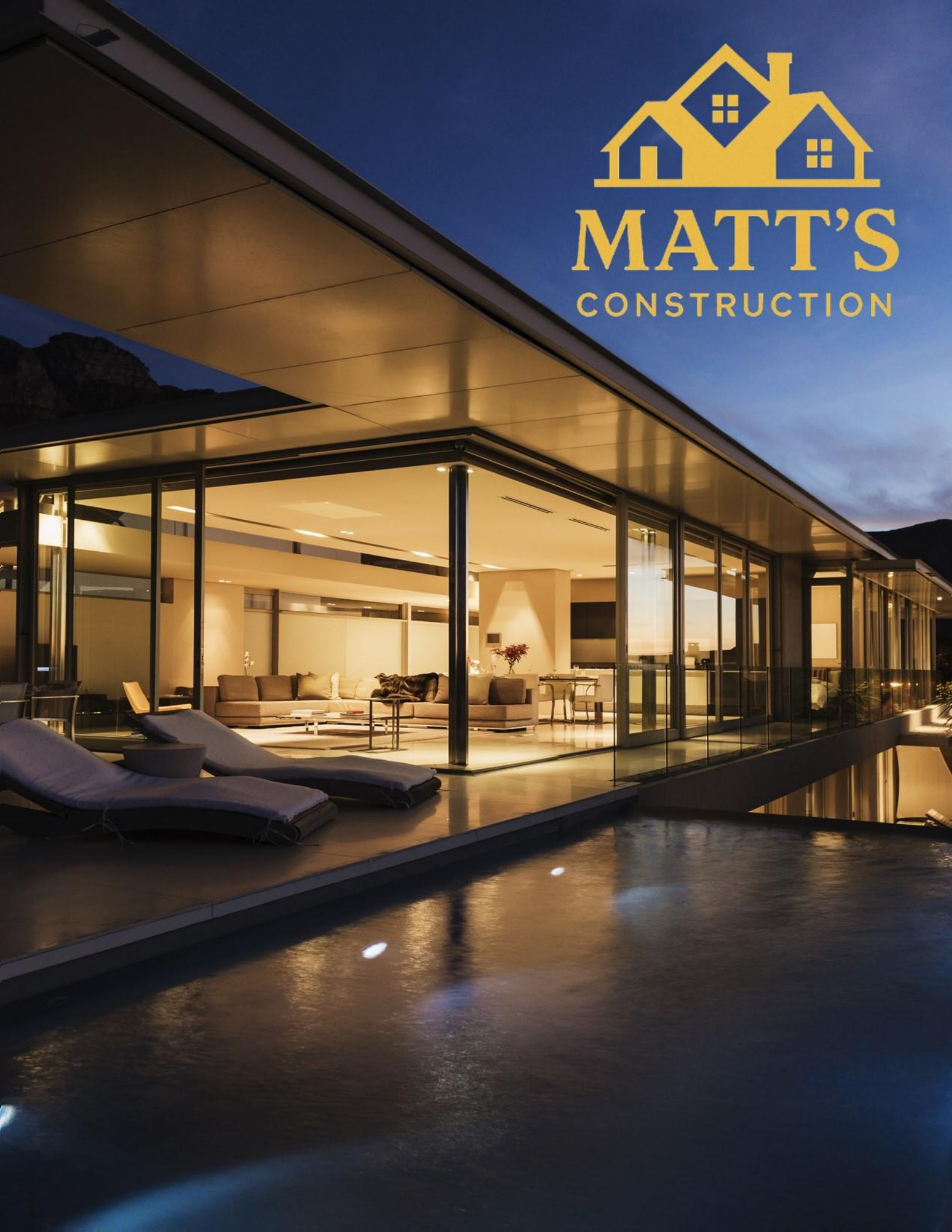
MATT'S
CONSTRUCTION

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1.0 Executive Summary

This purpose of this business plan is to secure $1 million, via a working capital line of credit, for the development of a real estate construction and proprietary development firm based in Chicago, Illinois. Matt's Construction LLC ("the Company") was founded by Matthew Deutsch. Full scale revenue generating operations are expected to commence in the fourth quarter of this year.

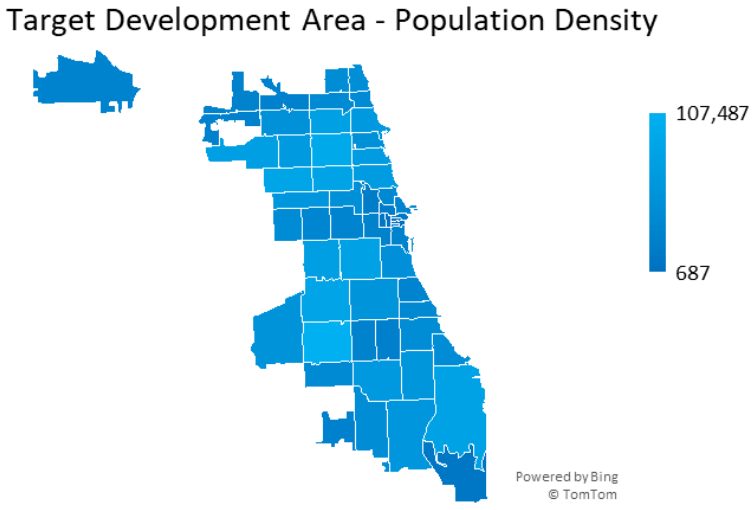
Operations

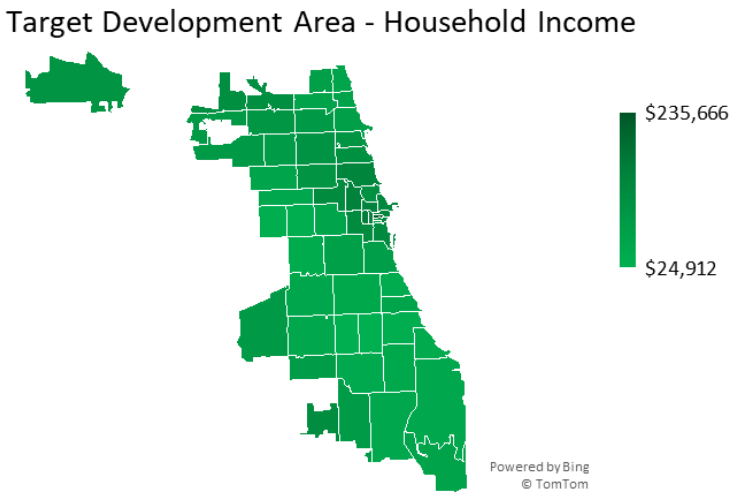
The primary focus of the company operations will be to engage in proprietary real estate development specifically for single-family homes as well as small scale multifamily properties. In most instances, the company will sell the property as soon as it is completed. The business will also be able to engage in custom home development, especially as it relates to higher end single-family homes.

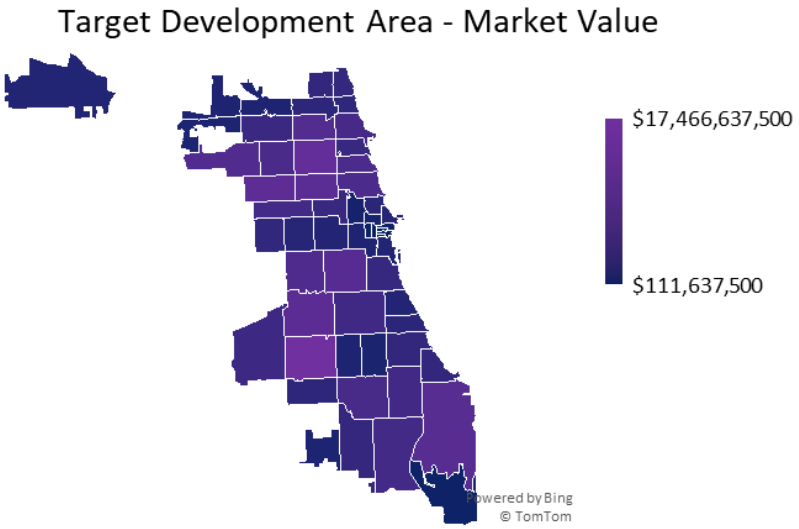
As it relates to multifamily units, these properties will typically have no more than four available rental spaces. Upon the completion of each of these properties, the business will rent out the spaces. Once this is completed, the company will then sell the property for a substantial profit to a third-party real estate investor.

