MDLD
LOGISTICS

Human Intelligence
Business Plans

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1.0 Executive Summary

The purpose of this business plan is to secure $200,000 a capital for the development of a box truck logistics company based in Fairfax, Virginia. MDLD Logistics LLC ("the Company") was founded by Matthew Deutsch. The Company will initially operate with three trucks within its fleet. Full scale revenue generating operations are expected to commence in the first quarter of next year.

Operations

Through its 26-foot box trucks, the Company will be able to provide a wide range of cost-effective logistics services for companies on a regional as well as a national basis. One of the box trucks will feature refrigeration capacity so that perishable items can be transported to and from their destinations.

The Company will directly employed drivers in order to maintain full control over the fleet and their routes taken. The Company anticipates per mile fees of $2.75.

The third section of this box truck business plan will further discuss the operations of MDLD Logistics.

The Financing

The $200,000 sought in this document will be principally used for the acquisition of box trucks. Matthew Deutsch will contribute $50,000 towards the venture. The funds will be principally used for the following:

- Three box trucks
- Furniture, fixtures, and equipment
- Working capital

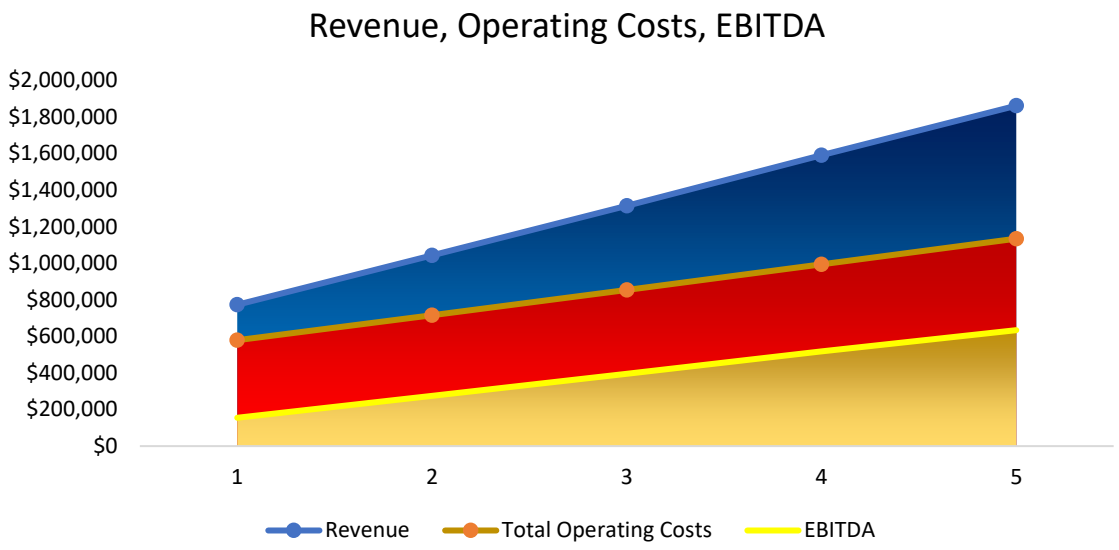
Moving forward, the Company could easily secure additional capital in order to acquire additional box trucks as the business expands its operational infrastructure. This document assumes that the Company will use its retained earnings to acquire a new box truck in each year of operation.

The Future

The Company intends to rapidly expand its operations in the coming years through continued expansion of the fleet. The Company may also expand its operations to include full scale tractor trailers, which would be operated by CDL drivers. The Company may also establish satellite locations throughout Virginia and Maryland in order to operate the business more cost-effectively as it expands.

Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$772,800	$1,043,280	$1,314,533	$1,590,585	$1,860,984
Cost of Revenue	$38,640	$52,164	$65,727	$79,529	$93,049
Gross Profit	$734,160	$991,116	$1,248,806	$1,511,055	$1,767,935
Total Operating Costs	$579,096	$715,618	$853,534	$993,991	$1,134,076
EBITDA	**$155,064**	**$275,498**	**$395,272**	**$517,065**	**$633,859**

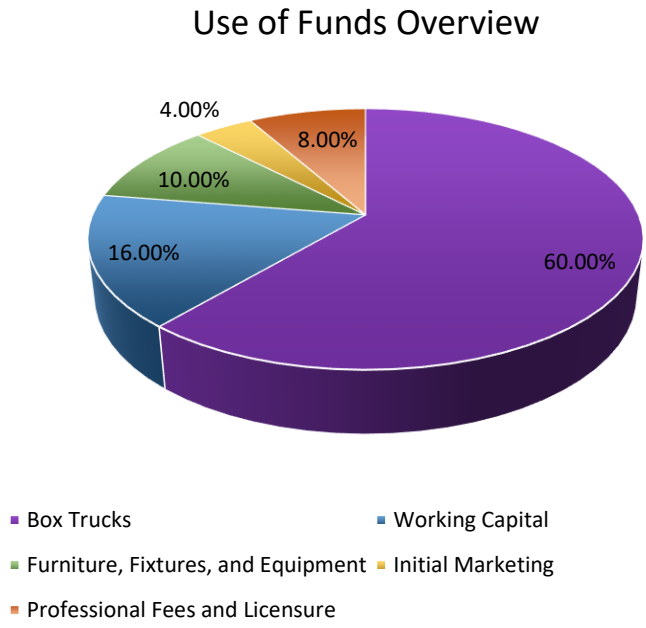


2.0 The Financing

2.1 Funds Required

The sought capital and owner-contributed funds will be used as follows:

Use of Funds	
Box Trucks	$150,000
Working Capital	$40,000
Furniture, Fixtures, and Equipment	$25,000
Initial Marketing	$10,000
Professional Fees and Licensure	$20,000
Misc. Costs	$5,000
Total	$250,000



2.2 Management and Investor Equity

Matthew Deutsch owns 100% of MDLD Logistics LLC.

2.3 Exit Strategies

Given the economic stability of freight transportation and logistics focused businesses, the Company could easily be sold with her party for a significant profit. Historically, logistics businesses typically sell for three times the prior year's EBITDA. In this event, the Company will work with a qualified logistics-focused transportation business broker to find a suitable buyer. This is not expected to occur for a significant period of time.

3.0 Operations

As noted in the executive summary, MDLD Logistics will provide a wide range of logistics services through its 26-foot box trucks. Matthew Deutsch will operate one of the box trucks at the onset of operations, although his role will transfer into a more managerial position starting in the second year of operation.

One of the major components of the Company's operations will be to provide perishable goods freight transportation through refrigerated trucks. These services generate higher per mile fees given that it is more energy intensive than shipping dry goods. The Company will work closely with freight brokers, load boards, and other entities that will transportation orders to the business on a day-to-day basis. In regards to refrigerated freight transportation, the Company will establish dedicated lane relationships with food services businesses throughout Virginia and Maryland. As this is a major area for seafood distribution, Management is a substantial opportunity to grow this segment of the business in the coming years.

