



Table of Contents

1.0 Executive Summary	4
2.0 The Financing	8
2.1 Funds Required	8
2.2 Management and Investor Equity	8
2.3 Exit Strategies	8
3.0 Operations	9
4.0 Overview of the Organization.....	10
4.1 Registered Name	10
4.2 Commencement of Operations	10
4.3 Mission Statement.....	10
4.4 Vision Statement.....	10
4.5 Organizational Objectives.....	10
5.0 Market and Industry Analysis.....	11
5.1 External Environmental Analysis	11
5.2 Industry Analysis	11
5.3 Customer Profile	11
5.4 Competitive Analysis.....	12
6.0 Key Strategic Issues	12
6.1 Sustainable Operations.....	13
6.2 Basis of Growth	13
7.0 Marketing Plan.....	14
7.1 Marketing Objectives.....	14
7.2 Revenue Forecasts	14
7.3 Revenue Assumptions.....	14
7.4 Marketing Strategies	15
8.0 Organizational Plan.....	16
8.1 Organizational Hierarchy.....	16
8.2 Personnel Costs.....	17
9.0 Financial Plan.....	18

9.1 Underlying Assumptions	18
9.2 Financial Highlights.....	18
9.3 Sensitivity Analysis	18
9.4 Source of Funds	18
9.5 Financial Proformas	19
A) Profit and Loss Statement.....	19
B) Common Size Income Statement.....	20
C) Cash Flow Analysis	21
D) Balance Sheet.....	22
9.6 Breakeven Analysis	23
9.7 Business Ratios	23
Appendix A – SWOT Analysis.....	24
Appendix B – Critical Risks	25
Appendix C – Expanded Profit and Loss Statements	26
Appendix D – Expanded Cash Flow Analysis.....	32

1.0 Executive Summary

The purpose of his business plan is to secure a \$75,000 business loan for the development of a Brazilian jiu-jitsu gym based in Chevy Chase, Maryland. MD Jiu-Jitsu (“the Company”) was founded by Matthew Deutsch, a noted white belt in the sport of jiu-jitsu. Full scale, revenue, generating operations will commence in the third quarter of this year.

Operations

The business will principally generate its revenues from the ongoing membership driven programs that will provide for unlimited access to the Company’s facilities. The location will be operational six days a week and several sessions will be held during the course of the day. This will allow for rapid onboarding given the level of convenience that is offered to enrollees.

In addition to membership fees, the Company will also provide private lessons. This will be a moderate secondary income center for the business. The Company’s tertiary income will come from the sale of apparel (gis) that is used during the course of Brazilian jiu-jitsu.

The third section of this document will further document the operations of the business.

The Financing

As noted above, the company is currently seeking a business loan of \$75,000 to commence operations. This Business Plan assumes that the company will receive an eight-year loan carrying a 7% interest rate. Primarily, the funds will be used for the following:

- Location renovation
- Mats and general FF&E
- Working capital

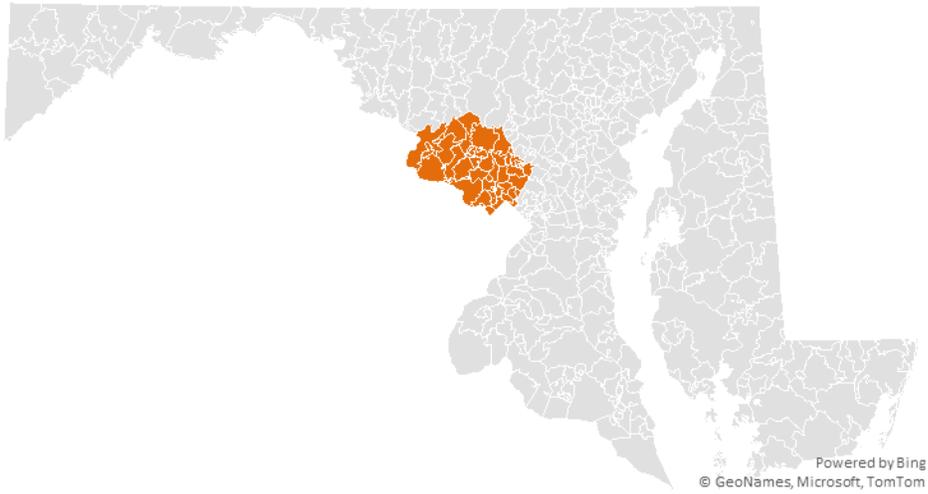
As the business will produce highly recurring fees of revenue from its membership driven operations, the Company could easily secure ongoing capital in order to expand the business especially if additional locations are going to be established within Maryland. Acquisition of additional capital is not expected to occur within the first five years of operation.

The Future

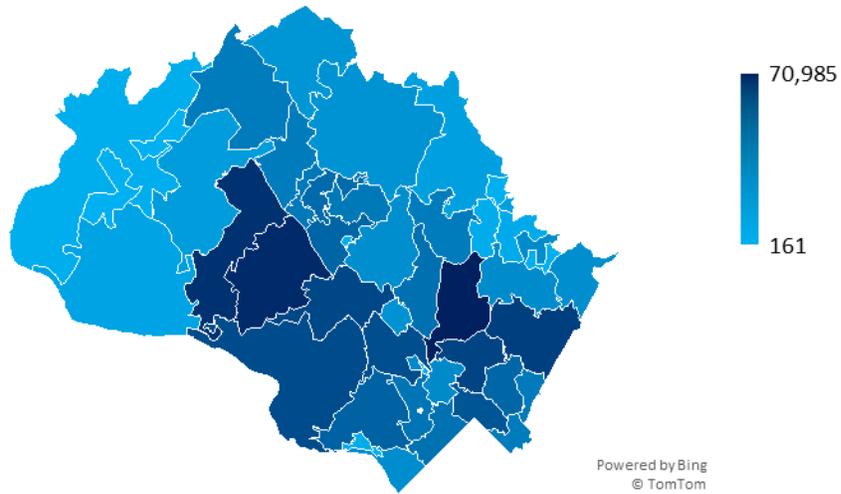
Through several marketing strategies, MD Jiu-Jitsu will continue to onboard numerous individuals (adults and young athletes), that are seeking to gain a deep understanding of the sport of Brazilian jujitsu. The Company will on board a number of highly qualified practitioners that will serve as coaches. As noted above, there is the potential to develop additional locations. This is not expected to occur for a significant period of time.

