



MDLD

CATERING



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1.0 Executive Summary

The purpose of this business plan is a showcase the continued development of a catering business based in Albuquerque, New Mexico. MDLD Catering (“the Company”) was founded by Matthew Deutsch. The business will specialize in providing a wide range of premium, modern American fare for personal incorporate events generally located within 50 miles of the Company’s location. At this time, the Founder is seeking \$100,000 in order to commence full scale operations.

Operations

The business will primarily generate its revenues from the ongoing sale of modern American cuisine that will be served on site. The Company will have the ability to provide food service at homes through its mobile food production truck and trailer. Concurrent to this, the Company can be retained to provide its food service at banquet halls when requested by a client.

The Company will produce substantial revenues from each engagement ranging from \$3,000 to \$15,000 depending on the menu selections and the number of people in attendance. The Company will operate on a year-round basis with expected revenue peaking during wedding season (May through October).

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

The Financing

As noted above, Matthew Deutsch is currently seeking \$100,000 of capital via a business loan in order to commence operations. The funds will be primarily used for the following:

- Catering vehicle acquisition
- Working capital
- General furniture, fixtures, and equipment

Mr. Deutsch will contribute \$25,000 toward the venture. Moving forward, the business could obtained additional capital as necessary to expand operations. Given that the business will generate highly predictable streams of revenue that are booked months in advance, the Company could easily acquire a revolving credit facility to manage cash flow and its growth objectives. This document assumes that the Company will finance its growth with retained earnings.

The Future

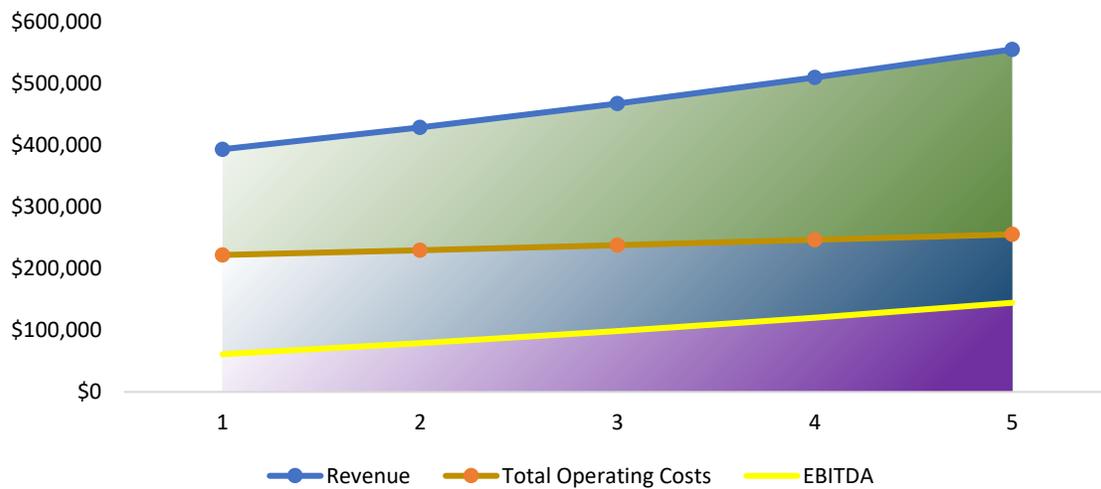
Given the premium level of modern American fare that will be offered at catered events – the Company will be able to seamlessly scale its operations throughout the entirety of the Albuquerque area. Moving forward, the Company may establish operations in other area

areas of New Mexico. There is also a possibility that the company may establish a formal restaurant, although this is not expected to occur until after the fifth year of operation.

Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$393,000	\$428,370	\$466,923	\$508,946	\$554,752
Cost of Revenue	\$110,040	\$119,944	\$130,739	\$142,505	\$155,330
Gross Profit	\$282,960	\$308,426	\$336,185	\$366,441	\$399,421
Total Operating Costs	\$221,828	\$229,608	\$237,718	\$246,176	\$255,001
EBITDA	\$61,132	\$78,818	\$98,467	\$120,266	\$144,420

Revenue, Operating Costs, EBITDA



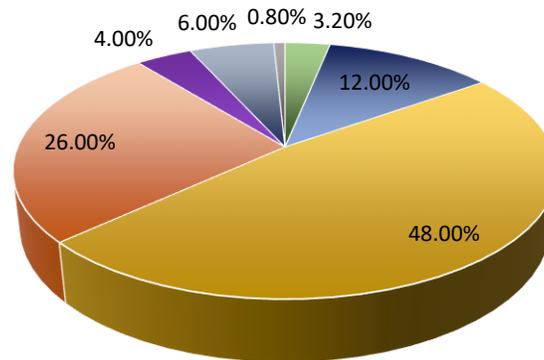
2.0 The Financing

2.1 Funds Required

The funds discussed in the executive summary will be used as follows:

Use of Funds	
Website Development	\$4,000
Furniture, Fixtures, and Equipment	\$15,000
Vehicles	\$60,000
Working Capital	\$32,500
Professional Fees	\$5,000
Initial Marketing	\$7,500
Misc. and Contingency	\$1,000
Total	\$125,000

Use of Funds Breakdown



- Website Development
- Furniture, Fixtures, and Equipment
- Vehicles
- Working Capital
- Professional Fees
- Initial Marketing
- Misc. and Contingency

2.2 Management and Investor Equity

Matthew Deutsch retains a 100% ownership interest in MDLD Catering.

2.3 Exit Strategies

Matthew Deutsch is seeking to have MDLD Catering operate as one of the preeminent catering services within the greater Albuquerque area. This will create a substantial amount of goodwill and value for the business in the event it is to be sold to a third-party. If it is financially prudent to do so, a business broker will be hired to manage the sale. This event is not expected to occur for a significant period of time.

3.0 Operations

Through a number of proprietary recipes developed by Matthew Deutsch, the business will be able to provide a wide range of classic American fare as well as fusion-based dishes at personal and corporate events throughout the Albuquerque area.

It should be noted that the business will have the ability to produce any type of cuisine specific for the desires of each client. The Company will work closely with its clients to create menus that will consist of appetizers, several main entrees, and desserts. All engagements will be done on a customized basis specific for the needs of each client.

In order to operate on a cost-effective basis, the business will rent space at a commissary kitchen in order to handle food preparation matters prior to each event. The produced food will then be brought to the event location via the Company's mobile catering truck. This truck will have a full internal kitchen suite so that food can be prepared within the vehicle if needed. It is fully expected that events that are held at banquet halls will provide space available to complete food preparation.

The Company will operate in a year-round basis. Management will coordinate with numerous partners that will use a Company services on an outsourced basis.

4.0 Overview of the Organization

4.1 Registered Name

MDLD Catering LLC. The business is registered as a limited liability company in the State of New Mexico.

4.2 Commencement of Operations

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

4.3 Mission Statement

To operate as the pre-eminent catering service within the greater Albuquerque metropolitan area.

4.4 Vision Statement

To provide customers with exceptional cuisine at their events that they will remember for a lifetime.

4.5 Organizational Objectives

- Properly onboard staff that will provide catering alongside the Owner from the onset of operations.
- Established ongoing referral relationships with wedding and event planners throughout the greater Albuquerque area.
- Maintain strong relationships with corporate event planners so that the business can provide service at business functions.
- Implement proper food safety handling protocols that will ensure that risk related to serving prepared food or kept to a minimum.
- Engage in a wide-ranging marketing campaign that will inform the general public of Albuquerque of MDLD Catering's operations.
- Continue to expand the types of cuisine that can be offered given the immensely diverse population of the Albuquerque area.
- Maintain an expansive of online present that includes social media.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

This section of the business plan will focus on the current economic climate, the catering industry, the competition at MDLD Catering will face, and the demographic profile.

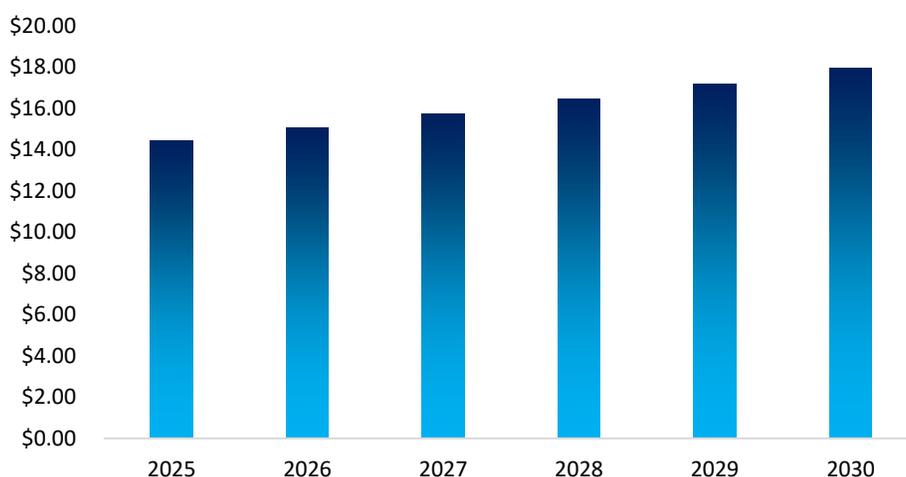
As a result of continually changing trade policies, there has been a moderate degree of volatility introduced to the market. The Federal Reserve is taking appropriate measures in order to ensure that the United States continues to undergo a period of economic growth while keeping inflation in check.