Legal and regulatory compliance will remain as an equal priority to safety. The business will retain proper legal counsel that will ensure that MDLD Logistics operates within all state and federal regulatory frameworks regarding the transportation of freight. This will include adherence to all FMCAS (Federal Motor Carrier Safety Administrator) guidelines. All drivers will be required to keep an electronic logbook that tracks their hours of driving. The Company's staff will be required to adhere to the 70-hour cycle rules that guide the operations of freight transportation drivers.

The Company will maintain several forms of insurance including workers compensation, automotive liability, medical liability, and P&C coverage to protect MDLD Logistics in the event of an accident. All vehicles will feature state-of-the-art GPS tracking systems as well as communication technology so that drivers can remain in continuous contact with the Company during the course of transportation.

4.0 Overview of the Organization

4.1 Registered Name

MDLD Logistics LLC. The business is registered as a limited liability company in the Commonwealth of Virginia.

4.2 Commencement of Operations

Revenue generating operations will commence in the first quarter of next year.

4.3 Mission Statement

To provide cost-effective freight transportation for companies within Virginia in the Mid-Atlantic United States.

4.4 Vision Statement

To become the preeminent regional transportation firm in the targeted market.

4.5 Organizational Objectives

- Source highly qualified candidates that will operate the box trucks.
- Established dedicated relationships with seafood distributors and other companies that have perishable goods.
- Adhere to all regular frameworks regarding transportation and logistics services rendered.
- Continually explained the fleet on a year on your basis.
- Potentially expand the types of logistic services that can be sourced through MDLD Logistics, including long distance hauling.
- Maintain a moderate scale online presence in order to foster ongoing dedicated lane relationships.
- Enroll them on numerous load boards that established relationships with freight brokers so that orders can be properly routed to the business on a daily basis.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

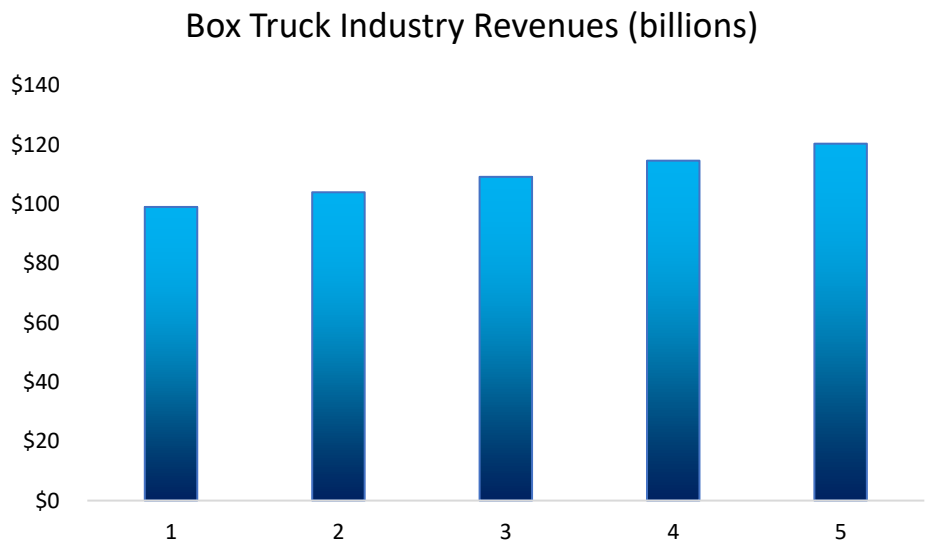
This section of the box truck business plan will document the current economic climate, transportation industry, and the ongoing competition that the business will face moving forward.

At this time, the economic climate with the United States is moderate. As a result of tariffs, as well as other changing economic policies, a moderate degree of volatility has been introduced to the market. The Federal Reserve is taking appropriate measures to ensure the economic growth continues to occur wile currently keeping the issues with inflation abated.

Given the central population and wealth of the Mid-Atlantic United States, any issues with the economy will only have a moderate impact on the Company's ability to generate revenue. As noted, the company will have a unique specialty in providing refrigerated transportation services. This will further ensure the economic stability of the business.

5.2 Industry Analysis

There are 350,000 companies that are actively involved in providing regional and short-distance transportation with the United States. These businesses aggregate generate $100 billion of revenue. The industry employees 600,000 people.



This is a mature industry in the future profile for it is moderately strong. There has been continued demand for logistic services given that the vast majority of people now order a number of goods through e-commerce platforms. This has spurred new demand throughout the entire supply chain. Most importantly, state-of-the-art technology has been integrated into all aspects of logistics management. MDLD Logistics will capitalize on this trend in

order to keep operations as lean as possible given that fluctuations and oil pricing can impact profitability.

5.3 Customer Profile

The demographics of companies that will use the Company's services are extremely broad. The business will have the ability to transport any type of dry goods or refrigerated freight throughout Virginia and the greater Mid-Atlantic United States. Generally, the Company intends to do a significant amount of business with freight brokers as well as sourcing transportation orders through load boards. As such, it is difficult to ascertain the exact demographics of people that will use the Company's services given that this will vary from ordered order.

5.4 Competitive Analysis

Freight transportation is very much a free market enterprise. As in above, there are 350,000 companies that provide the service throughout the country. The most important component of dealing with competitive matters is to ensure that the Company is able to meet market pricing. The business will use a number of protocols and procedures to ensure that costs are kept low in order to deal with pricing fluctuations that will occur from time to time.

6.0 Key Strategic Issues

6.1 Sustainable Operations

MDLD Logistics will have sustainable operations as a result of the following:

- The operations of MDLD Logistics or highly scalable and additional trucks can be added to the fleet as needed.
- The abilities for provide refrigerated transportation throughout Virginia in the Mid-Atlantic United States will provide significant competitive advantage.
- A Founder, Matthew Deutsch, that has extensive experience in the field of logistics management and free transportation.
- The business can continuously scale into new markets based on demand.
- The Company will have highly defined procedures in place to ensure streamlined operations and profitability in an economic climate.

6.2 Basis of Growth

The Company will expand via the following methods:

- Acquisition of additional vehicles for MDLD Logistics' fleet on a year on your basis.
- Expansion of operations to include long distance transportation services.
- Potential integration of logistic expansion services that would complement the Company's direct freight transportation operations.