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

Market Overview







The Financing

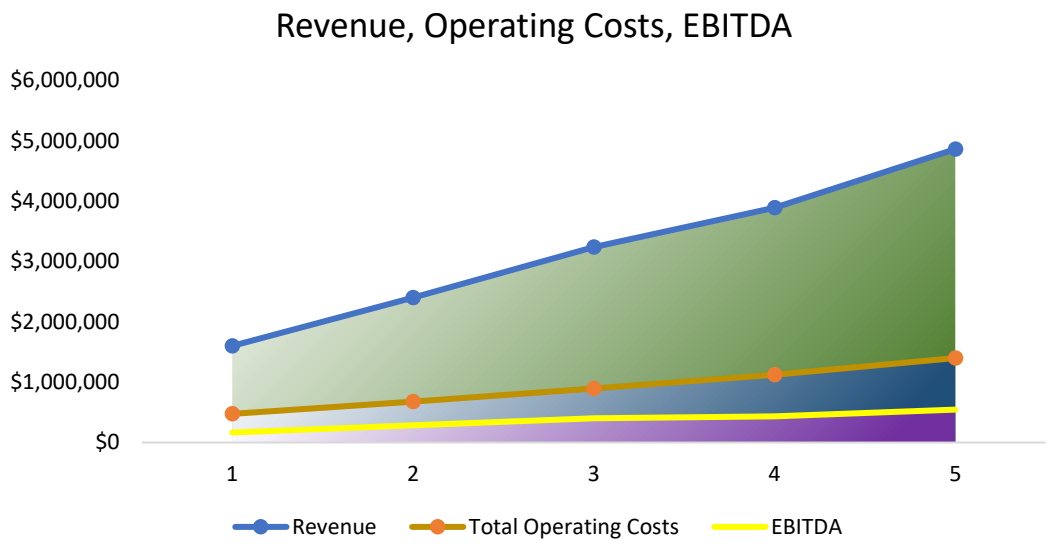
As noted above, the company is currently seeking a $1 million revolving line of credit in order to engage in ongoing real estate development throughout the greater Chicago metropolitan area. The entirety of these funds will be used for this purpose. Matthew Deutsch will contribute $200,000 towards the venture.

The Future

Over the next five years, Mr. Deutsch intends to make substantial reinvestment of the Company's after-tax profits in order to ensure that larger scale developments can be completed. The Company will also concurrently expand its custom home development operations given that this produces substantial contribution margins.

Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$1,600,000	$2,400,000	$3,240,000	$3,888,000	$4,860,000
Cost of Revenue	$960,000	$1,440,000	$1,944,000	$2,332,800	$2,916,000
Gross Profit	$640,000	$960,000	$1,296,000	$1,555,200	$1,944,000
Total Operating Costs	$474,449	$675,778	$896,544	$1,124,343	$1,398,986
EBITDA	$165,551	$284,222	$399,456	$430,857	$545,014

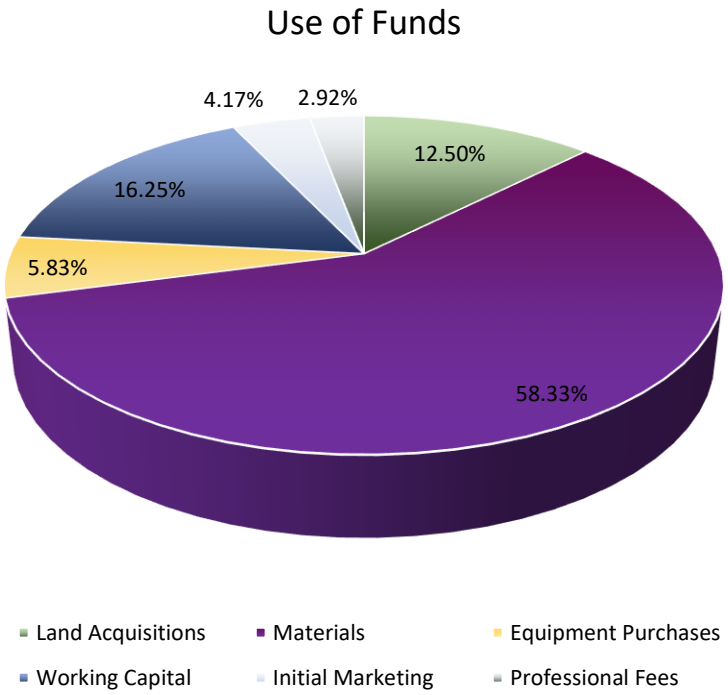


2.0 The Financing

2.1 Funds Required

At this time, $1 million – via a revolving credit facility – is required to launch the operations of the business. This will be accompanied by a $200,000 investment from the Founder. The funds will be allocated as follows:

Use of Funds	
Land Acquisitions	$150,000
Materials	$700,000
Equipment Purchases	$70,000
Working Capital	$195,000
Initial Marketing	$50,000
Professional Fees	$35,000
Total	$1,200,000



2.2 Management and Investor Equity

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

2.3 Exit Strategies

Given the strong reputation that Matt's Construction will develop over the next five years, the busniess will command a substantial valuation in the event of a private sale. In this event, a formal valuation will be completed prior to retaining a business broker to sell the business to a third party.

3.0 Operations

As noted in the executive summary, Matt's Construction will be actively involved in a wide range of real estate activities. Foremost, the business initially intends to start by operating in a real estate development capacity specific for single-family homes. Given the demand for affordable housing in the greater Chicago metropolitan area, there is an immense opportunity to create single-family homes that are located within suburban markets. This will form the basis of the companies, primary revenue stream during its initial years.

As the Company's capital base grows, the business intends to create multifamily properties with the intention of creating highly recurring shoes of rental income prior to their sale. It should be noted, in certain instances, the Company may retain these properties for passive income generation as well as to enjoy capital appreciation during the time where the Company holds the property.

The business will directly employee all staff members, so there is full control over the entire construction process. Subcontractors we use specifically for electrical systems in HVAC systems. The Company will employ a project manager to oversee all real estate development.

4.0 Overview of the Organization

4.1 Registered Name

Matt's Construction LLC. The business is registered as a limited liability company in the State of Illinois.

4.2 Commencement of Operations

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

4.3 Mission Statement

To provide outstanding workmanship and homes to buyers throughout the greater Chicago area.

4.4 Vision Statement

To become recognized as a premier construction firm that generates $4.8 million of revenue by the fifth year of operation.

4.5 Organizational Objectives

- Properly develop numerous homes over the next five years of operating using the capital sought in this document.
- Implement proper fiscal controls so that the business generates profits on each new construction.
- Continue to source land in middle to upper middle-income markets in Illinois as the Company expands.
- Remain within the letter of the law regarding all facets of construction.
- Implement a wide-ranging online marketing campaign to boost brand name visibility of the construction firm in the coming years.
- Provide a gainful and upwardly mobile place of employment for the Company's staff.
- Maintain strong relationships with real estate brokerages that will sell units produced by the business.
- Adhere to all regulations prescribed by OSHA for each development undertaken by the business.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

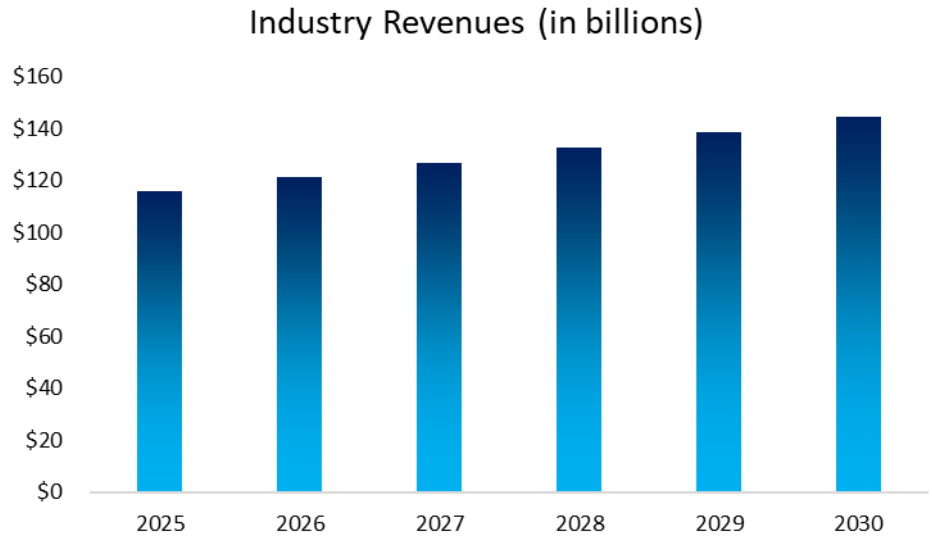
This section of business plan will document the current economic climate, the demographic profile of buyers, any ongoing competition that the business will face in the coming years.