MDLD Catering will be able to maintain its revenue, generating operations and profitability in all economic climates given the substantial size of the greater Albuquerque market. Foremost, the business will have highly controllable operating costs given that this business is operating on a per engagement basis. Inventory and related purchases are only acquired once the client has made their deposit. Furthermore, the Company is not bound by any specific location and catering engagements can be rendered as far away as 100 miles from its location.

5.2 Industry Analysis

Catering services in the United States generate \$14.5 billion year of revenue. There are 13,000 companies that provide the service to the general public as well as for corporate events. The industry employs 150,000 people.

Catering Industry Revenues (in billions)



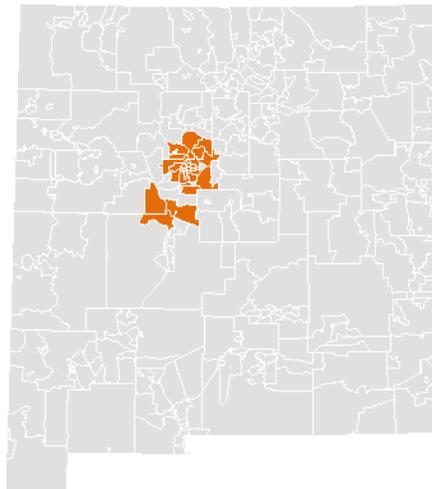
The growth outlook for this industry is positive. This is a mature industry and the ongoing growth of it is expected to be similar to that of the economy as a whole. People are spending substantially larger or greater amounts of money on weddings, personal events, and corporate events. MDLD Catering will be able to capitalize this in the coming years.

5.3 Customer Profile

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

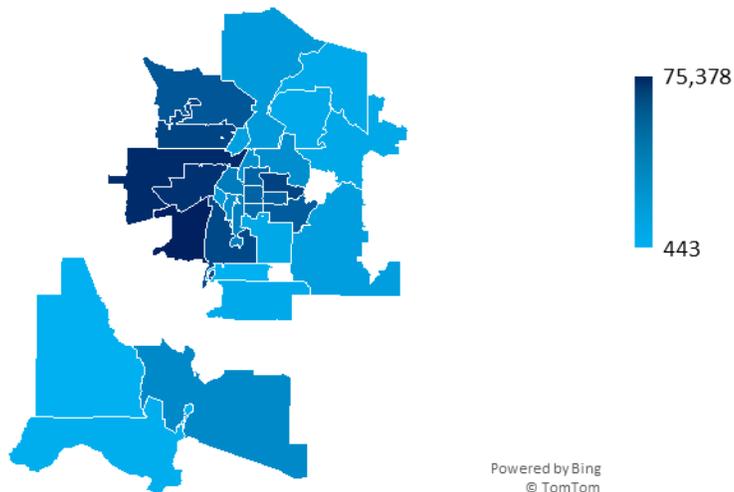
- Household income of \$125,000+
- Will spend \$3,000 to \$15,000 per engagement.
- Lives within 50 miles of the MDLD Catering location (although 100 miles is the total target market radius).

Target Market Area



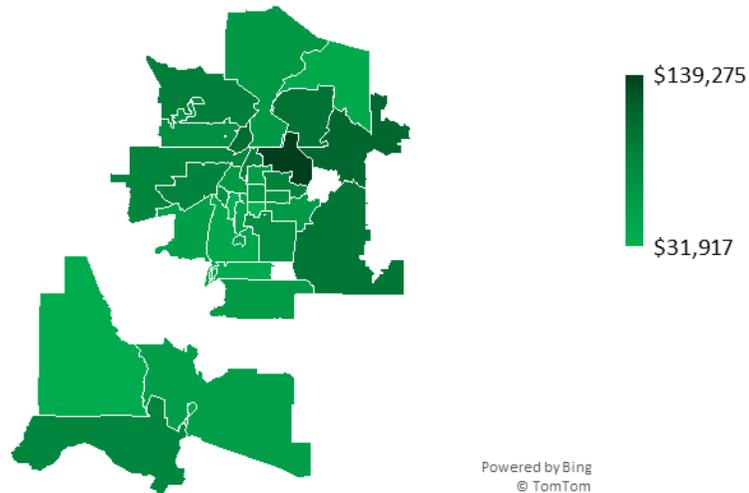
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Target Market Area Population