Market Overview

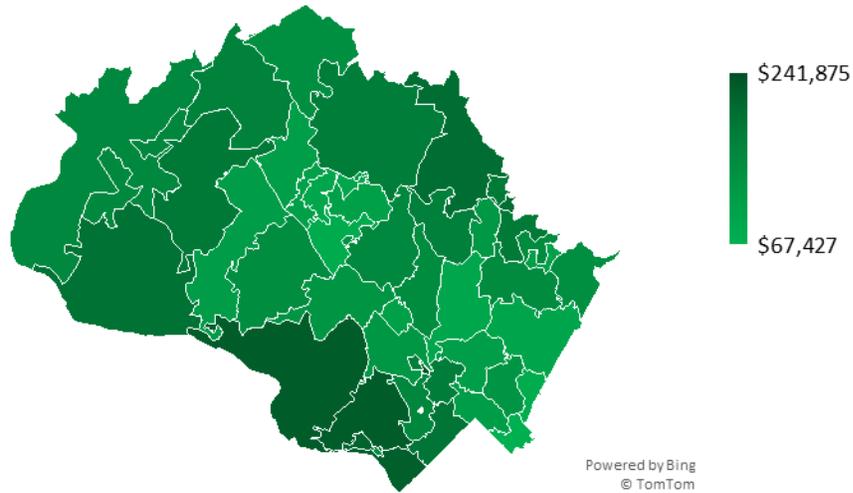
Target Market



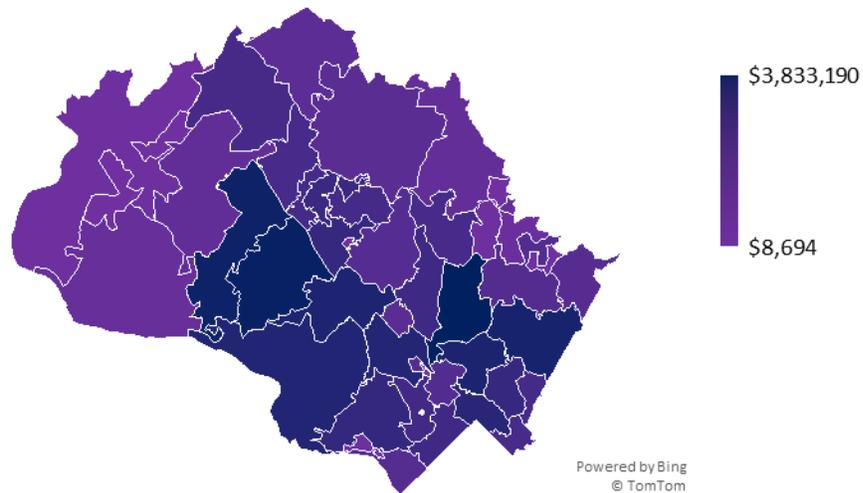
Target Market Population



Target Market Household Income



Target Market Demand

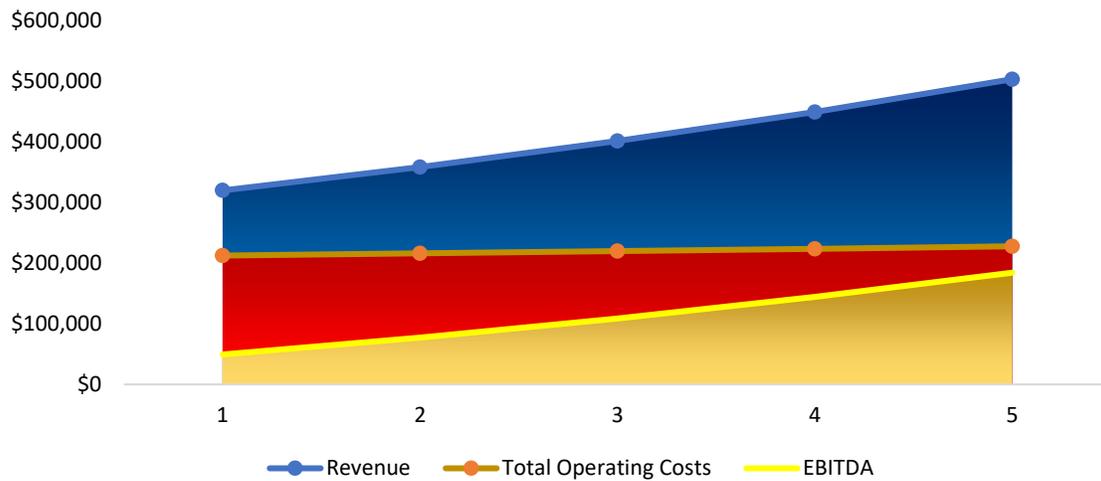


As of this year, the total population of Montgomery County is 1.08 million people among 390,000 households. The median income is \$129,000. Approximately 22.5% of the population is under the age of 18. The Total Addressable Market is 243,000 people (among younger people). The Service Addressable Market (SAM) is 100,000 people. The Service Obtainable Market (SOM) is 38,000 people. This presents an enormous market opportunity for MD Jiu-Jitsu.

Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$319,950	\$358,344	\$401,345	\$449,507	\$503,448
Cost of Revenue	\$58,065	\$65,033	\$72,837	\$81,577	\$91,366
Gross Profit	\$261,885	\$293,311	\$328,509	\$367,930	\$412,081
Total Operating Costs	\$212,524	\$216,039	\$219,746	\$223,665	\$227,819
EBITDA	\$49,361	\$77,272	\$108,763	\$144,265	\$184,262

Revenue, Operating Costs, EBITDA



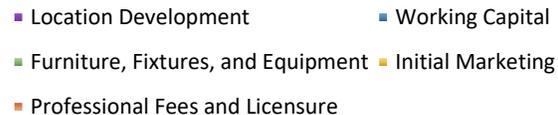
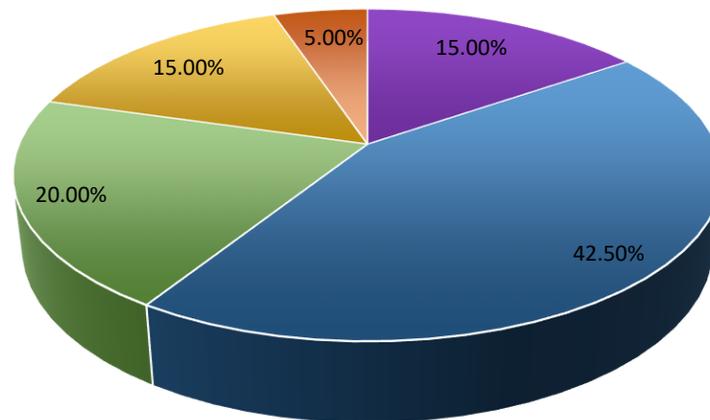
2.0 The Financing

2.1 Funds Required

The funding discussed the executive summary will be used as follows:

Use of Funds	
Location Development	\$15,000
Working Capital	\$42,500
Furniture, Fixtures, and Equipment	\$20,000
Initial Marketing	\$15,000
Professional Fees and Licensure	\$5,000
Misc. Costs	\$2,500
Total	\$100,000

Use of Funds Overview



2.2 Management and Investor Equity

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

2.3 Exit Strategies

The divestiture of this Brazilian jiu-jitsu gym would be somewhat complex given that an equally competent practitioner would need to transition the business to their ownership. In the event that Mr. Deutsch wishes to retire or relocate, the Company will work with its staff coaches via a buyout program for the business. The Founder has no intention of selling this business for at least ten years.

3.0 Operations

As discussed in the executive summary, MD Jiu-Jitsu will be actively involved with providing a wide range of instruction specific for the mastery of the sport of Brazilian jiu-jitsu. Over the past 15 years, the sport has become extremely popular among young people as well as adults. It is a unique sport that operates as with a martial art as well as a personal defense system.

The Company intends to charge a fee of \$100 per month for unlimited access to the facilities. This will provide for rapid onboarding of clients that have varying time schedules as well as individuals that want to have a more intense experience versus a more passive experience. The Company will automatically charge each member's credit or debit card on a monthly basis.

Through the expansive number of coaches that will be retained, on an independently contracted basis, the business will produce significant fees from private instruction. It is expected that most of these sessions will be geared towards adults that are looking to refine their skills.

The business will also generate moderate reams of revenue from the sale of apparel that is used during the course of instruction.

4.0 Overview of the Organization

4.1 Registered Name

MD Jiu-Jitsu LLC. The business is registered as a limited liability company in the State of Maryland.

