MATT'S
SPORTS BAR

Human Intelligence
Business Plans

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1.0 Executive Summary

Matt's Sports Bar LLC ("the Company") will be in Austin, Texas, based enterprise that will provide a wide range of entertainment as well as exceptional American fare and alcoholic beverages. The business was founded by Matthew Deutsch. Full scale revenue generating operations are expected to commence in the third quarter of this year once the necessary capital has been raised. The Company is currently seeking a private investment of $300,000.

Operations

The location will be a large-scale facility that features 3,000 square feet of indoor space as well as 2,000 square feet of outdoor space. In regards to entertainment, the business will have a number of large-scale presentation screens as well as televisions that showcase domestic and international sporting events. Patrons will be able to view a number of different sports regardless of where they sit within the facility.

The Company is currently in the process of sourcing an executive chef that will create a curated menu of American classics including steaks, burgers, chicken, dishes, and seafood dishes. The business will focus on providing a higher-end experience than what is normally associated with other types of sports bars. In regards to alcoholic beverages, the Company will provide beer, wine, as well as cocktails. The business will have a number of sports theme cocktails that will complement the unique ambience and experience that management is seeking to create.

To drive ongoing patronage, the location will have a number of ongoing events that are specific for a number of different sports. This will include theme nights that will occur throughout the entire week..

Market Overview

The Financing

The $300,000 needed to launch the operation of Matt's Sports Bar will be principally used for the build out of the location, furniture, fixtures, and equipment, as well as for working capital purposes. There will also be an allocation specific for pre-launch marketing as well as an expansive marketing campaign that will occur shortly after launch.

If needed, Matt's Sports bar could easily secure additional to develop additional locations within Austin or economically viable markets in Texas. This type of event is not expected to occur within the first five years of operation.

The Future

The business will continually expand the scope of operations over the next five years with a focus on expanded marketing efforts. Management is committed to making Matt Sport's Bar one of the preeminent locations within Austin for sports entertainment and outstanding American fare. After the fifth year of operations, there is the potential to develop additional locations using the accrued profits of the business or by securing additional financing.

Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$897,750	$987,525	$1,086,278	$1,194,905	$1,314,396
Cost of Revenue	$243,675	$268,043	$294,847	$324,331	$356,765
Gross Profit	$654,075	$719,483	$791,431	$870,574	$957,631
Total Operating Costs	$575,966	$596,273	$617,475	$639,626	$662,785
EBITDA	**$78,109**	**$123,209**	**$173,956**	**$230,948**	**$294,846**

2.0 The Financing

2.1 Funds Required

An investment of $300,000 is required to launch Matt's Sports Bar's operations:

Use of Funds	
Location Development	$75,000
Furniture, Fixtures, and Equipment	$80,000
Pre-Launch Marketing	$10,000
Working Capital	$70,000
Professional Fees	$15,000
Opening Inventories	$35,000
Misc. and Contingency	$15,000
Total	$300,000

2.2 Management and Investor Equity

This is to be determined.

2.3 Exit Strategies

If it is financially prudent to do so, Matt Sports' Bar will hire a qualified business broker that has a specialty in bars and nighttime entertainment venues. This business broker will then market the business for sale to a third-party. However, there are no long-term plans to divert this business. Based on the expected profitability of the Company, and applying a reasonable price or earnings ratio, the Company could have a value of $900,000 by the fifth year of operation.

3.0 Operations

As noted in the executive summary, Matt's Sports Bar will be a unique venue that provides a wide range of entertainment as well as premium American cuisine. As relates to the menu, the Company's chef will create a standard menu as well as a number of seasonal specialties. Weekly specials will also be included in the menu in order to foster repeat patronage. Beyond providing exceptional American cuisine, the executive chef is expected to create a number of unique fusions as this type of cuisine is popular within the greater Austin metropolitan area.

The business will maintain a liquor license that allows for the sale of all types of alcoholic beverages, spanning, beer, wine, as well as cocktails. The business will have a number of sports themed cocktails, which will contribute to the unique nature of its operations. At all times, the Company will comply with all Austin municipal regulations as well as Texas state law regarding the sale and service of alcohol. All patrons will be required to show a valid identification, regardless of their perceived age.

Event hosting will be a major component of the Company's operations. This is important for a few reasons. First, it will draw substantial patronage to the location which will provide immense profits for the business. Second, it will further drive increase visibility, especially among people that will bring their friends to the bar. The Company's event hosting schedule will be posted to the website as well as all social media pages at the start of each week.