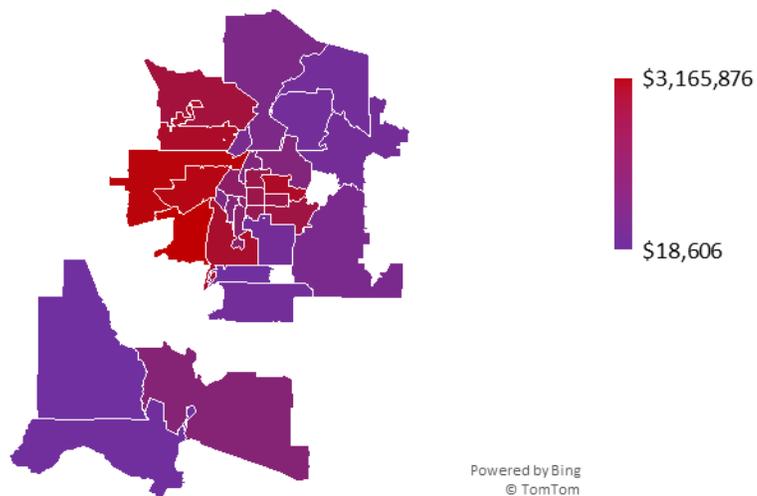


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Target Market Area Household Income



Target Market Area Demand



5.4 Competitive Analysis

This business plan has been written specifically as a sample. If this business plan was done specifically for a client engagement, a full analysis of all catering businesses within the target market would have been completed. This will have included a discussion regarding the types of cuisine, serve by other catering businesses, their online reviews, and ways in which this business could differentiate itself within the market.

6.0 Key Strategic Issues

6.1 Sustainable Operations

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

- Substantial demand for quality catering services within the greater Albuquerque market area.
- As the business operates on a per engagement basis, the operating risks of the business are substantially reduced.
- A highly talented chef, Matthew Deutsch, who will be able to effectively develop an outstanding brand name for MDLD Catering.
- The operations of this business are highly scalable and multiple catering engagements can be completed concurrently as the Company expands.
- The business will have extensive referral relationships in place in order to generate highly predictable forms of revenue.

6.2 Basis of Growth

The Company will expand via the following methods:

- Continued expansion of the operational capabilities the business in order to service a greater number of catering engagements.
- Development of satellite locations within other markets of New Mexico.
- Foster ongoing relationships with event planners and corporate events specialists in order to receive ongoing referrals as well as operating and a contracted capacity.

7.0 Marketing Plan

7.1 Marketing Objectives

- Immediately conduct direct outreach with event planners within the greater Albuquerque market area.
- Maintain an expansive online presence that showcases the cuisine that could be offered at personal incorporate events.
- Leverage public relations campaigns that will have articles about MDLD Catering written and distributed in reasonable publications.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	1	2	3	4	5
Catering Engagements	\$393,000	\$428,370	\$466,923	\$508,946	\$554,752
Total	\$393,000	\$428,370	\$466,923	\$508,946	\$554,752

Gross Profit					
Year	1	2	3	4	5
Total	\$282,960	\$308,426	\$336,185	\$366,441	\$399,421

7.3 Revenue Assumptions

Year 1

- First year revenue will reach \$393,000.
- Gross profits will reach \$282,000.

Year 2

- Through greater marketing efforts, revenue will reach \$428,000.
- Gross profits will reach \$308,000.
- Total income will increase by 9%.

Years 3-5

- By the fifth year of operation, total revenue will reach \$554,000.
- Gross profits will reach \$399,000.
- At this time, the Company may expand into other markets in New Mexico.

7.4 Marketing Strategies

Foremost, the Company intends to establish ongoing relationships with corporate event specialists and personal event planners within the greater Albuquerque market area. To conduct this outreach, the Company intends to host gatherings where Matthew Deutsch will prepare a wide range of food so that these individuals can understand the quality of the cuisine that can be offered at their clients' events. This will create a substantial amount of brand name awareness prior to the launch of operations and throughout the life of the Company. These types of engagements will continue on a yearly basis.