7.0 Marketing Plan

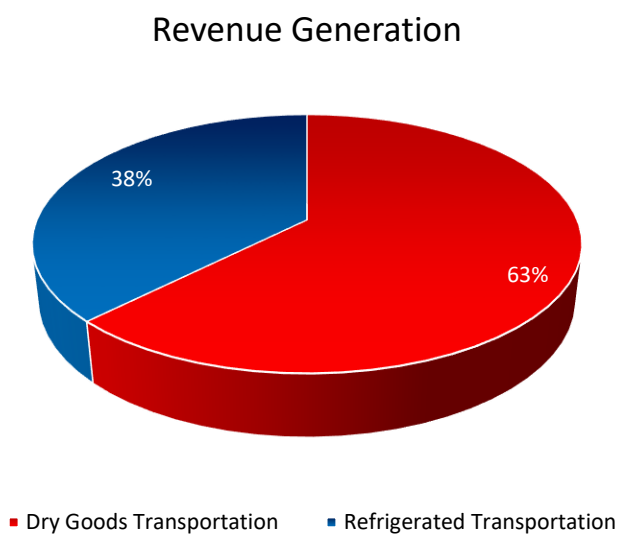
7.1 Marketing Objectives

- Conduct direct outreach with companies that have ongoing needs, especially for refrigerated transportation services.
- Maintain an online presence specific for the Virginia and Mid-Atlantic US market.
- Enroll among numerous load boards and maintain relationships with freight brokerages throughout the target market area.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	**1**	**2**	**3**	**4**	**5**
Dry Goods Transportation	$483,000	$652,050	$821,583	$994,115	$1,163,115
Refrigerated Transportation	$289,800	$391,230	$492,950	$596,469	$697,869
Total	**$772,800**	**$1,043,280**	**$1,314,533**	**$1,590,585**	**$1,860,984**

Gross Profit					
Year	1	2	3	4	5
Total	**$734,160**	**$991,116**	**$1,248,806**	**$1,511,055**	**$1,767,935**



7.3 Revenue Assumptions

Year 1

- First year revenue will reach $772,000
- Gross profits will reach $734,000.

Year 2

- Revenue will reach $1.04 million.
- Gross profits will reach $991,000.
- A fourth truck will be added to the fleet.

Years 3-5

- By the fifth year of operation, total revenue will reach $1.8 million.
- Gross profits will reach $1.7 million.
- The Company will have seven box trucks in its fleet.

7.4 Marketing Strategies

The ongoing marketing that the Company will require is more modest in nature. This is due the fact that the operations of this box truck business are not consumer facing. Most importantly, the Company intends to work extensively with national level load boards that list transportation orders specifically for Virginia and the Mid-Atlantic United States. The Company will also conduct direct outreach with freight brokerages to become part of their roster when orders for this area are needed.

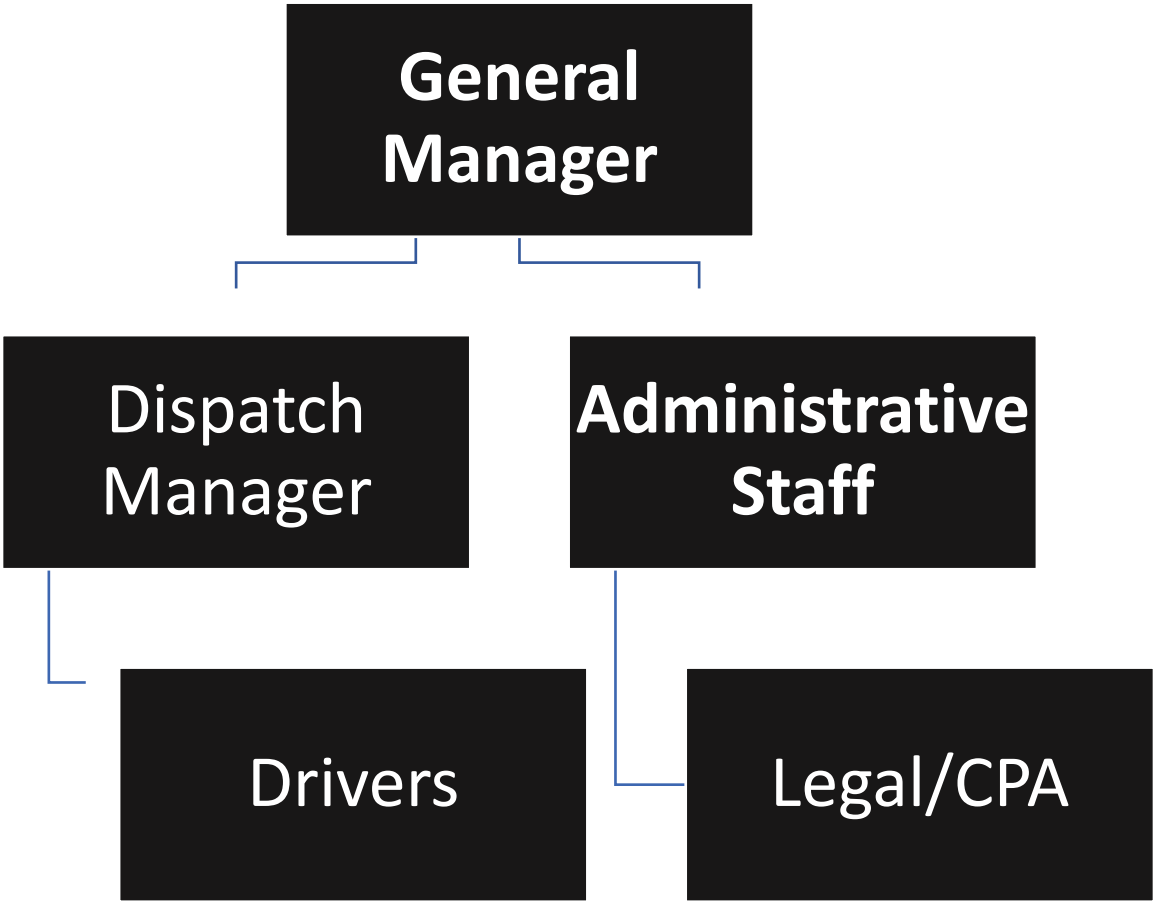
The business will maintain an online presence via a proprietary web platform. This website will showcase the operations of the business, its ability to provide both dry hauling and refrigerated freight services, pricing information, and general contact information. An important aspect of maintaining this website will be that will assist in fostering dedicated lane relationships with companies that have regional transportation needs. Of special importance to these operations will be to showcase the Company's ability to transport cold freight, including seafood.

To that end, the company will take out advertisements in business journals at circulate throughout Virginia and surrounding areas. This will assist the business with on boarding clients that will be able to use the service specifically for refrigerated freight.

To further increased brand visibility, the Company will enroll in numerous area chambers of commerce, small business associations, and logistics focused trade organizations.