4.0 Overview of the Organization

4.1 Registered Name

Matt's Sports Bar LLC. The business is registered as a limited liability company in the State of Texas.

4.2 Commencement of Operations

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

4.3 Mission Statement

To become a widely enjoyed sports bar in the Austin market.

4.4 Vision Statement

By the fifth year of operations, Management expects that Matt's Sports Bar will be a recognized social institution.

4.5 Organizational Objectives

- Properly conduct the buildout of the sports bar location once the capital is secured.
- Remain within the letter of the law as it relates to the sale of food and beverages.
- Provide gainful employment opportunities for the Company's staff.
- Establish relationships with sports leagues throughout the greater Austin market area.
- Operate as a community minded enterprise.
- Properly establish the Company's online presence during the development phase.
- Work with numerous suppliers so that cost effective pricing can be acquired for input inventories.
- Implement fiscally sound operating protocols.
- Acquire proper licensure so that the business can stream numerous sporting events.
- Potentially develop additional locations in Texas (after the fifth year of operation).

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

This section of the business plan will document the current economic climate, the competition that the business will face, and the customer profile.

At this time, the economic climate with the United States is moderate. The issues relate to the pandemic have now fully subsided, although the country is still in a period of significant inflation. The US Federal Reserve is taking the appropriate measures and implementing fiscal policy that seeks to stymie the issues related to inflation while also fostering ongoing economic growth.

Given the wealth and population density of the greater Austin metropolitan area, the issues with inflation will only have a moderate impact on the Company's ability to generate revenue. The business will increase the cost of its fair as well as its alcoholic beverages in lock step with a provision inflation rate.

5.2 Industry Analysis

As of this year, there are 66,000 businesses that operate it as a bar or a nighttime entertainment venue. These locations are highly popular for people under the age of 45. Generally, these businesses are able to remain profitable and cash flow positive, even during challenging economic climates given that they offer a low cost form of entertainment. These locations are offered a meeting place among friends, especially sports bar themed venues. The industry currently generates $39 billion per annum.

Did the growth of this industry will remain similar to that of the economy as a whole. This is a mature industry, and the expected ongoing growth will be similar to inflation plus the

growth of the population. they are currently no pieces of regulation or legislation that would impact the operations of math sports bar

5.3 Customer Profile

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

- Household income of $75,000+
- Will spend $25 per visit (per person)
- Lives within 5 miles of the Matt's Sports Bar location

As of this year, the estimated population of Austin is 2.4 million people. The median household income is $90,000. The substantial wealth and population density of this market will allow the business to expand over the next five years.

5.4 Competitive Analysis

This document is a sports bar business plan sample. In the event that this was done for a client, a full analysis of all competitors within a target market radius would be analyzed. This would include an overview of their reviews, length of time in business, and ways in which the Company would be able to maintain a differentiating factor.

6.0 Key Strategic Issues

6.1 Sustainable Operations

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

- Strong demand for sports bars in the Austin market area.
- A highly experienced Founder (Matthew Deutsch) who will be able to effectively bring the Company to profitability.
- Substantial contribution margins from bar sales.
- Highly predictable income across all revenue centers.
- The operations of Matt's Sports Bar are highly scalable, and the Company can establish additional locations.

6.2 Basis of Growth

The Company will expand via the following methods:

- Expansion of take-away and delivery options through multiple platforms.
- Potential development of additional locations.
- Expansion of event hosting operations.
- Continued increases in the Company's marketing operations.
- Expansion of menu items.

7.0 Marketing Plan

7.1 Marketing Objectives

- Implement a wide-ranging pre-launch marketing campaign within the Austin market.
- Establish an immense online presence (proprietary website and social media).
- Establish relationships with adult sports leagues that will frequent Matt's Sports Bar.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	**1**	**2**	**3**	**4**	**5**
Bar Sales	$513,000	$564,300	$620,730	$682,803	$751,083
Food Sales	$384,750	$423,225	$465,548	$512,102	$563,312
Totals	**$897,750**	**$987,525**	**$1,086,278**	**$1,194,905**	**$1,314,396**

Gross Profit					
Year	1	2	3	4	5
Total	**$654,075**	**$719,483**	**$791,431**	**$870,574**	**$957,631**

7.3 Revenue Assumptions

Year 1

- First year revenue will reach $897,000.
- Gross profits will reach $654,000.