At this time, the economic climate, the United States, moderate. As a result of evolving trade policies, there has been a certain degree of volatility introduced to the market. However, central banks, including the US Federal Reserve are taking the appropriate measures to ensure that the economy continues to grow and inflation continues to remain tempered as much as possible.

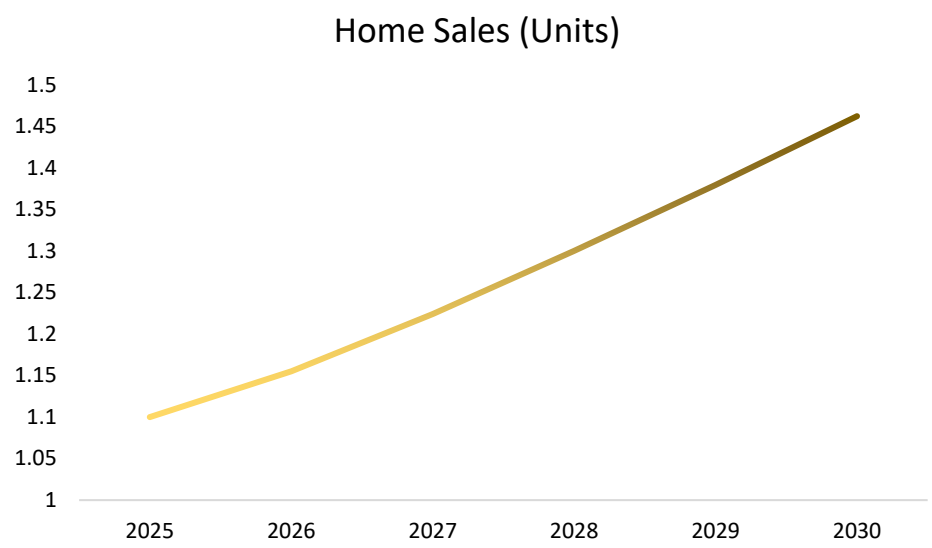
However, Matt's Construction benefit from the fact that it is operating within the Chicago metropolitan area. This is a wealthy market that has over ten million people. The demand for affordable housing in this area is substantial, and the company will be able to readily find buyers for single-family properties will also sourcing tenants for its multifamily units.

5.2 Industry Analysis

Currently, new housing construction produces $116 billion a year of revenue. The demand for housing has continued to climb since the end of the pandemic. There are currently 100,000 companies that are actively involved with the production of new housing units throughout United States. The industry employees 2 million people.



The growth profile for the industry is positive. As has been one of the central themes throughout this document, there is continued an ongoing demand for affordable residential housing throughout the country. This is especially prominent in major metropolitan areas, such as Chicago. Matt's Construction will be able to capitalize on this demand throughout the life of the business.



5.3 Customer Profile

Among buyers that are expected to purchase single-family properties from the company, the following profile will be used during the course of marketing operations:

- Household income of $100,000+
- Is seeking a home with a value of $500,000 to $800,000
- Has 20% available for the downpayment
- Is seeking to make a home purchase within the next six months.

5.4 Competitive Analysis

As this is being written as a business plan sample, no formal competitive analysis was completed as actual names of businesses that operate within the Chicago area would need to be included. In this business plan is written with a client engagement, a full analysis of all major single-family and small-scale multifamily property developers within this market would have been completed.

6.0 Key Strategic Issues

6.1 Sustainable Operations

Matt's Construction will have sustainable operations as a result of the following:

- The business has sourced numerous vendors for baseline construction materials that will allow the Company to cost effectively source inventories.
- Immense demand within the Chicago market area for new residential construction.
- A highly experienced Founder (Matthew Deutsch) who will be able to manage all aspects of operations on a day-to-day basis.
- The operations of this construction firm are highly scalable.
- As the business operates on a per-deal basis, the Company will be able to properly control its risk.

6.2 Basis of Growth

The Company will expand via the following methods:

- Reinvestment of after-tax profits into larger residential development undertakings.
- Acquire additional rounds of capital to further fuel growth.
- Expansion of operations to include other markets in Illinois.
- Expansion of operations to include commercial real estate.
- Continually expand the Company's brand visibility.

7.0 Marketing Plan

7.1 Marketing Objectives

- Use multiple forms of online marketing to create brand name awareness throughout Chicago and other markets in Illinois as the Company expands.
- Maintain strong relationships with real estate brokerages that will sell Matt's Construction units.
- Implement print advertisements in real estate circulars as housing developments are completed.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	**1**	**2**	**3**	**4**	**5**
Property Sales	$1,600,000	$2,400,000	$3,240,000	$3,888,000	$4,860,000
Totals	**$1,600,000**	**$2,400,000**	**$3,240,000**	**$3,888,000**	**$4,860,000**

Gross Profit					
Year	1	2	3	4	5
Total	**$640,000**	**$960,000**	**$1,296,000**	**$1,555,200**	**$1,944,000**

7.3 Revenue Assumptions

Year 1

- First year revenue will reach $1.6 million.
- Gross profits will reach $640,000.

Year 2

- Through greater marketing efforts, revenue will reach $2.4 million.
- Gross profits will reach $960,000.
- Total income will increase by 50%.

Years 3-5

- By the fifth year of operation, total revenue will reach $4.8 million.
- Gross profits will reach $1.9 million.

7.4 Marketing Strategies

The Company will use a number of marketing strategies to substantial interest in the properties that have been completed by Matt's Construction, as well as the Company as a whole. Foremost, for each development, a website will be developed during the course of its construction. The address as well as ongoing images of the construction will be shown

throughout the platform. Among Chicago area residents this will pique their interest in each development while also ensuring a substantial amount of visibility as the properties being completed and ready for sale. The domain names will be acquired as soon as the underlining parcel land is purchased. These platforms will undergo search engine authorization specific for the Chicago area market.