4.2 Commencement of Operations

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

4.3 Mission Statement

To provide comprehensive Brazilian jiu-jitsu instruction at the cost-effective price for the Chevy Chase community

4.4 Vision Statement

To become a widely recognized Brazilian jiu-jitsu training facility in the state of Maryland.

4.5 Organizational Objectives

- Implement numerous marketing strategies during the pre-launch phase so that members could be onboarded quickly
- Established relationships with youth athletic directors that will provide ongoing referrals to the location, especially among wrestling coaches.
- Implement numerous protocols to ensure the safety of all participants at MD Jiu-Jitsu.
- Properly retain highly qualified Brazilian jiu-jitsu practitioners that will serve coaches.
- Maintain an expansive online presence that will ensure that when searches for Brazilian jiu-jitsu training facilities are completed, the business can be found quickly.
- Foster a sense of passion within the sport of Brazilian jiu-jitsu among enrollees.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

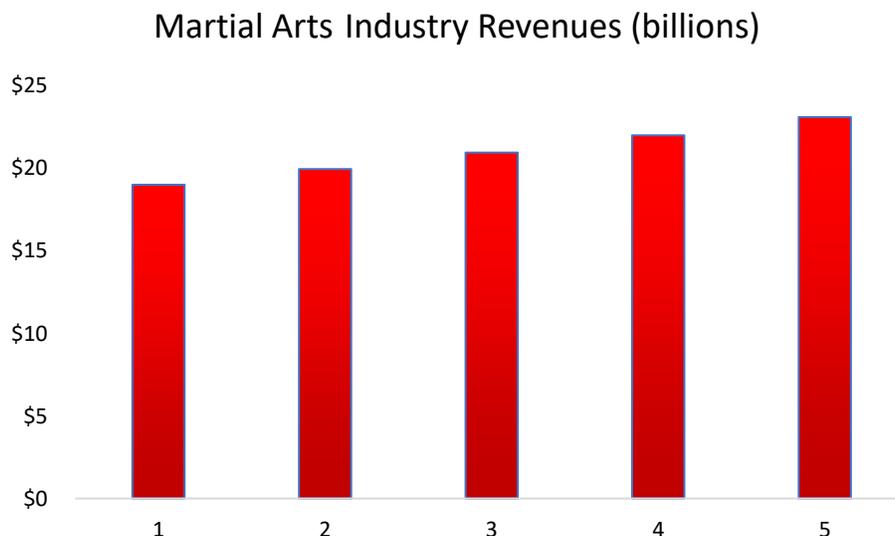
This section of the business plan will discuss the current economic climate, the industry, the customer profile, and the ongoing competition that the business will face moving forward.

At this time, economic condition in the United States is moderate. As a result of changing trade policies – there has been a certain degree of volatility introduced to the market. The Federal Reserve as well as major central banks are taking appropriate measures in order to reduce the ongoing inflation risks associated with this matter.

However, MD Jiu-Jitsu will only face modest economic challenges despite the current climate. Most importantly, the Company will produce highly recurring streams of revenue from its ongoing membership operations. Furthermore, Chevy Chase is an extremely wealthy area that will fully support the operations of business.

5.2 Industry Analysis

There are currently 40,000 facilities that provide martial arts instruction, including Brazilian jiu-jitsu to the general public. Each year, these businesses generate more than \$19 billion revenue while providing jobs for 85,000 people.



Of all of the martial arts disciplines, Brazilian jiu-jitsu has become the most popular within the United States. Its fusion of multiple forms of combat sports has allowed it to rapidly become one of the preeminent martial arts in the country. MD Jiu-Jitsu will be able to capitalize it on this trend in the coming years.

5.3 Customer Profile

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

- Household income of \$100,000+
- Will spend \$100 per month on access to the training facilities
- Lives within 15 miles of the MD Jiu-Jitsu location

5.4 Competitive Analysis

This Brazilian jiu-jitsu gym business plan was written specifically for sample purposes only. In the event that we would have completed a business plan of this nature for a client, a full analysis regarding the number of competitors within the target market would have been included. It also would have included a discussion regarding how the business would be able to effectively differentiate itself.

6.0 Key Strategic Issues

6.1 Sustainable Operations

MD Jiu-Jitsu will have sustainable operations as a result of the following:

- Matthew Deutsch is a highly experienced and proficient Brazilian jiu-jitsu expert (three-stripe white belt) that will be able to leverage his expertise during the course of instruction.
- The business will produce highly recurring reams of revenue that will allow the business to remain profitable at all times.
- Strong demand within the Chevy Chase market and its surrounding areas for comprehensive martial arts instruction.
- The business will have numerous highly qualified instructors that allow the business to scale as demand increases.

6.2 Basis of Growth

The Company will expand via the following methods:

- Continue to establishment of relationships with academic institutions that will provide referrals, especially among wrestling teams.
- Established additional locations within Maryland or neighboring Virginia.
- Continued expansion of the Company's operations to include tournament events, which will increase brand-name in visibility.

7.0 Marketing Plan

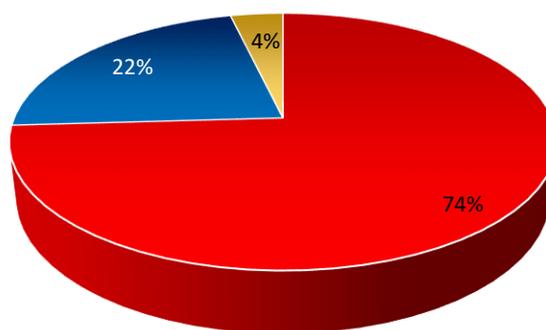
7.1 Marketing Objectives

- Use multiple forms of online marketing that will attract the attention of families within the Chevy Chase and Montgomery County market.
- Leverage Matthew Deutsch is existing notoriety within the field of Brazilian jiu-jitsu to onboard clients.
- Established ongoing relationships with elementary schools, middle schools, and high schools throughout the market for referrals.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	1	2	3	4	5
Membership Fees	\$237,000	\$265,440	\$297,293	\$332,968	\$372,924
Private Training	\$71,100	\$79,632	\$89,188	\$99,890	\$111,877
Apparel	\$11,850	\$13,272	\$14,865	\$16,648	\$18,646
Total	\$319,950	\$358,344	\$401,345	\$449,507	\$503,448

Revenue Generation



■ Membership Fees ■ Private Training ■ Apparel

7.3 Revenue Assumptions

Year 1

- First year revenue will reach \$319,000.
- The business will use multiple onboarding techniques during this time.

Year 2

- Revenue will reach \$358,000.
- Income will increase by 12%.

Years 3-5

- By the fifth year of operation, revenue will be \$503,000.
- The Company may establish additional locations.

7.4 Marketing Strategies

The Company intends to use numerous marketing strategies, including prior to the launch of the business in order to on board members. Most importantly, Matthew Deutsch (as a highly skilled Brazilian jiu-jitsu practitioner) will be able to leverage his existing notoriety to attract individuals who want to learn the sport. Through his notoriety, he will be able to conduct direct outreach with schools throughout the greater Chevy Chase and Montgomery County market area, especially among wrestling coaches that are seeking to have their students improve their skills. As Brazilian jiu-jitsu is a related sport to wrestling, there is an immense opportunity to receive referrals through this type of marketing.