8.0 Organizational Plan

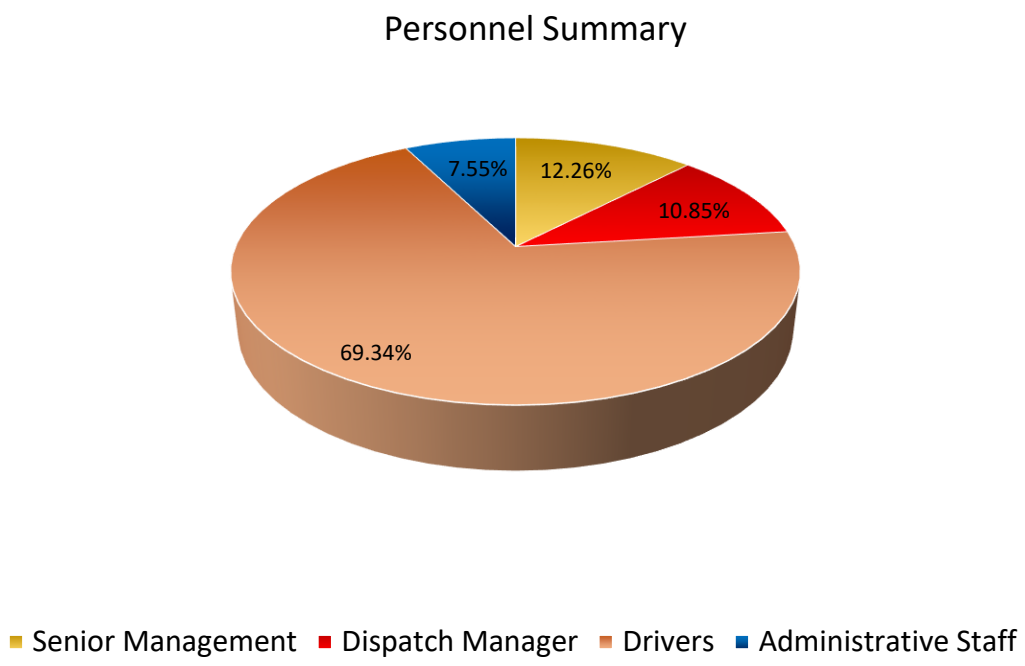
8.1 Organizational Hierarchy



8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
Senior Management	$65,000	$65,650	$66,307	$66,970	$67,639
Dispatch Manager	$57,500	$58,075	$58,656	$59,242	$59,835
Drivers	$157,500	$212,100	$267,776	$324,545	$382,422
Administrative Staff	$40,000	$40,400	$40,804	$41,212	$41,624
Total	**$320,000**	**$376,225**	**$433,543**	**$491,969**	**$551,520**

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



9.0 Financial Plan

9.1 Underlying Assumptions

- The company will acquire $200,000 of debt capital.
- The founder will invest when $50,000 towards the venture.
- MDLD Logistics will achieve a compounded annual growth rate of 25% per annum.

9.2 Financial Highlights

- A vast majority of the Company's equity will be invested in box trucks.
- The operations the business are highly scalable.
- Continued demand for perishable good transportation will ensure visibility of the business.

9.3 Sensitivity Analysis

The revenue of MDLD Logistics is subject to fluctuations in market demand as well as energy pricing. During economic recession, the demand for supplying chain management services and freight transportation services may decrease slightly. However, the demand for at home delivery and office delivery service services has remain incredibly strong given the level of convenience afforded. This has created new levels of demand for the entire supply chain, especially for regionally focused logistics providers. This demand will ensure that the Company is able to remain profitable even during more challenging economic conditions.

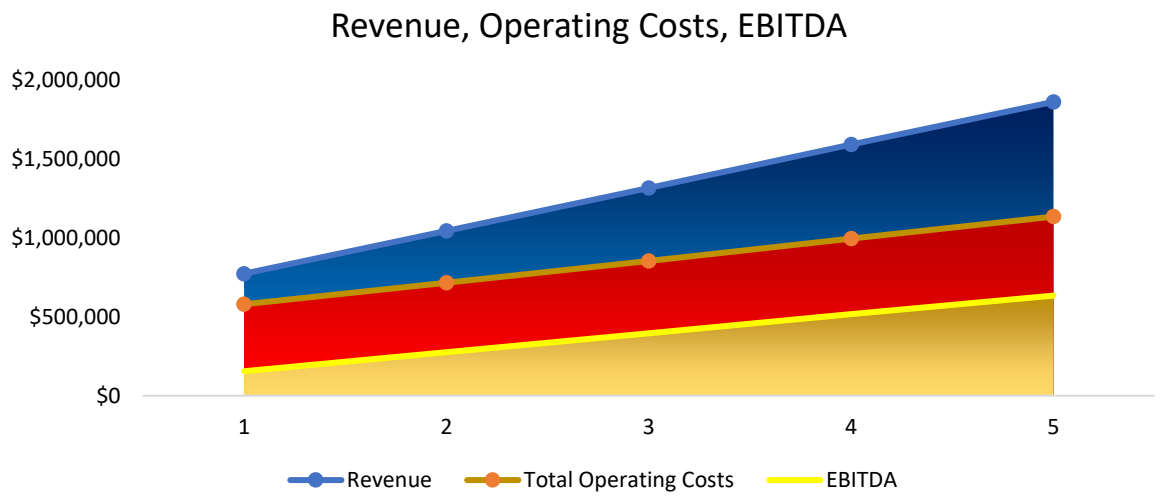
9.4 Source of Funds

Financing	
Equity	
Equity Capitalization	$50,000.00
Total Equity Financing	$50,000.00
Banks and Lenders	
Business Loan	$200,000.00
Total Debt Financing	$200,000.00
Total Financing	**$250,000.00**

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss (Yearly)					
Year	1	2	3	4	5
Revenue	$772,800	$1,043,280	$1,314,533	$1,590,585	$1,860,984
Cost of Revenue	$38,640	$52,164	$65,727	$79,529	$93,049
Gross Margin	95.00%	95.00%	95.00%	95.00%	95.00%
Gross Profit	$734,160	$991,116	$1,248,806	$1,511,055	$1,767,935
Expenses					
Payroll	$320,000	$376,225	$433,543	$491,969	$551,520
Facility Costs	$12,000	$12,120	$12,241	$12,364	$12,487
General and Administrative	$11,592	$15,649	$19,718	$23,859	$27,915
Professional Fees and Licensure	$6,000	$6,060	$6,121	$6,182	$6,244
Insurance	$29,212	$39,436	$49,689	$60,124	$70,345
Marketing	$7,728	$10,433	$13,145	$15,906	$18,610
Fuel	$162,288	$219,089	$276,052	$334,023	$390,807
Misc. Costs	$5,796	$7,825	$9,859	$11,929	$13,957
Payroll Taxes	$24,480	$28,781	$33,166	$37,636	$42,191
Total Operating Costs	**$579,096**	**$715,618**	**$853,534**	**$993,991**	**$1,134,076**
EBITDA	**$155,064**	**$275,498**	**$395,272**	**$517,065**	**$633,859**
Federal Income Tax	$31,989	$61,530	$90,954	$120,884	$149,566
State Income Tax	$6,398	$12,306	$18,191	$24,177	$29,913
Interest Expense	$15,508	$14,378	$13,155	$11,830	$10,395
Depreciation Expenses	$11,600	$15,000	$18,300	$21,700	$25,200
Net Profit	**$89,569**	**$172,284**	**$254,672**	**$338,474**	**$418,785**
Profit Margin	**11.59%**	**16.51%**	**19.37%**	**21.28%**	**22.50%**