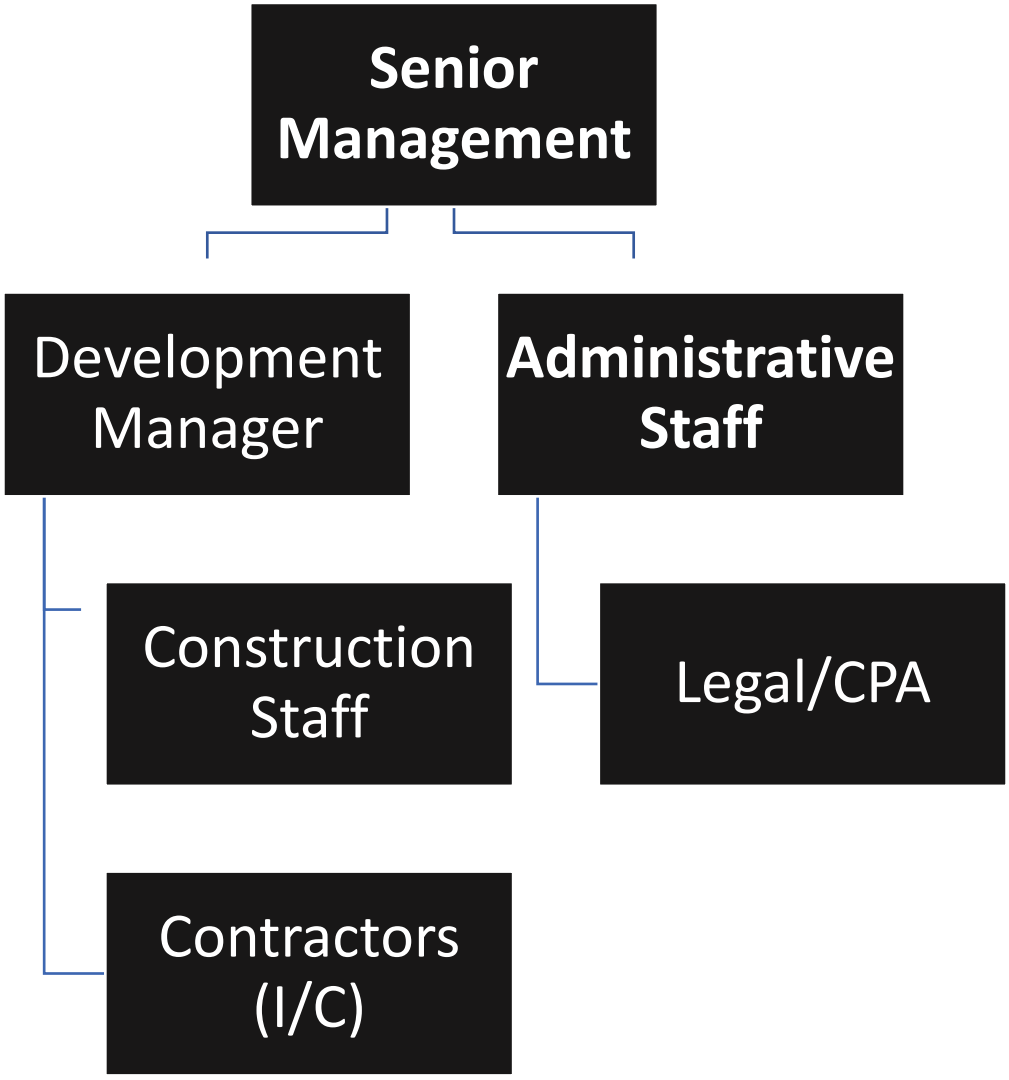
The Company will also maintain extensive relationship relationships with real estate brokers and agents within this market. As soon as the parcel of land is completed, the business will distribute renderings as well as floor plans to these individuals so that they can become familiar with the development. This will ensure that at the time that the property is completed, there will be a number of interested buyers ready to make a purchase. This will further extend to maintaining extensive relationships with real estate investors they will purchase multifamily units upon their completion especially as the Company will seek to place renters within the properties.

Matt's Construction, as a whole, will also maintain an expansive presence that showcases each prior development and information about the Company. Similar to the individual platforms that we used to market individual properties, the Company will have this website, undergoes substantial search engine optimization specific for the Chicago area market. The Company will also maintain a present among all major, social media platforms, including Facebook, Instagram, X, YouTube, TikTok to show his prior work well also in introducing senior managerial staff. This will further contribute to the efficacy of the company search optimization campaigns through social signaling.

To further gain brand-name awareness, the Company will frequently attend trade shows and expositions within the Chicago area market that are specific for real estate, brokers, agents, and investors. This will boost the profile of the business while allowing for properties we more quickly sold through connections with these real estate professionals and investors.

8.0 Organizational Plan

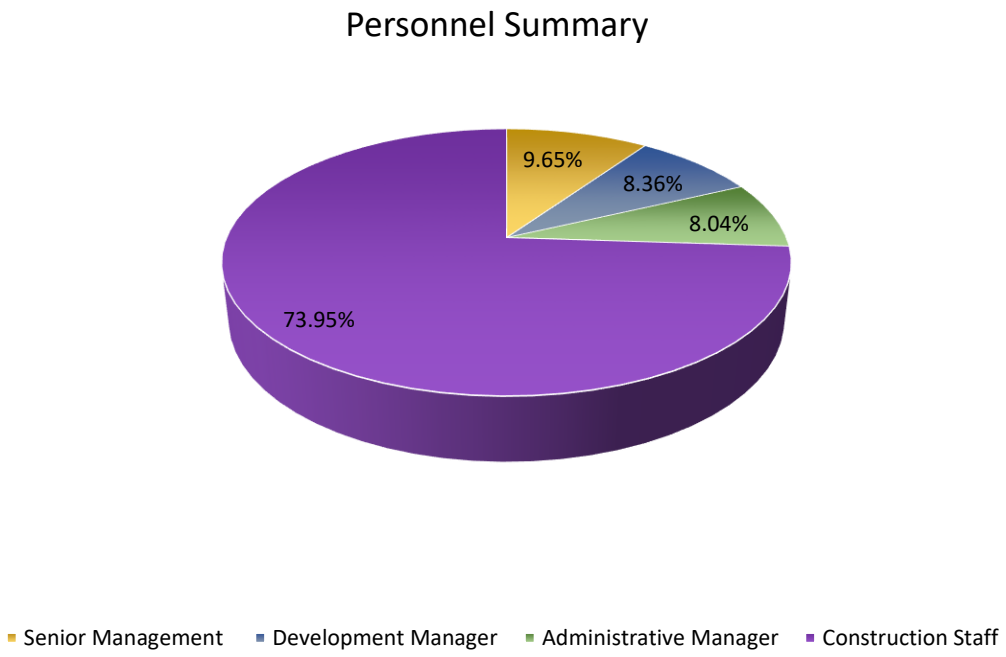
8.1 Organizational Hierarchy



8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
Senior Management	$75,000	$76,500	$78,030	$79,591	$81,182
Development Manager	$65,000	$66,300	$67,626	$68,979	$70,358
Administrative Manager	$62,500	$63,750	$65,025	$66,326	$67,652
Construction Staff	$115,000	$234,600	$358,938	$488,156	$622,398
Total	**$317,500**	**$441,150**	**$569,619**	**$703,050**	**$841,591**

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
Senior Management	1	1	1	1	1
Development Manager	1	1	1	1	1
Administrative Manager	1	1	1	1	1
Construction Staff	2	4	6	8	10
Total	**5**	**7**	**9**	**11**	**13**



9.0 Financial Plan

9.1 Underlying Assumptions

- The business will have a compounded annual growth rate of 32.5%.
- Matt's Construction will acquire a $1 million revolving credit facility carrying a 7% interest rate on the drawn down balance.
- The business will reinvest 50% of its after-tax profits into expansion.

9.2 Financial Highlights

- The business can strictly control the rate of its new developments.
- The business will achieve substantial contribution margins on each housing project.
- Strong demand in the Chicago market for new housing.

9.3 Sensitivity Analysis

Matt's Construction's revenue may face modest downward pressure in the event of a severe economic climate or major recessions. However, the business is operating in the population dense market of Chicago where affordable housing is in substantial demand. The Company will recognize significant gross profits on each house sale. Furthermore, the business can scale its operations if needed.