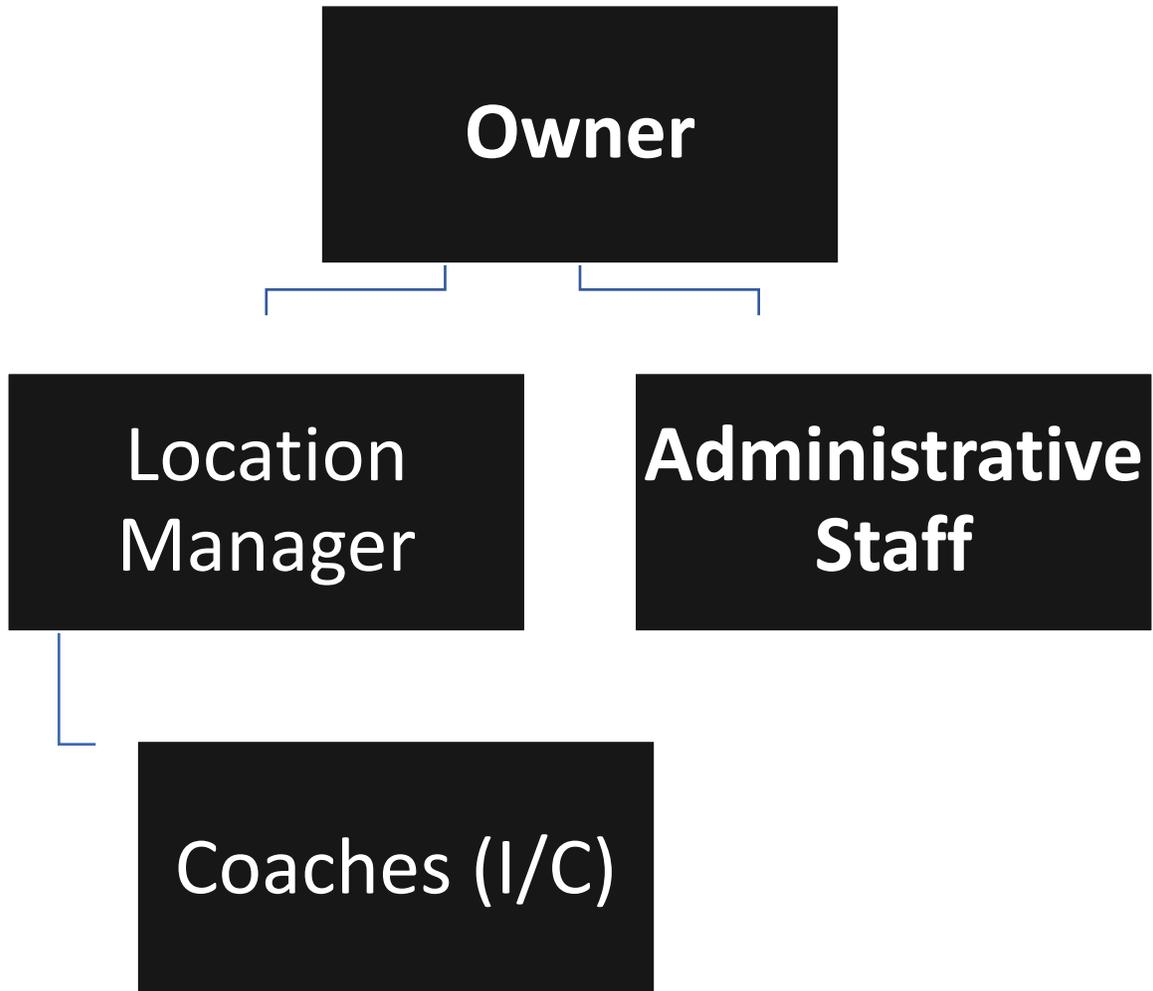
The business will maintain a proprietary website, which will go undergo search engine optimization specific for the Montgomery County area. The website will feature information about membership, the gym, hours of operation, and information about the Founder. The platform will feature e-commerce functionality so that individuals can enroll in programs directly through the platform.

The business will also maintain a significant presence among social media pages and ongoing images and videos of the location will be featured. The Company will also use targeted advertising on social media platforms among individuals have that have recently expressed interest in learning Brazilian jiu-jitsu and live within 10 miles of the Company's location.

Management and staff coaches will frequently attend Brazilian jiu-jitsu tournaments in order for increased brand new visibility. The apparel offered by the company will feature the logo of the business.

8.0 Organizational Plan

8.1 Organizational Hierarchy

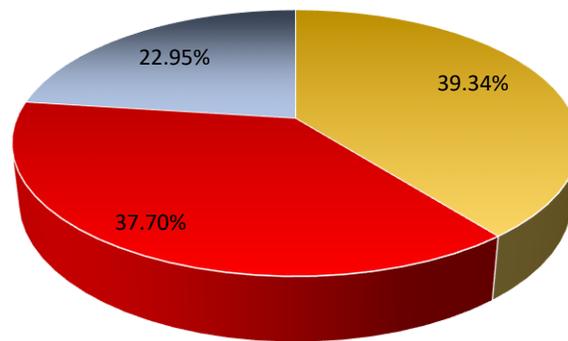


8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
Owner	\$60,000	\$60,600	\$61,206	\$61,818	\$62,436
Location Manager	\$57,500	\$58,075	\$58,656	\$59,242	\$59,835
Administrative Staff	\$35,000	\$35,350	\$35,704	\$36,061	\$36,421
Total	\$152,500	\$154,025	\$155,565	\$157,121	\$158,692

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
Owner	1	1	1	1	1
Location Manager	1	1	1	1	1
Administrative Staff	1	1	1	1	1
Total	3	3	3	3	3

Personnel Summary



■ Owner
 ■ Location Manager
 ■ Administrative Staff

9.0 Financial Plan

9.1 Underlying Assumptions

- The company will secure a \$75,000 business loan to establish operations.
- Matthew Deutsch will contribute \$25,000 towards venture.
- MD Jiu-Jitsu will have a compounded annual growth rate of 12%.

9.2 Financial Highlights

- Strong demand within the Chevy Chase area for access to comprehensive Brazilian jiu-jitsu training.
- The Company will use independent contractors as coaches, which will reduce costs.

9.3 Sensitivity Analysis

The Company's revenues will remain relatively stable, even during challenging business climate. As it has been one of the themes throughout this document, the Chevy Chase area is extremely wealthy market. As such, its substantial economic staying power will ensure that the business is able to maintain its membership even during a recession.

9.4 Source of Funds

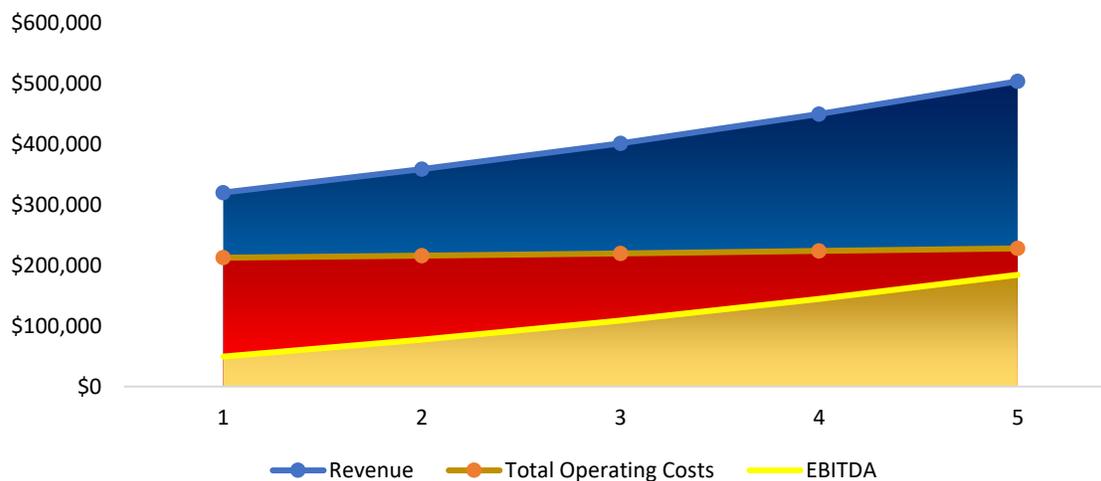
Financing	
Equity	
Equity Capitalization	\$25,000.00
Total Equity Financing	\$25,000.00
Banks and Lenders	
Business Loan	\$75,000.00
Total Debt Financing	\$75,000.00
Total Financing	\$100,000.00