Year 2

- Through greater marketing efforts, revenue will reach $987,000.
- Gross profits will reach $719,000.
- Total income will increase by 10%.

Years 3-5

- By the fifth year of operation, total revenue will reach $1.3 million.
- Gross profits will reach $957,000.

7.4 Marketing Strategies

Matt Sports Bar will use a number of different marketing strategies to create brand-name awareness during the development as well as throughout the life of the business. Most importantly, the business is in the process of sourcing a highly traffic location that will be seen by thousands of people on a daily basis. The sports bar will feature an extensive amount of exterior signage so that people are aware of the nature of the business. Most importantly, the exterior signage, as well as the building itself, will speak to the higher end nature of the sports bar.

The Company‘s online presence will be developed once the capital has been secured and the lease has been signed. This will allow the company to generate a substantial headstart on its search engine optimization campaigns, which will be conducted in tandem with a regional firm. This will ensure that when sports bar venues are searched for within the greater Austin market – Matt’s Sports Bar will appear frequently within the search results. The company will also list its operations among all major search engines so that it can be found when relevant queries are conducted.

To complement the Company’s website, the business will maintain an extensive presence among all social media pages. As noted earlier, the company schedule of ongoing events that feature live sports streaming will be posted on a weekly basis. Images and videos of the sports bar will also be frequently uploaded in order to increase engagement with current customers and potential customers. Moving forward, the business will use geotargeted advertisements among all major social media platforms for people that are in the Austin metropolitan area.

As a community minded business, the business will also provide ongoing support for regional charities, adult sports leagues, and other civic organizations in order to further boost branding invisibility. The company will take advantage of co-branding opportunities with these organizations.

8.0 Organizational Plan

8.1 Organizational Hierarchy

8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
General Manager	$60,000	$61,800	$63,654	$65,564	$67,531
Assistant Manager	$52,500	$54,075	$55,697	$57,368	$59,089
Front of House Staff	$70,000	$72,100	$74,263	$76,491	$78,786
Kitchen Staff	$165,000	$169,950	$175,049	$180,300	$185,709
Administrative Staff	$80,000	$82,400	$84,872	$87,418	$90,041
Total	**$427,500**	**$440,325**	**$453,535**	**$467,141**	**$481,155**

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	6	6	6	6	6
Administrative Staff	2	2	2	2	2
Total	**14**	**14**	**14**	**14**	**14**

9.0 Financial Plan

9.1 Underlying Assumptions

- The business will have a compounded annual growth rate of 10%.
- Matt's Sports Bar will have a capitalization of $300,000.
- The business will not acquire any additional capital during the first five years of operation.

9.2 Financial Highlights

- Moderate operating costs as a function of revenue.
- The business will generate contribution margins of 75% on bar sales and 70% on food sales.
- Substantial revenues can be produced from event hosting.
- Financial risks are reduced through take-away and delivery operations.

9.3 Sensitivity Analysis

The Company's revenue is only modestly sensitive to negative changes in the economy. Austin is the capital of Texas and it is a bastion of economic activity within the state. This substantial population density coupled with the significant income of this market will contribute to the economic stability of Matt's Sports Bar in the coming years. Additionally, the business will generate substantial contributions from the sale of American fair as well as alcoholic beverages.

9.4 Source of Funds

Financing	
Equity	
Equity Capitalization	$300,000.00
Total Equity Financing	$300,000.00
Banks and Lenders	
Total Debt Financing	$0.00
Total Financing	**$300,000.00**