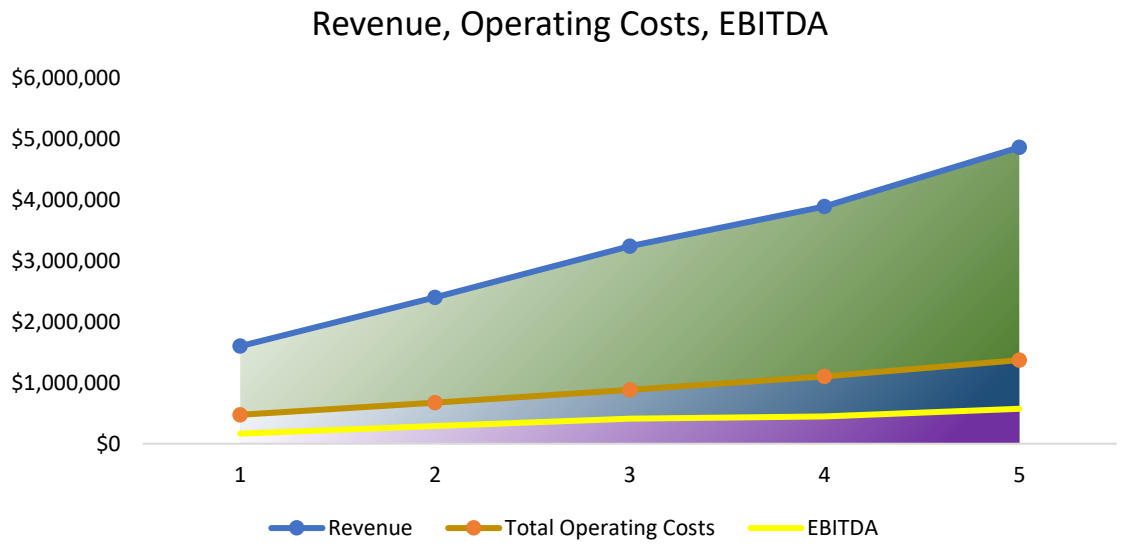
9.4 Source of Funds

Financing	
Equity	
Initial Capitalization	$200,000.00
Total Equity Financing	$200,000.00
Banks and Lenders	
Credit Line	$1,000,000.00
Total Debt Financing	$1,000,000.00
Total Financing	**$1,200,000.00**

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$1,600,000	$2,400,000	$3,240,000	$3,888,000	$4,860,000
Cost of Revenue	$960,000	$1,440,000	$1,944,000	$2,332,800	$2,916,000
Gross Margin	40.00%	40.00%	40.00%	40.00%	40.00%
Gross Profit	$640,000	$960,000	$1,296,000	$1,555,200	$1,944,000
Expenses					
Payroll	$317,500	$441,150	$569,619	$703,050	$841,591
General and Administrative	$32,000	$48,000	$64,800	$77,760	$97,200
Business Development	$15,200	$22,800	$30,780	$36,936	$46,170
Professional Fees and Licenses	$5,500	$8,250	$12,375	$18,563	$27,844
Insurance Costs	$17,500	$28,000	$44,800	$71,680	$114,688
Marketing Costs	$48,000	$72,000	$97,200	$116,640	$145,800
Equipment Maintenance	$10,780	$11,831	$14,283	$17,965	$22,346
Misc. Costs	$3,680	$5,520	$7,452	$8,942	$11,178
Payroll Taxes	$24,289	$33,748	$43,576	$53,783	$64,382
Total Operating Costs	**$474,449**	**$671,299**	**$884,884**	**$1,105,319**	**$1,371,199**
EBITDA	**$165,551**	**$288,701**	**$411,116**	**$449,881**	**$572,801**
Corporation Tax	$21,468	$52,064	$82,434	$91,840	$122,226
State Income Tax	$4,294	$10,413	$16,487	$18,368	$24,445
Interest Expense	$69,678	$68,944	$68,156	$67,312	$66,407
Depreciation Expenses	$10,000	$11,500	$13,225	$15,209	$17,490
Net Profit	**$60,111**	**$145,780**	**$230,814**	**$257,152**	**$342,233**
Profit Margin	**3.76%**	**6.07%**	**7.12%**	**6.61%**	**7.04%**

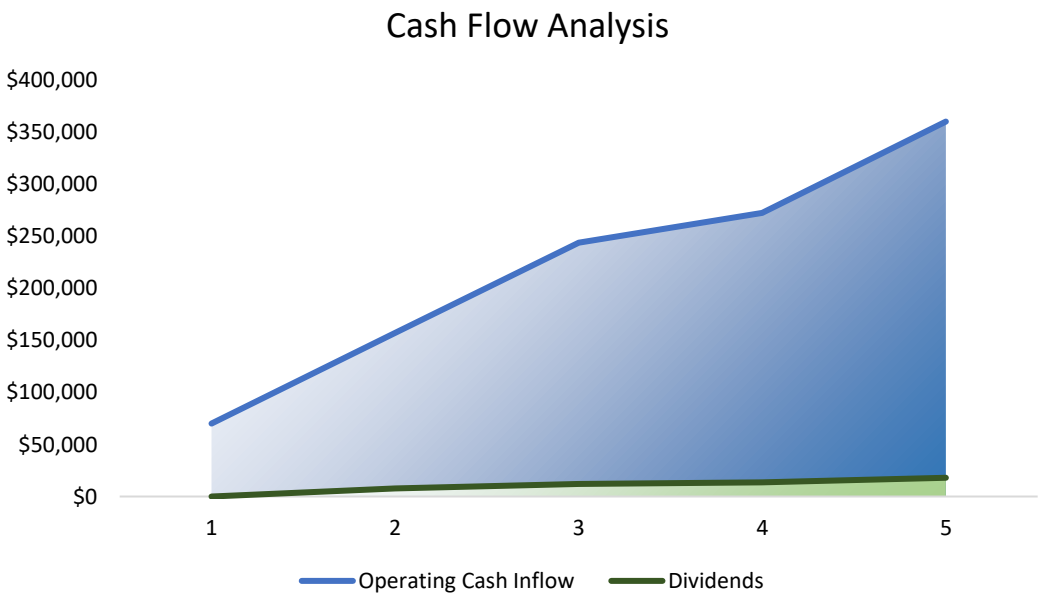


B) Common Size Income Statement

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	60.00%	60.00%	60.00%	60.00%	60.00%
Gross Profit	40.00%	40.00%	40.00%	40.00%	40.00%
Expenses					
Payroll	19.84%	18.38%	17.58%	18.08%	17.32%
General and Administrative	2.00%	2.00%	2.00%	2.00%	2.00%
Business Development	0.95%	0.95%	0.95%	0.95%	0.95%
Professional Fees and Licenses	0.34%	0.34%	0.38%	0.48%	0.57%
Insurance Costs	1.09%	1.17%	1.38%	1.84%	2.36%
Marketing Costs	3.00%	3.00%	3.00%	3.00%	3.00%
Equipment Maintenance	0.67%	0.49%	0.44%	0.46%	0.46%
Misc. Costs	0.23%	0.23%	0.23%	0.23%	0.23%
Payroll Taxes	1.52%	1.41%	1.34%	1.38%	1.32%
Total Operating Costs	29.65%	27.97%	27.31%	28.43%	28.21%
EBITDA	10.35%	12.03%	12.69%	11.57%	11.79%
Corporation Tax	1.34%	2.17%	2.54%	2.36%	2.51%
State Income Tax	0.27%	0.43%	0.51%	0.47%	0.50%
Interest Expense	4.35%	2.87%	2.10%	1.73%	1.37%
Depreciation Expenses	0.63%	0.48%	0.41%	0.39%	0.36%
Net Profit	3.76%	6.07%	7.12%	6.61%	7.04%