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$319,950	\$358,344	\$401,345	\$449,507	\$503,448
Cost of Revenue	\$58,065	\$65,033	\$72,837	\$81,577	\$91,366
Gross Margin	81.85%	81.85%	81.85%	81.85%	81.85%
Gross Profit	\$261,885	\$293,311	\$328,509	\$367,930	\$412,081
Expenses					
Payroll	\$152,500	\$154,025	\$155,565	\$157,121	\$158,692
Facility Costs	\$25,000	\$25,250	\$25,503	\$25,758	\$26,015
General and Administrative	\$5,759	\$6,450	\$7,224	\$8,091	\$9,062
Professional Fees and Licensure	\$3,000	\$3,030	\$3,060	\$3,091	\$3,122
Insurance	\$5,500	\$5,555	\$5,611	\$5,667	\$5,723
Marketing	\$3,200	\$3,583	\$4,013	\$4,495	\$5,034
Equipment	\$3,500	\$3,675	\$3,859	\$4,052	\$4,254
Misc. Costs	\$2,400	\$2,688	\$3,010	\$3,371	\$3,776
Payroll Taxes	\$11,666	\$11,783	\$11,901	\$12,020	\$12,140
Total Operating Costs	\$212,524	\$216,039	\$219,746	\$223,665	\$227,819
EBITDA	\$49,361	\$77,272	\$108,763	\$144,265	\$184,262
Federal Income Tax	\$9,686	\$16,643	\$24,495	\$33,350	\$43,330
State Income Tax	\$1,937	\$3,329	\$4,899	\$6,670	\$8,666
Interest Expense	\$6,318	\$6,186	\$6,042	\$5,886	\$5,716
Depreciation Expenses	\$4,300	\$4,515	\$4,741	\$4,978	\$5,227
Net Profit	\$27,120	\$46,600	\$68,586	\$93,381	\$121,324
Profit Margin	8.48%	13.00%	17.09%	20.77%	24.10%

Revenue, Operating Costs, EBITDA



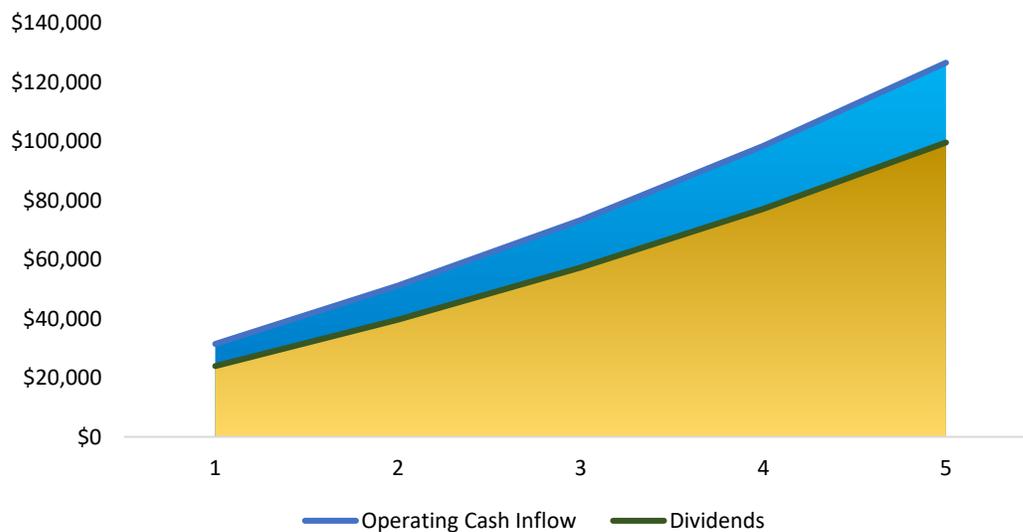
B) Common Size Income Statement

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	18.15%	18.15%	18.15%	18.15%	18.15%
Gross Profit	81.85%	81.85%	81.85%	81.85%	81.85%
Expenses					
Payroll	47.66%	42.98%	38.76%	34.95%	31.52%
Facility Costs	7.81%	7.05%	6.35%	5.73%	5.17%
General and Administrative	1.80%	1.80%	1.80%	1.80%	1.80%
Professional Fees and Licensure	0.94%	0.85%	0.76%	0.69%	0.62%
Insurance	1.72%	1.55%	1.40%	1.26%	1.14%
Marketing	1.00%	1.00%	1.00%	1.00%	1.00%
Equipment	1.09%	1.03%	0.96%	0.90%	0.85%
Misc. Costs	0.75%	0.75%	0.75%	0.75%	0.75%
Payroll Taxes	3.65%	3.29%	2.97%	2.67%	2.41%
Total Operating Costs	66.42%	60.29%	54.75%	49.76%	45.25%
EBITDA	15.43%	21.56%	27.10%	32.09%	36.60%
Federal Income Tax	3.03%	4.64%	6.10%	7.42%	8.61%
State Income Tax	0.61%	0.93%	1.22%	1.48%	1.72%
Interest Expense	1.97%	1.73%	1.51%	1.31%	1.14%
Depreciation Expenses	1.34%	1.26%	1.18%	1.11%	1.04%
Net Profit	8.48%	13.00%	17.09%	20.77%	24.10%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$31,420	\$51,115	\$73,327	\$98,358	\$126,550
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$31,420	\$51,115	\$73,327	\$98,358	\$126,550
Other Cash Inflows					
Equity Investment	\$25,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$75,000	\$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	\$101,000	\$1,050	\$1,103	\$1,158	\$1,216
Total Cash Inflow	\$132,420	\$52,165	\$74,429	\$99,516	\$127,766
Cash Outflows					
Repayment of Principal	\$1,493	\$1,625	\$1,768	\$1,925	\$2,095
A/P Decreases	\$700	\$735	\$772	\$810	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$35,000	\$2,556	\$3,666	\$4,918	\$6,328
Dividends	\$23,942	\$39,592	\$57,247	\$77,147	\$99,565
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$61,134	\$44,508	\$63,453	\$84,800	\$108,838
Net Cash Flow	\$71,285	\$7,657	\$10,976	\$14,716	\$18,928
Cash Balance	\$71,285	\$78,943	\$89,919	\$104,635	\$123,563