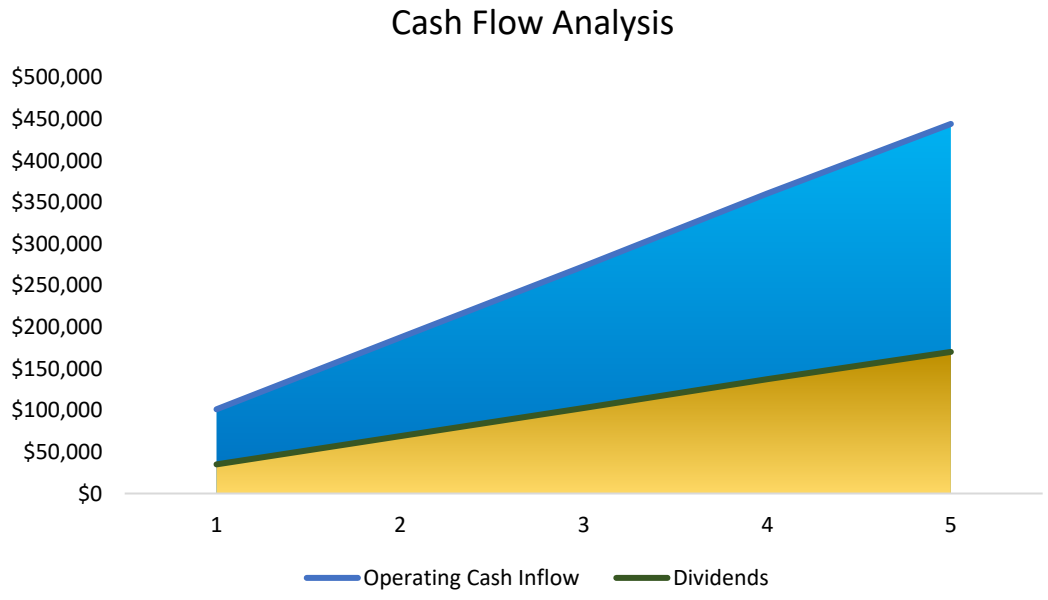


B) Common Size Income Statement

Proforma Profit and Loss (Common Size)					
Year	1	2	3	4	5
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Revenue	5.00%	5.00%	5.00%	5.00%	5.00%
Gross Profit	95.00%	95.00%	95.00%	95.00%	95.00%
Expenses					
Payroll	41.41%	36.06%	32.98%	30.93%	29.64%
Facility Costs	1.55%	1.16%	0.93%	0.78%	0.67%
General and Administrative	1.50%	1.50%	1.50%	1.50%	1.50%
Professional Fees and Licensure	0.78%	0.58%	0.47%	0.39%	0.34%
Insurance	3.78%	3.78%	3.78%	3.78%	3.78%
Marketing	1.00%	1.00%	1.00%	1.00%	1.00%
Fuel	21.00%	21.00%	21.00%	21.00%	21.00%
Misc. Costs	0.75%	0.75%	0.75%	0.75%	0.75%
Payroll Taxes	3.17%	2.76%	2.52%	2.37%	2.27%
Total Operating Costs	74.93%	68.59%	64.93%	62.49%	60.94%
EBITDA	20.07%	26.41%	30.07%	32.51%	34.06%
Federal Income Tax	4.14%	5.90%	6.92%	7.60%	8.04%
State Income Tax	0.83%	1.18%	1.38%	1.52%	1.61%
Interest Expense	2.01%	1.38%	1.00%	0.74%	0.56%
Depreciation Expenses	1.50%	1.44%	1.39%	1.36%	1.35%
Net Profit	11.59%	16.51%	19.37%	21.28%	22.50%

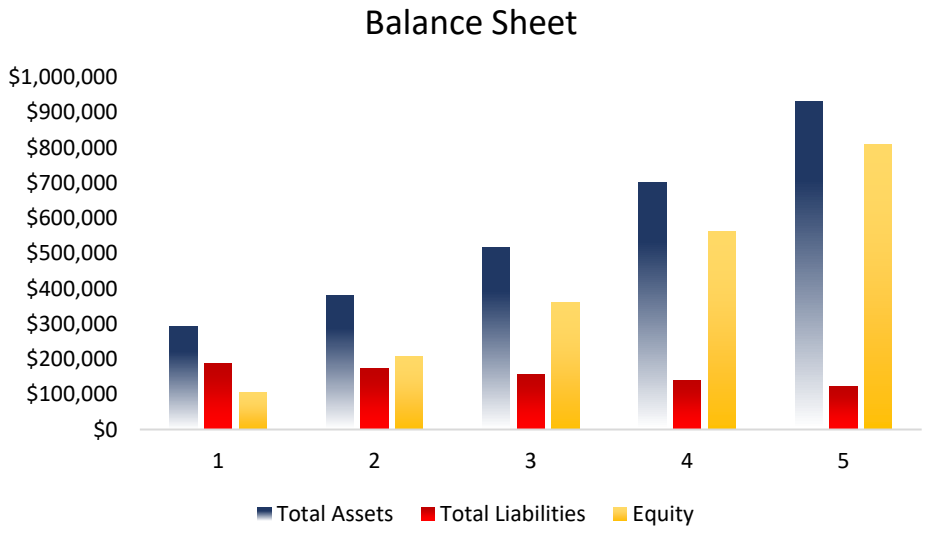
C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	$101,169	$187,284	$272,972	$360,174	$443,985
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$101,169**	**$187,284**	**$272,972**	**$360,174**	**$443,985**
Other Cash Inflows					
Equity Investment	$50,000	$0	$0	$0	$0
Increased Borrowings	$200,000	$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	**$251,000**	**$1,050**	**$1,103**	**$1,158**	**$1,216**
Total Cash Inflow	**$352,169**	**$188,334**	**$274,075**	**$361,332**	**$445,200**
Cash Outflows					
Repayment of Principal	$13,610	$14,740	$15,964	$17,289	$18,723
A/P Decreases	$700	$735	$772	$810	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$175,000	$50,000	$50,500	$51,005	$51,515
Dividends	$35,023	$69,018	$102,803	$137,154	$170,104
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$224,334**	**$134,493**	**$170,039**	**$206,258**	**$241,194**
Net Cash Flow	**$127,835**	**$53,841**	**$104,036**	**$155,074**	**$204,006**
Cash Balance	**$127,835**	**$181,677**	**$285,712**	**$440,786**	**$644,792**