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$897,750	$987,525	$1,086,278	$1,194,905	$1,314,396
Cost of Revenue	$243,675	$268,043	$294,847	$324,331	$356,765
Gross Margin	72.86%	72.86%	72.86%	72.86%	72.86%
Gross Profit	$654,075	$719,483	$791,431	$870,574	$957,631
Expenses					
Payroll	$427,500	$440,325	$453,535	$467,141	$481,155
General and Administrative	$17,955	$19,751	$21,726	$23,898	$26,288
Business Development	$6,733	$7,406	$8,147	$8,962	$9,858
Marketing	$11,312	$12,443	$13,687	$15,056	$16,561
Insurance Costs	$10,000	$10,500	$11,025	$11,576	$12,155
Professional Fees	$7,500	$7,875	$8,269	$8,682	$9,116
Facility Costs	$60,000	$61,800	$63,654	$65,564	$67,531
Misc. Costs	$2,262	$2,489	$2,737	$3,011	$3,312
Payroll Taxes	$32,704	$33,685	$34,695	$35,736	$36,808
Total Operating Costs	**$575,966**	**$596,273**	**$617,475**	**$639,626**	**$662,785**
EBITDA	**$78,109**	**$123,209**	**$173,956**	**$230,948**	**$294,846**
Federal Income Tax	$13,590	$24,746	$37,312	$51,436	$67,285
State Income Tax	$2,718	$4,949	$7,462	$10,287	$13,457
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$23,750	$24,225	$24,710	$25,204	$25,708
Net Profit	**$38,051**	**$69,289**	**$104,472**	**$144,021**	**$188,397**
Profit Margin	**4.24%**	**7.02%**	**9.62%**	**12.05%**	**14.33%**

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	27.14%	27.14%	27.14%	27.14%	27.14%
Gross Profit	72.86%	72.86%	72.86%	72.86%	72.86%
Expenses					
Payroll	47.62%	44.59%	41.75%	39.09%	36.61%
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	1.11%	1.06%	1.01%	0.97%	0.92%
Professional Fees	0.84%	0.80%	0.76%	0.73%	0.69%
Facility Costs	6.68%	6.26%	5.86%	5.49%	5.14%
Misc. Costs	0.25%	0.25%	0.25%	0.25%	0.25%
Payroll Taxes	3.64%	3.41%	3.19%	2.99%	2.80%
Total Operating Costs	64.16%	60.38%	56.84%	53.53%	50.43%
EBITDA	8.70%	12.48%	16.01%	19.33%	22.43%
Federal Income Tax	1.51%	2.51%	3.43%	4.30%	5.12%
State Income Tax	0.30%	0.50%	0.69%	0.86%	1.02%
Interest Expense	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation Expenses	2.65%	2.45%	2.27%	2.11%	1.96%
Net Profit	4.24%	7.02%	9.62%	12.05%	14.33%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	$61,801	$93,514	$129,182	$169,225	$214,105
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$61,801**	**$93,514**	**$129,182**	**$169,225**	**$214,105**
Other Cash Inflows					
Equity Investment	$300,000	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$1,000	$1,050	$1,103	$1,158	$1,216
Total Other Cash Inflows	**$301,000**	**$1,050**	**$1,103**	**$1,158**	**$1,216**
Total Cash Inflow	**$362,801**	**$94,564**	**$130,284**	**$170,382**	**$215,320**
Cash Outflows					
Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$700	$735	$772	$810	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$190,000	$4,676	$6,459	$8,461	$10,705
Dividends	$49,441	$74,811	$103,345	$135,380	$171,284
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$240,141**	**$80,222**	**$110,576**	**$144,651**	**$182,840**
Net Cash Flow	**$122,660**	**$14,342**	**$19,708**	**$25,731**	**$32,480**
Cash Balance	**$122,660**	**$137,002**	**$156,710**	**$182,441**	**$214,922**

D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	$122,660	$137,002	$156,710	$182,441	$214,922
Fixed Assets and Inventory	$190,000	$194,676	$201,135	$209,596	$220,301
Accumulated Depreciation	($23,750)	($47,975)	($72,685)	($97,888)	($123,596)
Total Assets	**$288,910**	**$283,703**	**$285,161**	**$294,149**	**$311,627**
Liabilities and Equity					
Accounts Payable	$300	$615	$946	$1,293	$1,658
Long Term Liabilities	$0	$0	$0	$0	$0
Other Liabilities	$0	$0	$0	$0	$0
Total Liabilities	**$300**	**$615**	**$946**	**$1,293**	**$1,658**
Equity	**$288,610**	**$283,088**	**$284,215**	**$292,856**	**$309,969**
Total Liabilities and Equity	**$288,910**	**$283,703**	**$285,161**	**$294,149**	**$311,627**

9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	$65,878	$68,201	$70,626	$73,160	$75,809
Yearly Revenue	$790,541	$818,414	$847,515	$877,918	$909,705

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	72.9%	72.9%	72.9%	72.9%	72.9%
Financials					
Profit Margin	4.24%	7.02%	9.62%	12.05%	14.33%
Assets to Liabilities	963.03	461.31	301.52	227.49	187.99
Equity to Liabilities	962.03	460.31	300.52	226.49	186.99
Assets to Equity	1.00	1.00	1.00	1.00	1.01
Liquidity					
Acid Test	408.87	222.77	165.70	141.10	129.65
Cash to Assets	0.42	0.48	0.55	0.62	0.69

Appendix A – SWOT Analysis

Strengths

- Significant income generated across all revenue centers.
- The business will be able to produce substantial profits from event hosting.
- Limited competition among sports bars that operate with the same scale and scope of Matt's Sports Bar.
- An experienced Founder (Matthew Deutsch) who will be able to effectively launch and expand the operations of the business.
- The operations of the business can be scaled to encompass numerous locations in Austin.