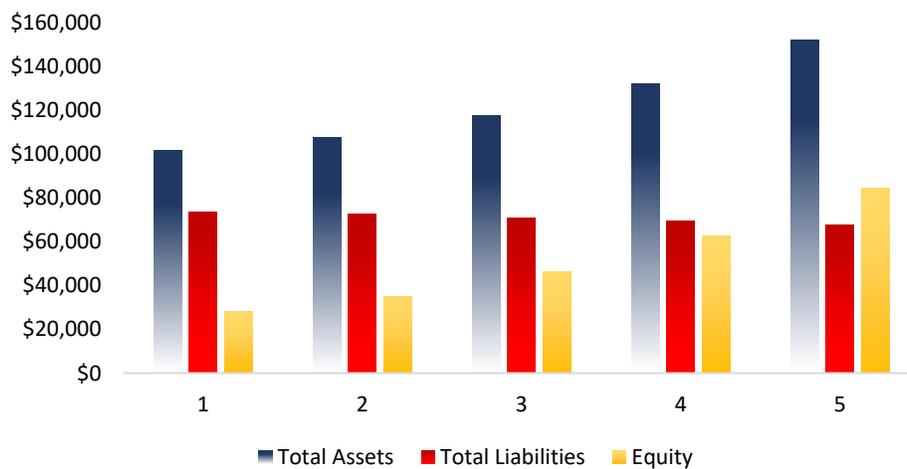
Cash Flow Analysis



D) Balance Sheet

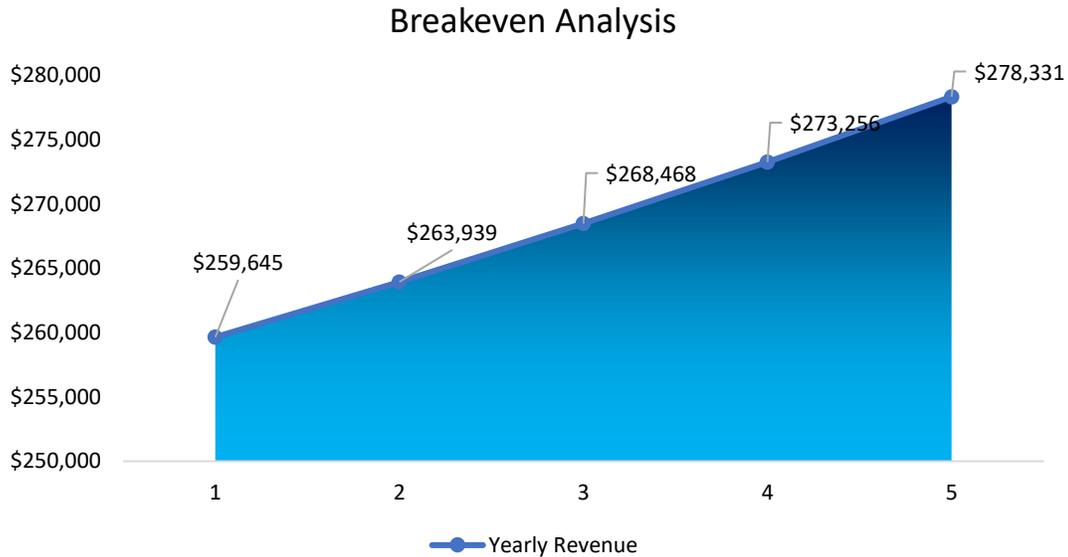
Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	\$71,285	\$78,943	\$89,919	\$104,635	\$123,563
Fixed Assets	\$35,000	\$37,556	\$41,222	\$46,140	\$52,468
Accumulated Depreciation	(\$4,300)	(\$8,815)	(\$13,556)	(\$18,534)	(\$23,760)
Total Assets	\$101,985	\$107,684	\$117,585	\$132,241	\$152,271
Liabilities and Equity					
Accounts Payable	\$300	\$615	\$946	\$1,293	\$1,658
Long Term Liabilities	\$73,507	\$71,883	\$70,115	\$68,190	\$66,095
Other Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$73,807	\$72,498	\$71,060	\$69,483	\$67,753
Equity	\$28,178	\$35,186	\$46,525	\$62,758	\$84,518
Total Liabilities and Equity	\$101,985	\$107,684	\$117,585	\$132,241	\$152,271

Balance Sheet



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	\$21,637	\$21,995	\$22,372	\$22,771	\$23,194
Yearly Revenue	\$259,645	\$263,939	\$268,468	\$273,256	\$278,331



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	12.0%	12.0%	12.0%	12.0%
Gross Margin	81.9%	81.9%	81.9%	81.9%	81.9%
Financials					
Profit Margin	8.48%	13.00%	17.09%	20.77%	24.10%
Assets to Liabilities	1.38	1.49	1.65	1.90	2.25
Equity to Liabilities	0.38	0.49	0.65	0.90	1.25
Assets to Equity	3.62	3.06	2.53	2.11	1.80
Liquidity					
Acid Test	0.97	1.09	1.27	1.51	1.82
Cash to Assets	0.70	0.73	0.76	0.79	0.81

Appendix A – SWOT Analysis

Strengths

- The highly recurring nature of revenue also contributes to the security of this business.
- Limited competition among Brazilian jiu-jitsu training facilities within the Chevy Chase area.
- Strong demand, especially among families, to have their children learn a comprehensive martial art.
- The business will foster a sense of passion for Brazilian jiu-jitsu, which will ensure member retention.
- A highly experienced Founder, Matthew Deutsch, that will be able to render extensive training to members.

Weaknesses

- The business will need to engage in an aggressive marketing campaign to acquire members.
- Competition from martial arts studios that teach each other personal defense disciplines.

Opportunities

- Establishment of additional locations within Maryland.
- Continued expansion of the Company's tournament operations to increase brand visibility.
- Continued to hiring of additional coaches so that a greater number of training sessions can be offered.

Threats

- Potential liabilities from on-site injury, although this is a limited risk given the waivers that will be in place.

Appendix B – Critical Risks

Development Risk – **Low**

Matthew Deutsch has already sourced the potential location that will be used to house the operations of MD Jiu-Jitsu. As noted at this document, he is highly qualified Brazilian jiu-jitsu training professional. The primary matter that needs to be addressed to securing the funding in this document.

Financing Risk – **Low/Moderate**

The \$75,000 a debt capital so this document will allow MD Jiu-Jitsu to quickly reach profitability. A significant portion of this funding will be used for the build out of the facility as well as for furniture, fixtures, and equipment purchases.

Marketing Risk – **Low**

The comprehensive marketing plans outlined earlier in this document will be complimented by Matthew Deutsch notoriety in this field. He is committed to establishing MD Jiu-Jitsu as the preeminent training facility within Maryland.

Management Risk – **Low**

Matthew Deutsch has operated numerous Brazilian jiu-jitsu training facilities throughout the United States. Through this experience, he will be able to establish a well-regarded brand name.

Valuation Risk – **Low**

The valuation risk is offset by:

- Limited payroll costs.
- The business is operating in population dense market.
- The operations of this Brazilian jiu-jitsu enterprise are highly scalable.