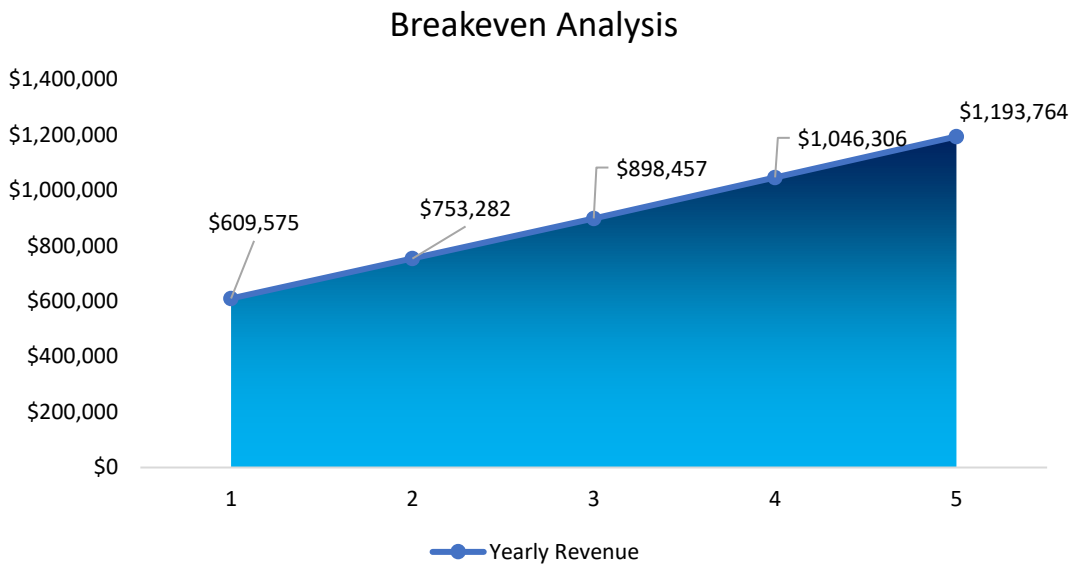
D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	$127,835	$181,677	$285,712	$440,786	$644,792
Fixed Assets	$175,000	$225,000	$275,500	$326,505	$378,020
Accumulated Depreciation	($11,600)	($26,600)	($44,900)	($66,600)	($91,800)
Total Assets	**$291,235**	**$380,077**	**$516,312**	**$700,691**	**$931,012**
Liabilities and Equity					
Accounts Payable	$300	$615	$946	$1,293	$1,658
Long Term Liabilities	$186,390	$171,649	$155,686	$138,397	$119,674
Other Liabilities	$0	$0	$0	$0	$0
Total Liabilities	**$186,690**	**$172,264**	**$156,632**	**$139,690**	**$121,331**
Equity	**$104,546**	**$207,812**	**$359,681**	**$561,001**	**$809,681**
Total Liabilities and Equity	**$291,235**	**$380,077**	**$516,312**	**$700,691**	**$931,012**



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	$50,798	$62,773	$74,871	$87,192	$99,480
Yearly Revenue	$609,575	$753,282	$898,457	$1,046,306	$1,193,764



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	35.0%	26.0%	21.0%	17.0%
Gross Margin	95.0%	95.0%	95.0%	95.0%	95.0%
Financials					
Profit Margin	11.59%	16.51%	19.37%	21.28%	22.50%
Assets to Liabilities	1.56	2.21	3.30	5.02	7.67
Equity to Liabilities	0.56	1.21	2.30	4.02	6.67
Assets to Equity	2.79	1.83	1.44	1.25	1.15
Liquidity					
Acid Test	0.68	1.05	1.82	3.16	5.31
Cash to Assets	0.44	0.48	0.55	0.63	0.69

Appendix A – SWOT Analysis

Strengths

- Significant demand in the Mid-Atlantic United States that will allow the business to scale appropriately in the coming years.
- The business will produce significant gross profits on each transportation engagement.
- The Company will implement highly streamlined procedures to ensure cost-effectiveness and profitability in any economic climate.
- Use of load boards and freight brokerages ensure substantial capacity usage at all times.

Weaknesses

- This is a highly competitive industry with hundreds of thousands of operators currently in operation.
- Operational complexities given that this is a logistics focus enterprise that will operate across several states.

Opportunities

- Continued expansion of the Company's fleet, especially as relates to the acquisition of refrigerated transportation vehicles.
- Integration of new types of logistic services, including long haul transportation.
- Development of new services, such as direct logistic management.

Threats

- Changes in energy pricing can have a negative effect on the Company's profits.
- Inflation, if kept at his current rate, can impact the operating costs of the business.

Appendix B – Critical Risks

Development Risk – **Low**
At this time, the principal matter that needs to be addressed the securing the $200,000 a capital discussed in this document. Matthew Deutsch is already sourced the initial fleet that will be acquired with these funds.

Financing Risk – **Low/Moderate**
The vast majority of the funding will be used specifically for the acquisition of 26-foot box trucks. The issues related to this financing or invaded by the continued demand for reasonable transportation within the Mid-Atlantic United States.

Marketing Risk **– Low**
Ongoing marketing that is required to generate revenue for MDLD Logistics is rather modest. As noted in the seventh section of this document, the Company will use multiple forms of advertising, including use of load boards and freight brokerages.

Management Risk – **Low**
Matthew Deutsch has been a professional truck driver for the past ten years and he has extensive experience managing the complex logistics associated with box truck transportation. He will be able to properly bring the operations of MDLD Logistics to profitability.

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

- Immense regional demand especially for perishable goods transportation.
- Substantial tangible assets (primarily box trucks).
- The operations of this business can be scaled across several markets in the United States.

Exit Risk - **Low**
Highly established logistics providers are always seeking to acquire smaller scale firms that can be rolled up into their operations. In the event that the business is to be sold, a business valuation expert will be hired to determine the intrinsic value of the business. Once this is completed, they qualified business broker would be hired to market the businesses hail to party. This is not expected to occur for at least ten years.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	**$60,000**	**$60,800**	**$61,600**	**$62,400**	**$63,200**	**$64,000**	**$64,800**
Cost of Revenue	$3,000	$3,040	$3,080	$3,120	$3,160	$3,200	$3,240
Gross Profit	$57,000	$57,760	$58,520	$59,280	$60,040	$60,800	$61,560
Expenses							
Payroll	$26,667	$26,667	$26,667	$26,667	$26,667	$26,667	$26,667
Facility Costs	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
General and Administrative	$966	$966	$966	$966	$966	$966	$966
Professional Fees and Licensure	$500	$500	$500	$500	$500	$500	$500
Insurance	$2,434	$2,434	$2,434	$2,434	$2,434	$2,434	$2,434
Marketing	$644	$644	$644	$644	$644	$644	$644
Fuel	$13,524	$13,524	$13,524	$13,524	$13,524	$13,524	$13,524
Misc. Costs	$483	$483	$483	$483	$483	$483	$483
Payroll Taxes	$2,040	$2,040	$2,040	$2,040	$2,040	$2,040	$2,040
Total Operating Costs	$48,258	$48,258	$48,258	$48,258	$48,258	$48,258	$48,258
EBITDA	$8,742	$9,502	$10,262	$11,022	$11,782	$12,542	$13,302
Federal Income Tax	$2,484	$2,517	$2,550	$2,583	$2,616	$2,649	$2,682
State Income Tax	$497	$503	$510	$517	$523	$530	$536
Interest Expense	$1,333	$1,326	$1,319	$1,311	$1,304	$1,296	$1,289
Depreciation Expenses	$967	$967	$967	$967	$967	$967	$967
Net Profit	$3,462	$4,189	$4,917	$5,644	$6,372	$7,100	$7,828