Weaknesses

- Complex operations given the size of the location.
- Ongoing competition from other nighttime venues in Austin.

Opportunities

- Ongoing expansion of event hosting operations.
- Potential development of additional locations.
- Expansion of the menu, which will foster repeat patronage.
- Implementation of a membership program that will provide discounted access on food and drinks.

Threats

- Inflation could cause operating costs to increase.
- Changes in global trade policy can impact the underlying cost of input inventories.

Appendix B – Critical Risks

Development Risk – **Low**
The Company is in the process of sourcing its location within the greater Austin metropolitan area. The primary development risk phased by the business is management ability to work with private investors to secure the necessary capital to launch operations.

Financing Risk – **Low/Moderate**
The risk related to this private investment or offset by the substantial contribution margins that the Company will generate from the sale of American fare as well as a wide range of alcoholic beverages. The Company is seeking to be a moderate sized facility that will generate substantial revenues on a per square foot basis. A significant portion of the $300,000 this document will be used for furniture, fixtures, and equipment.

Marketing Risk **– Low**
Over the next five years, the business will use an expand upon the marketing strategies discussed earlier in this document. The Company's use of a wide-ranging pre-launch marketing campaign will substantially reduce these risk risks.

Management Risk – **Low**
Matthew Deutsch is a highly experienced entrepreneur that has developed several successful sports bars within Texas as well as Florida. He will be able to bring the operations of Matt's Sports Bar to significant profitability in the coming years while ensuring that it is a cultural institution within Austin.

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

- Immense gross profits from the sale of food and beverages.
- Moderately low facility costs with a lease that will be secured over a ten-year period.
- The Austin market area has substantial economic staying power.

Exit Risk - **Low**
As noted earlier, there are no long-term plans to sell this business to a third-party. The Company will generate a highly predictable stream of profits in the coming years. If it is prudent to do so, or if management intends to retire, a business broker will be hired to manage a sale.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	**$70,000**	**$70,875**	**$71,750**	**$72,625**	**$73,500**	**$74,375**	**$75,250**
Cost of Revenue	$19,000	$19,238	$19,475	$19,713	$19,950	$20,188	$20,425
Gross Profit	$51,000	$51,638	$52,275	$52,913	$53,550	$54,188	$54,825
Expenses							
Payroll	$35,625	$35,625	$35,625	$35,625	$35,625	$35,625	$35,625
General and Administrative	$1,496	$1,496	$1,496	$1,496	$1,496	$1,496	$1,496
Business Development	$561	$561	$561	$561	$561	$561	$561
Marketing	$943	$943	$943	$943	$943	$943	$943
Insurance Costs	$833	$833	$833	$833	$833	$833	$833
Professional Fees	$625	$625	$625	$625	$625	$625	$625
Facility Costs	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
Misc. Costs	$189	$189	$189	$189	$189	$189	$189
Payroll Taxes	$2,725	$2,725	$2,725	$2,725	$2,725	$2,725	$2,725
Total Operating Costs	$47,997	$47,997	$47,997	$47,997	$47,997	$47,997	$47,997
EBITDA	$3,003	$3,640	$4,278	$4,915	$5,553	$6,190	$6,828
Federal Income Tax	$1,060	$1,073	$1,086	$1,099	$1,113	$1,126	$1,139
State Income Tax	$212	$215	$217	$220	$223	$225	$228
Interest Expense	$0	$0	$0	$0	$0	$0	$0
Depreciation Expenses	$1,979	$1,979	$1,979	$1,979	$1,979	$1,979	$1,979
Net Profit	-$248	$374	$995	$1,617	$2,239	$2,860	$3,482