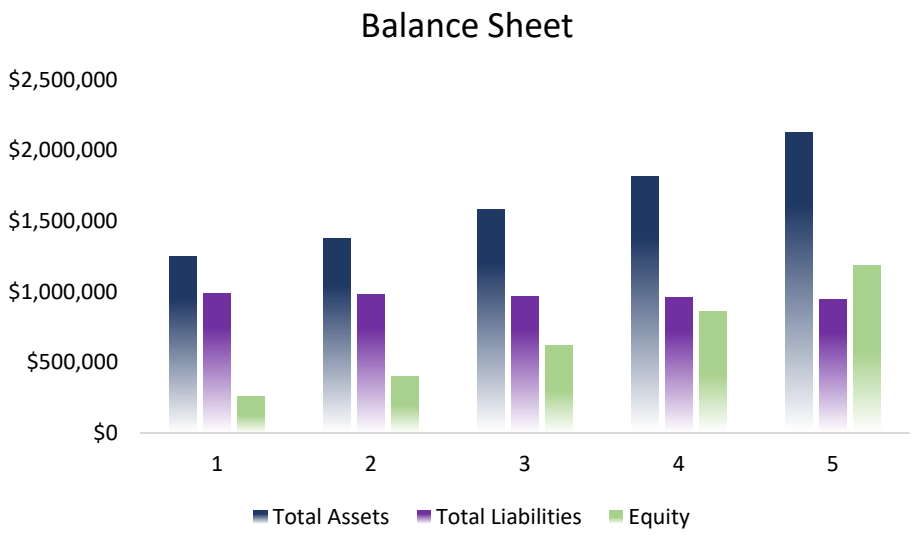
C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	$70,111	$157,280	$244,039	$272,556	$360,329
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$70,111**	**$157,280**	**$244,039**	**$272,556**	**$360,329**
Other Cash Inflows					
Equity Investment	$200,000	$0	$0	$0	$0
Increased Borrowings	$1,000,000	$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	**$1,201,000**	**$1,050**	**$1,103**	**$1,158**	**$1,216**
Total Cash Inflow	**$1,271,111**	**$158,330**	**$245,141**	**$273,714**	**$361,544**
Cash Outflows					
Repayment of Principal	$10,158	$10,892	$11,680	$12,524	$13,430
A/P Decreases	$700	$735	$772	$810	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$770,000	$75,091	$175,097	$243,078	$271,081
Dividends	$0	$7,864	$12,202	$13,628	$18,016
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$780,858**	**$94,582**	**$199,751**	**$270,040**	**$303,378**
Net Cash Flow	**$490,253**	**$63,747**	**$45,391**	**$3,673**	**$58,167**
Cash Balance	**$490,253**	**$554,000**	**$599,391**	**$603,064**	**$661,231**



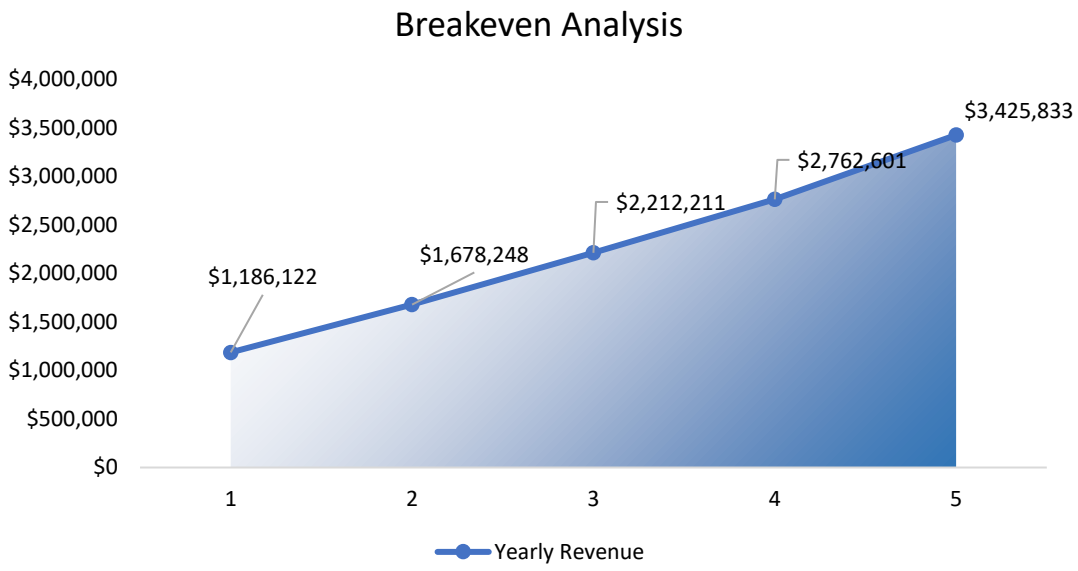
D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	$490,253	$554,000	$599,391	$603,064	$661,231
Fixed Assets	$770,000	$845,091	$1,020,188	$1,263,266	$1,534,347
Accumulated Depreciation	($10,000)	($21,500)	($34,725)	($49,934)	($67,424)
Total Assets	**$1,250,253**	**$1,377,591**	**$1,584,854**	**$1,816,397**	**$2,128,154**
Liabilities and Equity					
Accounts Payable	$300	$615	$946	$1,293	$1,658
Long Term Liabilities	$989,842	$978,949	$967,270	$954,745	$941,316
Other Liabilities	$0	$0	$0	$0	$0
Total Liabilities	**$990,142**	**$979,564**	**$968,215**	**$956,038**	**$942,974**
Equity	**$260,111**	**$398,027**	**$616,639**	**$860,358**	**$1,185,181**
Total Liabilities and Equity	**$1,250,253**	**$1,377,591**	**$1,584,854**	**$1,816,397**	**$2,128,154**



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	$98,843	$139,854	$184,351	$230,217	$285,486
Yearly Revenue	$1,186,122	$1,678,248	$2,212,211	$2,762,601	$3,425,833



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	50.0%	35.0%	20.0%	25.0%
Gross Margin	40.0%	40.0%	40.0%	40.0%	40.0%
Financials					
Profit Margin	3.76%	6.07%	7.12%	6.62%	7.05%
Assets to Liabilities	1.26	1.41	1.64	1.90	2.26
Equity to Liabilities	0.26	0.41	0.64	0.90	1.26
Assets to Equity	4.81	3.46	2.57	2.11	1.80
Liquidity					
Acid Test	0.50	0.57	0.62	0.63	0.70
Cash to Assets	0.39	0.40	0.38	0.33	0.31

Appendix A – SWOT Analysis

Strengths

- Matt's Construction will be able to properly control the rate of development which will ensure that all units are sold profitably.
- Significant and ongoing demand in the Chicago area will ensure that the business can sell completed units within a three-month timeframe.
- The Company will be able to scale its operations in the coming years through ongoing reinvestment.
- An experienced developer (Matthew Deutsch) who will be able to properly develop and expand the Company in the coming years.

Weaknesses

- The pricing of real estate is subject to market fluctuation.
- A substantial number of competitors in the Chicago market area.
- Moderately high costs related to payroll.

Opportunities

- Continued increase the scope and scale of the developments produced by Matt's Construction.
- Expansion to include other economically viable markets in Illinois.
- Operations can be expanded to include commercial real estate.

Threats

- Fluctuations in interest rates can impact demand for new housing.
- Changing trade policy can impact the price of the baseline construction materials.

Appendix B – Critical Risks

Development Risk – **Low**
The primary development risk faced by the businesses management ability to acquire the Saw in this document. Matthew Deutsch is a highly experienced real estate developer will be able to quickly complete the development of new units as outlined in this document.

Financing Risk – **Low/Moderate**
The $1 million, via revolving credit facility, will be exclusively used for the development of new real estate units. This line will be fully collateralized with both land and property which substantially reduces risk. Company will reduce highly contribution margins from each sale.

Marketing Risk **– Low**
As noted in the seventh section of business plan, the company will use the number of marketing strategies to promote individual properties as well as building a strong brand for Matt's Construction. These risks will be tempered to the use of ongoing relationships with real estate, brokers, agents, and investors.

Management Risk – **Low**
Matthew Deutsch is a highly experienced real estate developer that will be able to effectively launch and expand the operations of this construction enterprise in the coming years. He has more than 15 years of experiencing producing exceptional homes through his workmanship.

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

- Nearly all capital will be invested in real estate which will be quickly sold upon completion.
- Substantial profits from the sale of each completed housing units.
- The significant population density of Chicago will substantially reduce risk.