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
Revenue	**$65,600**	**$66,400**	**$67,200**	**$68,000**	**$68,800**	**$772,800**
Cost of Revenue	$3,280	$3,320	$3,360	$3,400	$3,440	$38,640
Gross Profit	$62,320	$63,080	$63,840	$64,600	$65,360	$734,160
Expenses						
Payroll	$26,667	$26,667	$26,667	$26,667	$26,667	$320,000
Facility Costs	$1,000	$1,000	$1,000	$1,000	$1,000	$12,000
General and Administrative	$966	$966	$966	$966	$966	$11,592
Professional Fees and Licensure	$500	$500	$500	$500	$500	$6,000
Insurance	$2,434	$2,434	$2,434	$2,434	$2,434	$29,212
Marketing	$644	$644	$644	$644	$644	$7,728
Fuel	$13,524	$13,524	$13,524	$13,524	$13,524	$162,288
Misc. Costs	$483	$483	$483	$483	$483	$5,796
Payroll Taxes	$2,040	$2,040	$2,040	$2,040	$2,040	$24,480
Total Operating Costs	$48,258	$48,258	$48,258	$48,258	$48,258	$579,096
EBITDA	$14,062	$14,822	$15,582	$16,342	$17,102	$155,064
Federal Income Tax	$2,715	$2,749	$2,782	$2,815	$2,848	$31,989
State Income Tax	$543	$550	$556	$563	$570	$6,398
Interest Expense	$1,281	$1,274	$1,266	$1,258	$1,250	$15,508
Depreciation Expenses	$967	$967	$967	$967	$967	$11,600
Net Profit	$8,556	$9,283	$10,011	$10,739	$11,467	$89,569

Profit and Loss Statement (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Revenue	$252,995	$258,212	$263,428	$268,645	$1,043,280
Cost of Revenue	$12,650	$12,911	$13,171	$13,432	$52,164
Gross Profit	**$240,346**	**$245,301**	**$250,257**	**$255,212**	**$991,116**
Expenses					
Payroll	$94,056	$94,056	$94,056	$94,056	$376,225
Facility Costs	$3,030	$3,030	$3,030	$3,030	$12,120
General and Administrative	$3,795	$3,873	$3,951	$4,030	$15,649
Professional Fees and Licensure	$1,470	$1,500	$1,530	$1,560	$6,060
Insurance	$9,859	$9,859	$9,859	$9,859	$39,436
Marketing	$2,530	$2,582	$2,634	$2,686	$10,433
Fuel	$54,772	$54,772	$54,772	$54,772	$219,089
Misc. Costs	$1,897	$1,937	$1,976	$2,015	$7,825
Payroll Taxes	$6,979	$7,123	$7,267	$7,411	$28,781
Total Operating Costs	**$178,389**	**$178,733**	**$179,076**	**$179,420**	**$715,618**
EBITDA	**$61,957**	**$66,569**	**$71,181**	**$75,792**	**$275,498**
Federal Income Tax	$14,921	$15,229	$15,536	$15,844	$61,530
State Income Tax	$2,984	$3,046	$3,107	$3,169	$12,306
Interest Expense	$3,704	$3,632	$3,559	$3,484	$14,378
Depreciation Expenses	$3,750	$3,750	$3,750	$3,750	$15,000
Net Profit	**$36,598**	**$40,912**	**$45,228**	**$49,546**	**$172,284**

Profit and Loss Statement (Third Year)					
		Year 3			
Quarter	Q1	Q2	Q3	Q4	Year 3
Revenue	$318,774	$325,347	$331,920	$338,492	$1,314,533
Cost of Revenue	$15,939	$16,267	$16,596	$16,925	$65,727
Gross Profit	**$302,835**	**$309,080**	**$315,324**	**$321,568**	**$1,248,806**
Expenses					
Payroll	$108,386	$108,386	$108,386	$108,386	$433,543
Facility Costs	$3,060	$3,060	$3,060	$3,060	$12,241
General and Administrative	$4,782	$4,880	$4,979	$5,077	$19,718
Professional Fees and Licensure	$1,484	$1,515	$1,545	$1,576	$6,121
Insurance	$12,422	$12,422	$12,422	$12,422	$49,689
Marketing	$3,188	$3,253	$3,319	$3,385	$13,145
Fuel	$69,013	$69,013	$69,013	$69,013	$276,052
Misc. Costs	$2,391	$2,440	$2,489	$2,539	$9,859
Payroll Taxes	$8,292	$8,292	$8,292	$8,292	$33,166
Total Operating Costs	**$213,017**	**$213,261**	**$213,506**	**$213,750**	**$853,534**
EBITDA	**$89,818**	**$95,818**	**$101,818**	**$107,818**	**$395,272**
Federal Income Tax	$22,056	$22,511	$22,966	$23,421	$90,954
State Income Tax	$4,411	$4,502	$4,593	$4,684	$18,191
Interest Expense	$3,407	$3,329	$3,250	$3,169	$13,155
Depreciation Expenses	$4,575	$4,575	$4,575	$4,575	$18,300
Net Profit	**$55,368**	**$60,900**	**$66,434**	**$71,969**	**$254,672**

Profit and Loss Statement (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Revenue	$385,717	$393,670	$401,623	$409,576	$1,590,585
Cost of Revenue	$19,286	$19,683	$20,081	$20,479	$79,529
Gross Profit	**$366,431**	**$373,986**	**$381,542**	**$389,097**	**$1,511,055**
Expenses					
Payroll	$122,992	$122,992	$122,992	$122,992	$491,969
Facility Costs	$3,091	$3,091	$3,091	$3,091	$12,364
General and Administrative	$5,786	$5,905	$6,024	$6,144	$23,859
Professional Fees and Licensure	$1,499	$1,530	$1,561	$1,592	$6,182
Insurance	$15,031	$15,031	$15,031	$15,031	$60,124
Marketing	$3,857	$3,937	$4,016	$4,096	$15,906
Fuel	$83,506	$83,506	$83,506	$83,506	$334,023
Misc. Costs	$2,893	$2,953	$3,012	$3,072	$11,929
Payroll Taxes	$9,409	$9,409	$9,409	$9,409	$37,636
Total Operating Costs	**$248,064**	**$248,353**	**$248,642**	**$248,932**	**$993,991**
EBITDA	**$118,367**	**$125,633**	**$132,899**	**$140,165**	**$517,065**
Federal Income Tax	$29,314	$29,919	$30,523	$31,128	$120,884
State Income Tax	$5,863	$5,984	$6,105	$6,226	$24,177
Interest Expense	$3,086	$3,001	$2,915	$2,827	$11,830
Depreciation Expenses	$5,425	$5,425	$5,425	$5,425	$21,700
Net Profit	**$74,679**	**$81,304**	**$87,931**	**$94,560**	**$338,474**