Exit Risk - **Low**

As noted earlier, there are certain complexities that are involved with selling this business to a third-party. The most likely scenario will include a buyout among retained coaches. This is not expected to occur for a minimum of ten years.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	\$22,950	\$23,625	\$24,300	\$24,975	\$25,650	\$26,325	\$27,000
Cost of Revenue	\$4,165	\$4,288	\$4,410	\$4,533	\$4,655	\$4,778	\$4,900
Gross Profit	\$18,785	\$19,338	\$19,890	\$20,443	\$20,995	\$21,548	\$22,100
Expenses							
Payroll	\$12,708	\$12,708	\$12,708	\$12,708	\$12,708	\$12,708	\$12,708
Facility Costs	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083
General and Administrative	\$480	\$480	\$480	\$480	\$480	\$480	\$480
Professional Fees and Licensure	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Insurance	\$458	\$458	\$458	\$458	\$458	\$458	\$458
Marketing	\$267	\$267	\$267	\$267	\$267	\$267	\$267
Equipment	\$292	\$292	\$292	\$292	\$292	\$292	\$292
Misc. Costs	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Payroll Taxes	\$972	\$972	\$972	\$972	\$972	\$972	\$972
Total Operating Costs	\$17,710						
EBITDA	\$1,075	\$1,627	\$2,180	\$2,732	\$3,285	\$3,837	\$4,390
Federal Income Tax	\$695	\$715	\$736	\$756	\$776	\$797	\$817
State Income Tax	\$139	\$143	\$147	\$151	\$155	\$159	\$163
Interest Expense	\$531	\$530	\$530	\$529	\$528	\$527	\$526
Depreciation Expenses	\$358	\$358	\$358	\$358	\$358	\$358	\$358
Net Profit	-\$649	-\$120	\$409	\$938	\$1,467	\$1,996	\$2,524

Profit and Loss Statement (First Year Cont.)

Month	8	9	10	11	12	Year 1
Revenue	\$27,675	\$28,350	\$29,025	\$29,700	\$30,375	\$319,950
Cost of Revenue	\$5,023	\$5,145	\$5,268	\$5,390	\$5,513	\$58,065
Gross Profit	\$22,653	\$23,205	\$23,758	\$24,310	\$24,863	\$261,885
Expenses						
Payroll	\$12,708	\$12,708	\$12,708	\$12,708	\$12,708	\$152,500
Facility Costs	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$25,000
General and Administrative	\$480	\$480	\$480	\$480	\$480	\$5,759
Professional Fees and Licensure	\$250	\$250	\$250	\$250	\$250	\$3,000
Insurance	\$458	\$458	\$458	\$458	\$458	\$5,500
Marketing	\$267	\$267	\$267	\$267	\$267	\$3,200
Equipment	\$292	\$292	\$292	\$292	\$292	\$3,500
Misc. Costs	\$200	\$200	\$200	\$200	\$200	\$2,400
Payroll Taxes	\$972	\$972	\$972	\$972	\$972	\$11,666
Total Operating Costs	\$17,710	\$17,710	\$17,710	\$17,710	\$17,710	\$212,524
EBITDA	\$4,942	\$5,495	\$6,047	\$6,600	\$7,152	\$49,361
Federal Income Tax	\$838	\$858	\$879	\$899	\$920	\$9,686
State Income Tax	\$168	\$172	\$176	\$180	\$184	\$1,937
Interest Expense	\$525	\$524	\$523	\$523	\$522	\$6,318
Depreciation Expenses	\$358	\$358	\$358	\$358	\$358	\$4,300
Net Profit	\$3,053	\$3,582	\$4,111	\$4,640	\$5,169	\$27,120

Profit and Loss Statement (Second Year)

Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Revenue	\$86,898	\$88,690	\$90,482	\$92,274	\$358,344
Cost of Revenue	\$15,770	\$16,096	\$16,421	\$16,746	\$65,033
Gross Profit	\$71,128	\$72,595	\$74,061	\$75,528	\$293,311
Expenses					
Payroll	\$38,506	\$38,506	\$38,506	\$38,506	\$154,025
Facility Costs	\$6,313	\$6,313	\$6,313	\$6,313	\$25,250
General and Administrative	\$1,564	\$1,596	\$1,629	\$1,661	\$6,450
Professional Fees and Licensure	\$735	\$750	\$765	\$780	\$3,030
Insurance	\$1,389	\$1,389	\$1,389	\$1,389	\$5,555
Marketing	\$869	\$887	\$905	\$923	\$3,583
Equipment	\$919	\$919	\$919	\$919	\$3,675
Misc. Costs	\$652	\$665	\$679	\$692	\$2,688
Payroll Taxes	\$2,857	\$2,916	\$2,975	\$3,034	\$11,783
Total Operating Costs	\$53,803	\$53,941	\$54,079	\$54,216	\$216,039
EBITDA	\$17,325	\$18,654	\$19,982	\$21,311	\$77,272
Federal Income Tax	\$4,036	\$4,119	\$4,202	\$4,286	\$16,643
State Income Tax	\$807	\$824	\$840	\$857	\$3,329
Interest Expense	\$1,559	\$1,551	\$1,542	\$1,533	\$6,186
Depreciation Expenses	\$1,129	\$1,129	\$1,129	\$1,129	\$4,515
Net Profit	\$9,794	\$11,031	\$12,269	\$13,507	\$46,600

Profit and Loss Statement (Third Year)

Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Revenue	\$97,326	\$99,333	\$101,340	\$103,346	\$401,345
Cost of Revenue	\$17,663	\$18,027	\$18,391	\$18,755	\$72,837
Gross Profit	\$79,663	\$81,306	\$82,948	\$84,591	\$328,509
Expenses					
Payroll	\$38,891	\$38,891	\$38,891	\$38,891	\$155,565
Facility Costs	\$6,376	\$6,376	\$6,376	\$6,376	\$25,503
General and Administrative	\$1,752	\$1,788	\$1,824	\$1,860	\$7,224
Professional Fees and Licensure	\$742	\$757	\$773	\$788	\$3,060
Insurance	\$1,403	\$1,403	\$1,403	\$1,403	\$5,611
Marketing	\$973	\$993	\$1,013	\$1,033	\$4,013
Equipment	\$965	\$965	\$965	\$965	\$3,859
Misc. Costs	\$730	\$745	\$760	\$775	\$3,010
Payroll Taxes	\$2,975	\$2,975	\$2,975	\$2,975	\$11,901
Total Operating Costs	\$54,807	\$54,893	\$54,980	\$55,066	\$219,746
EBITDA	\$24,857	\$26,413	\$27,969	\$29,525	\$108,763
Federal Income Tax	\$5,940	\$6,062	\$6,185	\$6,307	\$24,495
State Income Tax	\$1,188	\$1,212	\$1,237	\$1,261	\$4,899
Interest Expense	\$1,524	\$1,515	\$1,506	\$1,496	\$6,042
Depreciation Expenses	\$1,185	\$1,185	\$1,185	\$1,185	\$4,741
Net Profit	\$15,019	\$16,437	\$17,856	\$19,274	\$68,586

Profit and Loss Statement (Fourth Year)

Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Revenue	\$109,005	\$111,253	\$113,500	\$115,748	\$449,507
Cost of Revenue	\$19,782	\$20,190	\$20,598	\$21,006	\$81,577
Gross Profit	\$89,223	\$91,063	\$92,902	\$94,742	\$367,930
Expenses					
Payroll	\$39,280	\$39,280	\$39,280	\$39,280	\$157,121
Facility Costs	\$6,439	\$6,439	\$6,439	\$6,439	\$25,758
General and Administrative	\$1,962	\$2,003	\$2,043	\$2,083	\$8,091
Professional Fees and Licensure	\$750	\$765	\$780	\$796	\$3,091
Insurance	\$1,417	\$1,417	\$1,417	\$1,417	\$5,667
Marketing	\$1,090	\$1,113	\$1,135	\$1,157	\$4,495
Equipment	\$1,013	\$1,013	\$1,013	\$1,013	\$4,052
Misc. Costs	\$818	\$834	\$851	\$868	\$3,371
Payroll Taxes	\$3,005	\$3,005	\$3,005	\$3,005	\$12,020
Total Operating Costs	\$55,773	\$55,869	\$55,964	\$56,059	\$223,665
EBITDA	\$33,450	\$35,194	\$36,938	\$38,683	\$144,265
Federal Income Tax	\$8,087	\$8,254	\$8,421	\$8,588	\$33,350
State Income Tax	\$1,617	\$1,651	\$1,684	\$1,718	\$6,670
Interest Expense	\$1,487	\$1,477	\$1,466	\$1,456	\$5,886
Depreciation Expenses	\$1,244	\$1,244	\$1,244	\$1,244	\$4,978
Net Profit	\$21,014	\$22,568	\$24,122	\$25,677	\$93,381