Exit Risk - **Low**
In the event that it is financially prudent to do so, a qualified business broker will be hired to divest Matt's Construction to a third-party. All projects that are currently in development will be completed prior to the sale of the business. This event is not expected to occur for a substantial period of time.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	**$400,000**	**$0**	**$0**	**$400,000**	**$0**	**$0**	**$0**
Cost of Revenue	$240,000	$0	$0	$240,000	$0	$0	$0
Gross Profit	$160,000	$0	$0	$160,000	$0	$0	$0
Expenses							
Payroll	$26,458	$26,458	$26,458	$26,458	$26,458	$26,458	$26,458
General and Administrative	$2,667	$2,667	$2,667	$2,667	$2,667	$2,667	$2,667
Business Development	$1,267	$1,267	$1,267	$1,267	$1,267	$1,267	$1,267
Professional Fees and Licenses	$458	$458	$458	$458	$458	$458	$458
Insurance Costs	$1,458	$1,458	$1,458	$1,458	$1,458	$1,458	$1,458
Marketing Costs	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000
Equipment Maintenance	$898	$898	$898	$898	$898	$898	$898
Misc. Costs	$920	$0	$0	$920	$0	$0	$0
Payroll Taxes	$2,024	$2,024	$2,024	$2,024	$2,024	$2,024	$2,024
Total Operating Costs	$40,151	$39,231	$39,231	$40,151	$39,231	$39,231	$39,231
EBITDA	$119,849	-$39,231	-$39,231	$119,849	-$39,231	-$39,231	-$39,231
Corporation Tax	$5,367	$0	$0	$5,367	$0	$0	$0
State Income Tax	$1,073	$0	$0	$1,073	$0	$0	$0
Interest Expense	$5,833	$5,829	$5,824	$5,819	$5,814	$5,809	$5,804
Depreciation Expenses	$833	$833	$833	$833	$833	$833	$833
Net Profit	$106,742	-$45,893	-$45,888	$106,757	-$45,878	-$45,873	-$45,868

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
Revenue	**$400,000**	**$0**	**$0**	**$0**	**$400,000**	**$1,600,000**
Cost of Revenue	$240,000	$0	$0	$0	$240,000	$960,000
Gross Profit	$160,000	$0	$0	$0	$160,000	$640,000
Expenses						
Payroll	$26,458	$26,458	$26,458	$26,458	$26,458	$317,500
General and Administrative	$2,667	$2,667	$2,667	$2,667	$2,667	$32,000
Business Development	$1,267	$1,267	$1,267	$1,267	$1,267	$15,200
Professional Fees and Licenses	$458	$458	$458	$458	$458	$5,500
Insurance Costs	$1,458	$1,458	$1,458	$1,458	$1,458	$17,500
Marketing Costs	$4,000	$4,000	$4,000	$4,000	$4,000	$48,000
Equipment Maintenance	$898	$898	$898	$898	$898	$10,780
Misc. Costs	$920	$0	$0	$0	$920	$3,680
Payroll Taxes	$2,024	$2,024	$2,024	$2,024	$2,024	$24,289
Total Operating Costs	$40,151	$39,231	$39,231	$39,231	$40,151	$474,449
EBITDA	$119,849	-$39,231	-$39,231	-$39,231	$119,849	$165,551
Corporation Tax	$5,367	$0	$0	$0	$5,367	$21,468
State Income Tax	$1,073	$0	$0	$0	$1,073	$4,294
Interest Expense	$5,799	$5,794	$5,789	$5,784	$5,779	$69,678
Depreciation Expenses	$833	$833	$833	$833	$833	$10,000
Net Profit	$106,776	-$45,858	-$45,853	-$45,848	$106,796	$60,111

Profit and Loss Statement (Second Year)					
	Year 2				
Quarter	Q1	Q2	Q3	Q4	Year 2
Revenue	$582,000	$594,000	$606,000	$618,000	$2,400,000
Cost of Revenue	$349,200	$356,400	$363,600	$370,800	$1,440,000
Gross Profit	**$232,800**	**$237,600**	**$242,400**	**$247,200**	**$960,000**
Expenses					
Payroll	$110,288	$110,288	$110,288	$110,288	$441,150
General and Administrative	$12,000	$12,000	$12,000	$12,000	$48,000
Business Development	$5,529	$5,643	$5,757	$5,871	$22,800
Professional Fees and Licenses	$2,001	$2,042	$2,083	$2,124	$8,250
Insurance Costs	$7,000	$7,000	$7,000	$7,000	$28,000
Marketing Costs	$17,460	$17,820	$18,180	$18,540	$72,000
Equipment Maintenance	$2,869	$2,928	$2,987	$3,047	$11,831
Misc. Costs	$1,339	$1,366	$1,394	$1,421	$5,520
Payroll Taxes	$8,184	$8,353	$8,521	$8,690	$33,748
Total Operating Costs	**$166,669**	**$167,439**	**$168,210**	**$168,981**	**$671,299**
EBITDA	**$66,131**	**$70,161**	**$74,190**	**$78,219**	**$288,701**
Corporation Tax	$12,626	$12,886	$13,146	$13,407	$52,064
State Income Tax	$2,525	$2,577	$2,629	$2,681	$10,413
Interest Expense	$17,307	$17,260	$17,213	$17,164	$68,944
Depreciation Expenses	$2,875	$2,875	$2,875	$2,875	$11,500
Net Profit	**$30,799**	**$34,562**	**$38,327**	**$42,092**	**$145,780**

Profit and Loss Statement (Third Year)					
	Year 3				
Quarter	Q1	Q2	Q3	Q4	Year 3
Revenue	$785,700	$801,900	$818,100	$834,300	$3,240,000
Cost of Revenue	$471,420	$481,140	$490,860	$500,580	$1,944,000
Gross Profit	**$314,280**	**$320,760**	**$327,240**	**$333,720**	**$1,296,000**
Expenses					
Payroll	$142,405	$142,405	$142,405	$142,405	$569,619
General and Administrative	$15,714	$16,038	$16,362	$16,686	$64,800
Business Development	$7,464	$7,618	$7,772	$7,926	$30,780
Professional Fees and Licenses	$3,001	$3,063	$3,125	$3,187	$12,375
Insurance Costs	$11,200	$11,200	$11,200	$11,200	$44,800
Marketing Costs	$23,571	$24,057	$24,543	$25,029	$97,200
Equipment Maintenance	$3,571	$3,571	$3,571	$3,571	$14,283
Misc. Costs	$1,807	$1,844	$1,882	$1,919	$7,452
Payroll Taxes	$10,894	$10,894	$10,894	$10,894	$43,576
Total Operating Costs	**$219,627**	**$220,690**	**$221,753**	**$222,816**	**$884,884**
EBITDA	**$94,653**	**$100,070**	**$105,487**	**$110,904**	**$411,116**
Corporation Tax	$19,990	$20,402	$20,814	$21,227	$82,434
State Income Tax	$3,998	$4,080	$4,163	$4,245	$16,487
Interest Expense	$17,115	$17,065	$17,014	$16,962	$68,156
Depreciation Expenses	$3,306	$3,306	$3,306	$3,306	$13,225
Net Profit	**$50,244**	**$55,216**	**$60,190**	**$65,164**	**$230,814**

Profit and Loss Statement (Fourth Year)					
	Year 4				
Quarter	Q1	Q2	Q3	Q4	Year 4
Revenue	$942,840	$962,280	$981,720	$1,001,160	$3,888,000
Cost of Revenue	$565,704	$577,368	$589,032	$600,696	$2,332,800
Gross Profit	**$377,136**	**$384,912**	**$392,688**	**$400,464**	**$1,555,200**
Expenses					
Payroll	$175,763	$175,763	$175,763	$175,763	$703,050
General and Administrative	$18,857	$19,246	$19,634	$20,023	$77,760
Business Development	$8,957	$9,142	$9,326	$9,511	$36,936
Professional Fees and Licenses	$4,501	$4,594	$4,687	$4,780	$18,563
Insurance Costs	$17,920	$17,920	$17,920	$17,920	$71,680
Marketing Costs	$28,285	$28,868	$29,452	$30,035	$116,640
Equipment Maintenance	$4,421	$4,421	$4,421	$4,421	$17,686
Misc. Costs	$2,169	$2,213	$2,258	$2,303	$8,942
Payroll Taxes	$13,446	$13,446	$13,446	$13,446	$53,783
Total Operating Costs	**$274,319**	**$275,613**	**$276,907**	**$278,201**	**$1,105,040**
EBITDA	**$102,817**	**$109,299**	**$115,781**	**$122,263**	**$450,160**
Corporation Tax	$22,288	$22,748	$23,207	$23,667	$91,910
State Income Tax	$4,458	$4,550	$4,641	$4,733	$18,382
Interest Expense	$16,909	$16,856	$16,801	$16,746	$67,312
Depreciation Expenses	$3,802	$3,802	$3,802	$3,802	$15,209
Net Profit	**$55,360**	**$61,344**	**$67,329**	**$73,315**	**$257,347**

