows					
Repayment of Principal	$2,817	$2,877	$2,939	$3,002	$11,634
A/P Decreases	$206	$211	$215	$219	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$3,335	$3,335	$0	$0	$6,670
Dividends	$0	$0	$0	$66,698	$66,698
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$6,358**	**$6,423**	**$3,154**	**$69,919**	**$85,853**
Net Cash Flow	**$24,768**	**$27,271**	**$33,108**	**-$36,388**	**$48,758**
Cash Balance	**$183,377**	**$210,648**	**$243,756**	**$207,367**	**$207,367**