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
Revenue	**$76,125**	**$77,000**	**$77,875**	**$78,750**	**$79,625**	**$897,750**
Cost of Revenue	$20,663	$20,900	$21,138	$21,375	$21,613	$243,675
Gross Profit	$55,463	$56,100	$56,738	$57,375	$58,013	$654,075
Expenses						
Payroll	$35,625	$35,625	$35,625	$35,625	$35,625	$427,500
General and Administrative	$1,496	$1,496	$1,496	$1,496	$1,496	$17,955
Business Development	$561	$561	$561	$561	$561	$6,733
Marketing	$943	$943	$943	$943	$943	$11,312
Insurance Costs	$833	$833	$833	$833	$833	$10,000
Professional Fees	$625	$625	$625	$625	$625	$7,500
Facility Costs	$5,000	$5,000	$5,000	$5,000	$5,000	$60,000
Misc. Costs	$189	$189	$189	$189	$189	$2,262
Payroll Taxes	$2,725	$2,725	$2,725	$2,725	$2,725	$32,704
Total Operating Costs	$47,997	$47,997	$47,997	$47,997	$47,997	$575,966
EBITDA	$7,465	$8,103	$8,740	$9,378	$10,015	$78,109
Federal Income Tax	$1,152	$1,166	$1,179	$1,192	$1,205	$13,590
State Income Tax	$230	$233	$236	$238	$241	$2,718
Interest Expense	$0	$0	$0	$0	$0	$0
Depreciation Expenses	$1,979	$1,979	$1,979	$1,979	$1,979	$23,750
Net Profit	$4,103	$4,725	$5,347	$5,968	$6,590	$38,051

Profit and Loss Statement (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Revenue	$239,475	$244,412	$249,350	$254,288	$987,525
Cost of Revenue	$65,000	$66,341	$67,681	$69,021	$268,043
Gross Profit	**$174,475**	**$178,072**	**$181,669**	**$185,267**	**$719,483**
Expenses					
Payroll	$110,081	$110,081	$110,081	$110,081	$440,325
General and Administrative	$4,938	$4,938	$4,938	$4,938	$19,751
Business Development	$1,796	$1,833	$1,870	$1,907	$7,406
Marketing	$3,017	$3,080	$3,142	$3,204	$12,443
Insurance Costs	$2,625	$2,625	$2,625	$2,625	$10,500
Professional Fees	$1,910	$1,949	$1,988	$2,028	$7,875
Facility Costs	$15,450	$15,450	$15,450	$15,450	$61,800
Misc. Costs	$603	$616	$628	$641	$2,489
Payroll Taxes	$8,169	$8,337	$8,505	$8,674	$33,685
Total Operating Costs	**$148,589**	**$148,909**	**$149,228**	**$149,548**	**$596,273**
EBITDA	**$25,885**	**$29,163**	**$32,441**	**$35,719**	**$123,209**
Federal Income Tax	$6,001	$6,125	$6,248	$6,372	$24,746
State Income Tax	$1,200	$1,225	$1,250	$1,274	$4,949
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$6,056	$6,056	$6,056	$6,056	$24,225
Net Profit	**$12,628**	**$15,758**	**$18,887**	**$22,016**	**$69,289**

Profit and Loss Statement (Third Year)					
		Year 3			
Quarter	Q1	Q2	Q3	Q4	Year 3
Revenue	$263,422	$268,854	$274,285	$279,716	$1,086,278
Cost of Revenue	$71,500	$72,975	$74,449	$75,923	$294,847
Gross Profit	**$191,922**	**$195,879**	**$199,836**	**$203,793**	**$791,431**
Expenses					
Payroll	$113,384	$113,384	$113,384	$113,384	$453,535
General and Administrative	$5,268	$5,377	$5,486	$5,594	$21,726
Business Development	$1,976	$2,016	$2,057	$2,098	$8,147
Marketing	$3,319	$3,388	$3,456	$3,524	$13,687
Insurance Costs	$2,756	$2,756	$2,756	$2,756	$11,025
Professional Fees	$2,005	$2,047	$2,088	$2,129	$8,269
Facility Costs	$15,914	$15,914	$15,914	$15,914	$63,654
Misc. Costs	$664	$678	$691	$705	$2,737
Payroll Taxes	$8,674	$8,674	$8,674	$8,674	$34,695
Total Operating Costs	**$153,960**	**$154,232**	**$154,505**	**$154,778**	**$617,475**
EBITDA	**$37,962**	**$41,647**	**$45,331**	**$49,015**	**$173,956**
Federal Income Tax	$9,048	$9,235	$9,421	$9,608	$37,312
State Income Tax	$1,810	$1,847	$1,884	$1,922	$7,462
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$6,177	$6,177	$6,177	$6,177	$24,710
Net Profit	**$20,927**	**$24,388**	**$27,848**	**$31,309**	**$104,472**