Profit and Loss Statement (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Revenue	\$122,086	\$124,603	\$127,120	\$129,638	\$503,448
Cost of Revenue	\$22,156	\$22,613	\$23,070	\$23,527	\$91,366
Gross Profit	\$99,930	\$101,990	\$104,050	\$106,111	\$412,081
Expenses					
Payroll	\$39,673	\$39,673	\$39,673	\$39,673	\$158,692
Facility Costs	\$6,504	\$6,504	\$6,504	\$6,504	\$26,015
General and Administrative	\$2,198	\$2,243	\$2,288	\$2,333	\$9,062
Professional Fees and Licensure	\$757	\$773	\$788	\$804	\$3,122
Insurance	\$1,431	\$1,431	\$1,431	\$1,431	\$5,723
Marketing	\$1,221	\$1,246	\$1,271	\$1,296	\$5,034
Equipment	\$1,064	\$1,064	\$1,064	\$1,064	\$4,254
Misc. Costs	\$916	\$935	\$953	\$972	\$3,776
Payroll Taxes	\$3,035	\$3,035	\$3,035	\$3,035	\$12,140
Total Operating Costs	\$56,797	\$56,902	\$57,007	\$57,112	\$227,819
EBITDA	\$43,132	\$45,088	\$47,043	\$48,999	\$184,262
Federal Income Tax	\$10,508	\$10,724	\$10,941	\$11,157	\$43,330
State Income Tax	\$2,102	\$2,145	\$2,188	\$2,231	\$8,666
Interest Expense	\$1,445	\$1,435	\$1,424	\$1,412	\$5,716
Depreciation Expenses	\$1,307	\$1,307	\$1,307	\$1,307	\$5,227
Net Profit	\$27,771	\$29,478	\$31,184	\$32,891	\$121,324

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	-\$290	\$238	\$767	\$1,296	\$1,825	\$2,354	\$2,883	\$3,412
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	-\$290	\$238	\$767	\$1,296	\$1,825	\$2,354	\$2,883	\$3,412
Other Cash Inflows								
Equity Investment	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$75,000	\$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	\$100,083	\$83						
Total Cash Inflow	\$99,793	\$322	\$851	\$1,380	\$1,908	\$2,437	\$2,966	\$3,495
Cash Outflows								
Repayment of Principal	\$120	\$120	\$121	\$122	\$123	\$124	\$125	\$126
A/P Decreases	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$35,000	\$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	\$35,178	\$179	\$180	\$181	\$181	\$182	\$183	\$184
Net Cash Flow	\$64,615	\$143	\$671	\$1,199	\$1,727	\$2,255	\$2,783	\$3,311
Cash Balance	\$64,615	\$64,758	\$65,429	\$66,628	\$68,355	\$70,610	\$73,393	\$76,704

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	\$3,940	\$4,469	\$4,998	\$5,527	\$31,420
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$3,940	\$4,469	\$4,998	\$5,527	\$31,420
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$25,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$75,000
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	\$101,000
Total Cash Inflow	\$4,024	\$4,553	\$5,082	\$5,610	\$132,420
Cash Outflows					
Repayment of Principal	\$127	\$127	\$128	\$129	\$1,493
A/P Decreases	\$58	\$58	\$58	\$58	\$700
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$35,000
Dividends	\$0	\$0	\$0	\$23,942	\$23,942
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$185	\$186	\$187	\$24,129	\$61,134
Net Cash Flow	\$3,839	\$4,367	\$4,895	-\$18,519	\$71,285
Cash Balance	\$80,543	\$84,910	\$89,804	\$71,285	\$71,285

Cash Flow Analysis (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	\$10,922	\$12,160	\$13,397	\$14,635	\$51,115
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$10,922	\$12,160	\$13,397	\$14,635	\$51,115
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	\$11,177	\$12,420	\$13,663	\$14,906	\$52,165
Cash Outflows					
Repayment of Principal	\$393	\$402	\$410	\$419	\$1,625
A/P Decreases	\$178	\$182	\$186	\$189	\$735
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$2,556	\$0	\$0	\$0	\$2,556
Dividends	\$0	\$0	\$0	\$39,592	\$39,592
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$3,127	\$584	\$596	\$40,201	\$44,508
Net Cash Flow	\$8,050	\$11,836	\$13,067	-\$25,295	\$7,657
Cash Balance	\$79,335	\$91,171	\$104,238	\$78,943	\$78,943

Cash Flow Analysis (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	\$16,204	\$17,622	\$19,041	\$20,459	\$73,327
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$16,204	\$17,622	\$19,041	\$20,459	\$73,327
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	\$16,472	\$17,895	\$19,319	\$20,743	\$74,429
Cash Outflows					
Repayment of Principal	\$428	\$437	\$447	\$456	\$1,768
A/P Decreases	\$187	\$191	\$195	\$199	\$772
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$3,666	\$0	\$0	\$0	\$3,666
Dividends	\$0	\$0	\$0	\$57,247	\$57,247
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$4,282	\$628	\$641	\$57,902	\$63,453
Net Cash Flow	\$12,190	\$17,267	\$18,678	-\$37,158	\$10,976
Cash Balance	\$91,133	\$108,400	\$127,077	\$89,919	\$89,919

Cash Flow Analysis (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	\$22,258	\$23,812	\$25,367	\$26,921	\$98,358
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$22,258	\$23,812	\$25,367	\$26,921	\$98,358
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	\$22,539	\$24,099	\$25,659	\$27,220	\$99,516
Cash Outflows					
Repayment of Principal	\$466	\$476	\$486	\$497	\$1,925
A/P Decreases	\$197	\$201	\$205	\$209	\$810
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$4,918	\$0	\$0	\$0	\$4,918
Dividends	\$0	\$0	\$0	\$77,147	\$77,147
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$5,580	\$676	\$691	\$77,852	\$84,800
Net Cash Flow	\$16,958	\$23,422	\$24,968	-\$50,633	\$14,716
Cash Balance	\$106,877	\$130,299	\$155,268	\$104,635	\$104,635

Cash Flow Analysis (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	\$29,078	\$30,784	\$32,491	\$34,198	\$126,550
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$29,078	\$30,784	\$32,491	\$34,198	\$126,550
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	\$29,373	\$31,085	\$32,798	\$34,511	\$127,766
Cash Outflows					
Repayment of Principal	\$507	\$518	\$529	\$540	\$2,095
A/P Decreases	\$206	\$211	\$215	\$219	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$6,328	\$0	\$0	\$0	\$6,328
Dividends	\$0	\$0	\$0	\$99,565	\$99,565
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$7,041	\$729	\$744	\$100,324	\$108,838
Net Cash Flow	\$22,332	\$30,356	\$32,054	-\$65,814	\$18,928
Cash Balance	\$126,967	\$157,323	\$189,377	\$123,563	\$123,563