Profit and Loss Statement (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Revenue	$451,289	$460,594	$469,898	$479,203	$1,860,984
Cost of Revenue	$22,564	$23,030	$23,495	$23,960	$93,049
Gross Profit	**$428,724**	**$437,564**	**$446,404**	**$455,243**	**$1,767,935**
Expenses					
Payroll	$137,880	$137,880	$137,880	$137,880	$551,520
Facility Costs	$3,122	$3,122	$3,122	$3,122	$12,487
General and Administrative	$6,769	$6,909	$7,048	$7,188	$27,915
Professional Fees and Licensure	$1,514	$1,545	$1,577	$1,608	$6,244
Insurance	$17,586	$17,586	$17,586	$17,586	$70,345
Marketing	$4,513	$4,606	$4,699	$4,792	$18,610
Fuel	$97,702	$97,702	$97,702	$97,702	$390,807
Misc. Costs	$3,385	$3,454	$3,524	$3,594	$13,957
Payroll Taxes	$10,548	$10,548	$10,548	$10,548	$42,191
Total Operating Costs	**$283,019**	**$283,352**	**$283,686**	**$284,019**	**$1,134,076**
EBITDA	**$145,706**	**$154,212**	**$162,718**	**$171,224**	**$633,859**
Federal Income Tax	$36,270	$37,018	$37,765	$38,513	$149,566
State Income Tax	$7,254	$7,404	$7,553	$7,703	$29,913
Interest Expense	$2,738	$2,646	$2,553	$2,458	$10,395
Depreciation Expenses	$6,300	$6,300	$6,300	$6,300	$25,200
Net Profit	**$93,144**	**$100,844**	**$108,546**	**$116,250**	**$418,785**

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	$4,428	$5,156	$5,883	$6,611	$7,339	$8,067	$8,794	$9,522
Cash From Receivables	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cash Inflow	$4,428	$5,156	$5,883	$6,611	$7,339	$8,067	$8,794	$9,522
Other Cash Inflows								
Equity Investment	$50,000	$0	$0	$0	$0	$0	$0	$0
Increased Borrowings	$200,000	$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	**$250,083**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**
Total Cash Inflow	**$254,512**	**$5,239**	**$5,967**	**$6,694**	**$7,422**	**$8,150**	**$8,878**	**$9,606**
Cash Outflows								
Repayment of Principal	$1,093	$1,101	$1,108	$1,115	$1,123	$1,130	$1,138	$1,145
A/P Decreases	$58	$58	$58	$58	$58	$58	$58	$58
A/R Increases	$0	$0	$0	$0	$0	$0	$0	$0
Asset Purchases	$175,000	$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	**$176,152**	**$1,159**	**$1,166**	**$1,174**	**$1,181**	**$1,188**	**$1,196**	**$1,204**
Net Cash Flow	**$78,360**	**$4,080**	**$4,801**	**$5,521**	**$6,241**	**$6,961**	**$7,682**	**$8,402**
Cash Balance	**$78,360**	**$82,441**	**$87,241**	**$92,762**	**$99,003**	**$105,965**	**$113,646**	**$122,048**

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	$10,250	$10,978	$11,706	$12,434	$101,169
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$10,250**	**$10,978**	**$11,706**	**$12,434**	**$101,169**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$50,000
Increased Borrowings	$0	$0	$0	$0	$200,000
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	$251,000
Total Cash Inflow	**$10,333**	**$11,061**	**$11,789**	**$12,517**	**$352,169**
Cash Outflows					
Repayment of Principal	$1,153	$1,161	$1,168	$1,176	$13,610
A/P Decreases	$58	$58	$58	$58	$700
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$0	$0	$0	$0	$175,000
Dividends	$0	$0	$0	$35,023	$35,023
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$1,211**	**$1,219**	**$1,227**	**$36,258**	**$224,334**
Net Cash Flow	**$9,122**	**$9,842**	**$10,563**	**-$23,740**	**$127,835**
Cash Balance	**$131,171**	**$141,013**	**$151,576**	**$127,835**	**$127,835**

Cash Flow Analysis (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	$40,348	$44,662	$48,978	$53,296	$187,284
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$40,348**	**$44,662**	**$48,978**	**$53,296**	**$187,284**
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	**$40,602**	**$44,922**	**$49,243**	**$53,566**	**$188,334**
Cash Outflows					
Repayment of Principal	$3,576	$3,648	$3,721	$3,796	$14,740
A/P Decreases	$178	$182	$186	$189	$735
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$50,000	$0	$0	$0	$50,000
Dividends	$0	$0	$0	$69,018	$69,018
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$53,754**	**$3,829**	**$3,907**	**$73,003**	**$134,493**
Net Cash Flow	**-$13,152**	**$41,093**	**$45,337**	**-$19,436**	**$53,841**
Cash Balance	**$114,684**	**$155,776**	**$201,113**	**$181,677**	**$181,677**

Cash Flow Analysis (Third Year)					
	Year 3				
Quarter	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	$59,943	$65,475	$71,009	$76,544	$272,972
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$59,943**	**$65,475**	**$71,009**	**$76,544**	**$272,972**
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	**$60,211**	**$65,748**	**$71,287**	**$76,828**	**$274,075**
Cash Outflows					
Repayment of Principal	$3,872	$3,950	$4,030	$4,111	$15,964
A/P Decreases	$187	$191	$195	$199	$772
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$50,500	$0	$0	$0	$50,500
Dividends	$0	$0	$0	$102,803	$102,803
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$54,560**	**$4,141**	**$4,225**	**$107,113**	**$170,039**
Net Cash Flow	**$5,651**	**$61,607**	**$67,063**	**-$30,285**	**$104,036**
Cash Balance	**$187,328**	**$248,935**	**$315,997**	**$285,712**	**$285,712**

Cash Flow Analysis (Fourth Year)					
	Year 4				
Quarter	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	$80,104	$86,729	$93,356	$99,985	$360,174
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$80,104**	**$86,729**	**$93,356**	**$99,985**	**$360,174**
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	**$80,385**	**$87,016**	**$93,648**	**$100,283**	**$361,332**
Cash Outflows					
Repayment of Principal	$4,194	$4,278	$4,364	$4,452	$17,289
A/P Decreases	$197	$201	$205	$209	$810
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$51,005	$0	$0	$0	$51,005
Dividends	$0	$0	$0	$137,154	$137,154
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$55,395**	**$4,479**	**$4,569**	**$141,815**	**$206,258**
Net Cash Flow	**$24,990**	**$82,537**	**$89,079**	**-$41,533**	**$155,074**
Cash Balance	**$310,702**	**$393,239**	**$482,319**	**$440,786**	**$440,786**

Cash Flow Analysis (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	$99,444	$107,144	$114,846	$122,550	$443,985
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$99,444**	**$107,144**	**$114,846**	**$122,550**	**$443,985**
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	**$99,739**	**$107,445**	**$115,153**	**$122,863**	**$445,200**
Cash Outflows					
Repayment of Principal	$4,542	$4,633	$4,727	$4,822	$18,723
A/P Decreases	$206	$211	$215	$219	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$51,515	$0	$0	$0	$51,515
Dividends	$0	$0	$0	$170,104	$170,104
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$56,263**	**$4,844**	**$4,941**	**$175,145**	**$241,194**
Net Cash Flow	**$43,476**	**$102,601**	**$110,212**	**-$52,282**	**$204,006**
Cash Balance	**$484,262**	**$586,863**	**$697,075**	**$644,792**	**$644,792**