Profit and Loss Statement (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Revenue	$289,765	$295,739	$301,714	$307,688	$1,194,905
Cost of Revenue	$78,650	$80,272	$81,894	$83,515	$324,331
Gross Profit	**$211,114**	**$215,467**	**$219,820**	**$224,173**	**$870,574**
Expenses					
Payroll	$116,785	$116,785	$116,785	$116,785	$467,141
General and Administrative	$5,795	$5,915	$6,034	$6,154	$23,898
Business Development	$2,173	$2,218	$2,263	$2,308	$8,962
Marketing	$3,651	$3,726	$3,802	$3,877	$15,056
Insurance Costs	$2,894	$2,894	$2,894	$2,894	$11,576
Professional Fees	$2,105	$2,149	$2,192	$2,236	$8,682
Facility Costs	$16,391	$16,391	$16,391	$16,391	$65,564
Misc. Costs	$730	$745	$760	$775	$3,011
Payroll Taxes	$8,934	$8,934	$8,934	$8,934	$35,736
Total Operating Costs	**$159,459**	**$159,757**	**$160,056**	**$160,354**	**$639,626**
EBITDA	**$51,655**	**$55,710**	**$59,764**	**$63,819**	**$230,948**
Federal Income Tax	$12,473	$12,730	$12,988	$13,245	$51,436
State Income Tax	$2,495	$2,546	$2,598	$2,649	$10,287
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$6,301	$6,301	$6,301	$6,301	$25,204
Net Profit	**$30,386**	**$34,132**	**$37,878**	**$41,625**	**$144,021**

Profit and Loss Statement (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Revenue	$318,741	$325,313	$331,885	$338,457	$1,314,396
Cost of Revenue	$86,515	$88,299	$90,083	$91,867	$356,765
Gross Profit	**$232,226**	**$237,014**	**$241,802**	**$246,590**	**$957,631**
Expenses					
Payroll	$120,289	$120,289	$120,289	$120,289	$481,155
General and Administrative	$6,375	$6,506	$6,638	$6,769	$26,288
Business Development	$2,391	$2,440	$2,489	$2,538	$9,858
Marketing	$4,016	$4,099	$4,182	$4,265	$16,561
Insurance Costs	$3,039	$3,039	$3,039	$3,039	$12,155
Professional Fees	$2,211	$2,256	$2,302	$2,347	$9,116
Facility Costs	$16,883	$16,883	$16,883	$16,883	$67,531
Misc. Costs	$803	$820	$836	$853	$3,312
Payroll Taxes	$9,202	$9,202	$9,202	$9,202	$36,808
Total Operating Costs	**$165,208**	**$165,533**	**$165,859**	**$166,185**	**$662,785**
EBITDA	**$67,018**	**$71,480**	**$75,943**	**$80,405**	**$294,846**
Federal Income Tax	$16,317	$16,653	$16,989	$17,326	$67,285
State Income Tax	$3,263	$3,331	$3,398	$3,465	$13,457
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$6,427	$6,427	$6,427	$6,427	$25,708
Net Profit	**$41,011**	**$45,070**	**$49,129**	**$53,187**	**$188,397**

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	$1,731	$2,353	$2,974	$3,596	$4,218	$4,839	$5,461	$6,083
Cash From Receivables	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cash Inflow	$1,731	$2,353	$2,974	$3,596	$4,218	$4,839	$5,461	$6,083
Other Cash Inflows								
Equity Investment	$300,000	$0	$0	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0	$0	$0	$0
A/P Increases	$83	$83	$83	$83	$83	$83	$83	$83
Total Other Cash Inflows	**$300,083**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**
Total Cash Inflow	**$301,815**	**$2,436**	**$3,058**	**$3,679**	**$4,301**	**$4,923**	**$5,544**	**$6,166**
Cash Outflows								
Repayment of Principal	$0	$0	$0	$0	$0	$0	$0	$0
A/P Decreases	$58	$58	$58	$58	$58	$58	$58	$58
A/R Increases	$0	$0	$0	$0	$0	$0	$0	$0
Asset Purchases	$190,000	$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	**$190,058**	**$58**	**$58**	**$58**	**$58**	**$58**	**$58**	**$58**
Net Cash Flow	**$111,756**	**$2,378**	**$2,999**	**$3,621**	**$4,243**	**$4,864**	**$5,486**	**$6,108**
Cash Balance	**$111,756**	**$114,134**	**$117,134**	**$120,755**	**$124,997**	**$129,862**	**$135,348**	**$141,455**