Profit and Loss Statement (Fifth Year)					
	Year 5				
Quarter	Q1	Q2	Q3	Q4	Year 5
Revenue	$1,178,550	$1,202,850	$1,227,150	$1,251,450	$4,860,000
Cost of Revenue	$707,130	$721,710	$736,290	$750,870	$2,916,000
Gross Profit	**$471,420**	**$481,140**	**$490,860**	**$500,580**	**$1,944,000**
Expenses					
Payroll	$210,398	$210,398	$210,398	$210,398	$841,591
General and Administrative	$23,571	$24,057	$24,543	$25,029	$97,200
Business Development	$11,196	$11,427	$11,658	$11,889	$46,170
Professional Fees and Licenses	$6,752	$6,891	$7,031	$7,170	$27,844
Insurance Costs	$28,672	$28,672	$28,672	$28,672	$114,688
Marketing Costs	$35,357	$36,086	$36,815	$37,544	$145,800
Equipment Maintenance	$5,370	$5,370	$5,370	$5,370	$21,481
Misc. Costs	$2,711	$2,767	$2,822	$2,878	$11,178
Payroll Taxes	$16,095	$16,095	$16,095	$16,095	$64,382
Total Operating Costs	**$340,122**	**$341,763**	**$343,404**	**$345,045**	**$1,370,333**
EBITDA	**$131,298**	**$139,377**	**$147,456**	**$155,535**	**$573,667**
Corporation Tax	$29,692	$30,305	$30,917	$31,529	$122,442
State Income Tax	$5,938	$6,061	$6,183	$6,306	$24,488
Interest Expense	$16,689	$16,631	$16,573	$16,513	$66,407
Depreciation Expenses	$4,373	$4,373	$4,373	$4,373	$17,490
Net Profit	**$74,606**	**$82,008**	**$89,411**	**$96,815**	**$342,839**

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	$107,575	-$45,059	-$45,054	$107,590	-$45,045	-$45,040	-$45,035	$107,610
Cash From Receivables	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cash Inflow	$107,575	-$45,059	-$45,054	$107,590	-$45,045	-$45,040	-$45,035	$107,610
Other Cash Inflows								
Equity Investment	$200,000	$0	$0	$0	$0	$0	$0	$0
Increased Borrowings	$1,000,000	$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	**$1,200,083**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**
Total Cash Inflow	**$1,307,659**	**-$44,976**	**-$44,971**	**$107,673**	**-$44,961**	**-$44,957**	**-$44,952**	**$107,693**
Cash Outflows								
Repayment of Principal	$820	$824	$829	$834	$839	$844	$849	$854
A/P Decreases	$58	$58	$58	$58	$58	$58	$58	$58
A/R Increases	$0	$0	$0	$0	$0	$0	$0	$0
Asset Purchases	$770,000	$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	**$770,878**	**$883**	**$888**	**$892**	**$897**	**$902**	**$907**	**$912**
Net Cash Flow	**$536,781**	**-$45,859**	**-$45,859**	**$106,781**	**-$45,859**	**-$45,859**	**-$45,859**	**$106,781**
Cash Balance	**$536,781**	**$490,922**	**$445,063**	**$551,844**	**$505,985**	**$460,127**	**$414,268**	**$521,049**

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	-$45,025	-$45,020	-$45,015	$107,630	$70,111
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**-$45,025**	**-$45,020**	**-$45,015**	**$107,630**	**$70,111**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$200,000
Increased Borrowings	$0	$0	$0	$0	$1,000,000
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	$1,201,000
Total Cash Inflow	**-$44,942**	**-$44,937**	**-$44,932**	**$107,713**	**$1,271,111**
Cash Outflows					
Repayment of Principal	$859	$864	$869	$874	$10,158
A/P Decreases	$58	$58	$58	$58	$700
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$0	$0	$0	$0	$770,000
Dividends	$0	$0	$0	$0	$0
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$917**	**$922**	**$927**	**$932**	**$780,858**
Net Cash Flow	**-$45,859**	**-$45,859**	**-$45,859**	**$106,781**	**$490,253**
Cash Balance	**$475,190**	**$429,331**	**$383,472**	**$490,253**	**$490,253**

Cash Flow Analysis (Second Year)					
	Year 2				
Quarter	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	$33,674	$37,437	$41,202	$44,967	$157,280
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$33,674**	**$37,437**	**$41,202**	**$44,967**	**$157,280**
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	**$33,928**	**$37,697**	**$41,467**	**$45,237**	**$158,330**
Cash Outflows					
Repayment of Principal	$2,652	$2,699	$2,746	$2,795	$10,892
A/P Decreases	$178	$182	$186	$189	$735
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$37,546	$37,546	$0	$0	$75,091
Dividends	$0	$0	$0	$7,864	$7,864
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$40,376**	**$40,426**	**$2,932**	**$10,848**	**$94,582**
Net Cash Flow	**-$6,448**	**-$2,729**	**$38,535**	**$34,389**	**$63,747**
Cash Balance	**$483,805**	**$481,076**	**$519,611**	**$554,000**	**$554,000**

Cash Flow Analysis (Third Year)					
	Year 3				
Quarter	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	$53,550	$58,523	$63,496	$68,470	$244,039
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$53,550**	**$58,523**	**$63,496**	**$68,470**	**$244,039**
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	**$53,818**	**$58,795**	**$63,774**	**$68,754**	**$245,141**
Cash Outflows					
Repayment of Principal	$2,844	$2,894	$2,945	$2,997	$11,680
A/P Decreases	$187	$191	$195	$199	$772
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$87,549	$87,549	$0	$0	$175,097
Dividends	$0	$0	$0	$12,202	$12,202
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$90,580**	**$90,634**	**$3,140**	**$15,397**	**$199,751**
Net Cash Flow	**-$36,762**	**-$31,838**	**$60,634**	**$53,357**	**$45,391**
Cash Balance	**$517,238**	**$485,400**	**$546,035**	**$599,391**	**$599,391**

Cash Flow Analysis (Fourth Year)					
	Year 4				
Quarter	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	$59,162	$65,146	$71,131	$77,117	$272,556
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$59,162**	**$65,146**	**$71,131**	**$77,117**	**$272,556**
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	**$59,443**	**$65,433**	**$71,423**	**$77,415**	**$273,714**
Cash Outflows					
Repayment of Principal	$3,050	$3,103	$3,158	$3,213	$12,524
A/P Decreases	$197	$201	$205	$209	$810
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$121,539	$121,539	$0	$0	$243,078
Dividends	$0	$0	$0	$13,628	$13,628
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$124,785**	**$124,843**	**$3,362**	**$17,050**	**$270,040**
Net Cash Flow	**-$65,342**	**-$59,410**	**$68,061**	**$60,365**	**$3,673**
Cash Balance	**$534,049**	**$474,639**	**$542,699**	**$603,064**	**$603,064**

Cash Flow Analysis (Fifth Year)					
	Year 5				
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	$78,978	$86,380	$93,783	$101,187	$360,329
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$78,978**	**$86,380**	**$93,783**	**$101,187**	**$360,329**
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	**$79,273**	**$86,681**	**$94,090**	**$101,500**	**$361,544**
Cash Outflows					
Repayment of Principal	$3,270	$3,328	$3,386	$3,446	$13,430
A/P Decreases	$206	$211	$215	$219	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$67,770	$67,770	$67,770	$67,770	$271,081
Dividends	$0	$0	$0	$18,016	$18,016
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$71,247**	**$71,308**	**$71,371**	**$89,452**	**$303,378**
Net Cash Flow	**$8,026**	**$15,373**	**$22,719**	**$12,049**	**$58,167**
Cash Balance	**$611,091**	**$626,464**	**$649,182**	**$661,231**	**$661,231**