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	$6,704	$7,326	$7,947	$8,569	$61,801
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$6,704**	**$7,326**	**$7,947**	**$8,569**	**$61,801**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$300,000
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$83	$83	$83	$83	$1,000
Total Other Cash Inflows	$83	$83	$83	$83	$301,000
Total Cash Inflow	**$6,787**	**$7,409**	**$8,031**	**$8,652**	**$362,801**
Cash Outflows					
Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$58	$58	$58	$58	$700
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$0	$0	$0	$0	$190,000
Dividends	$0	$0	$0	$49,441	$49,441
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$58**	**$58**	**$58**	**$49,499**	**$240,141**
Net Cash Flow	**$6,729**	**$7,351**	**$7,972**	**-$40,847**	**$122,660**
Cash Balance	**$148,184**	**$155,535**	**$163,507**	**$122,660**	**$122,660**

Cash Flow Analysis (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	$18,684	$21,814	$24,943	$28,073	$93,514
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$18,684**	**$21,814**	**$24,943**	**$28,073**	**$93,514**
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	**$18,939**	**$22,074**	**$25,208**	**$28,343**	**$94,564**
Cash Outflows					
Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$178	$182	$186	$189	$735
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$4,676	$0	$0	$0	$4,676
Dividends	$0	$0	$0	$74,811	$74,811
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$4,854**	**$182**	**$186**	**$75,000**	**$80,222**
Net Cash Flow	**$14,085**	**$21,892**	**$25,023**	**-$46,657**	**$14,342**
Cash Balance	**$136,745**	**$158,637**	**$183,660**	**$137,002**	**$137,002**

Cash Flow Analysis (Third Year)					
	Year 3				
Quarter	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	$27,105	$30,565	$34,026	$37,486	$129,182
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$27,105**	**$30,565**	**$34,026**	**$37,486**	**$129,182**
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	**$27,372**	**$30,838**	**$34,304**	**$37,770**	**$130,284**
Cash Outflows					
Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$187	$191	$195	$199	$772
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$6,459	$0	$0	$0	$6,459
Dividends	$0	$0	$0	$103,345	$103,345
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$6,646**	**$191**	**$195**	**$103,544**	**$110,576**
Net Cash Flow	**$20,726**	**$30,647**	**$34,109**	**-$65,774**	**$19,708**
Cash Balance	**$157,728**	**$188,375**	**$222,485**	**$156,710**	**$156,710**

Cash Flow Analysis (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	$36,687	$40,433	$44,179	$47,925	$169,225
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$36,687**	**$40,433**	**$44,179**	**$47,925**	**$169,225**
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	**$36,968**	**$40,720**	**$44,472**	**$48,224**	**$170,382**
Cash Outflows					
Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$197	$201	$205	$209	$810
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$4,231	$4,231	$0	$0	$8,461
Dividends	$0	$0	$0	$135,380	$135,380
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$4,427**	**$4,431**	**$205**	**$135,588**	**$144,651**
Net Cash Flow	**$32,540**	**$36,288**	**$44,267**	**-$87,365**	**$25,731**
Cash Balance	**$189,251**	**$225,539**	**$269,806**	**$182,441**	**$182,441**

Cash Flow Analysis (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	$47,438	$51,497	$55,556	$59,614	$214,105
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$47,438**	**$51,497**	**$55,556**	**$59,614**	**$214,105**
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	**$47,733**	**$51,798**	**$55,863**	**$59,927**	**$215,320**
Cash Outflows					
Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$206	$211	$215	$219	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$5,353	$5,353	$0	$0	$10,705
Dividends	$0	$0	$0	$171,284	$171,284
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$5,559**	**$5,563**	**$215**	**$171,503**	**$182,840**
Net Cash Flow	**$42,174**	**$46,234**	**$55,648**	**-$111,576**	**$32,480**
Cash Balance	**$224,615**	**$270,850**	**$326,497**	**$214,922**	**$214,922**