The Company will also maintain an expansive online presence that includes a proprietary website as well as use of social media. The Company's website will showcase the types of cuisine that can be offered at a catering event, preliminary pricing information, contact information, as well as availability. This website will undergo search and optimization specific for the Albuquerque market.

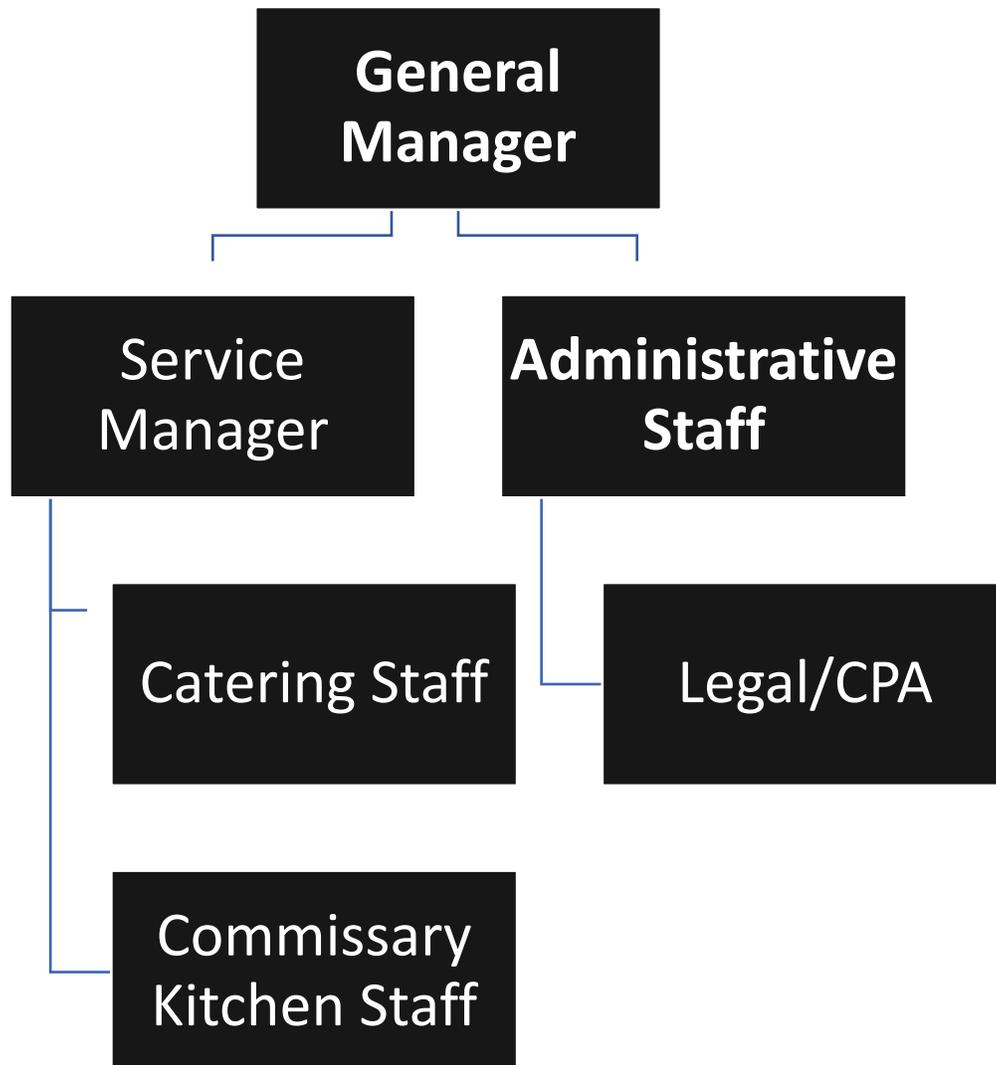
The Company will also maintain pages among all social media pages. Among individuals that have recently conducted searches for caterers, the Company will showcase paid advertisements that will direct these viewers to the website. This type of marketing is extremely important as they will be able to effectively target individuals that are actively seeking premium caterers while also contributing to social signaling.

In order to position MDLD Catering as a community bonded business, the Company will provide free catering services for charities and civic organizations throughout Albuquerque. It will substantially boost the brand name awareness of the business in the coming years.

The Company will also use advertisements on wedding specific websites. Through these ads, the company will be listed as a service provider for catering within the Albuquerque market. This will further increased visibility among people are actively seeking catering services.

8.0 Organizational Plan

8.1 Organizational Hierarchy

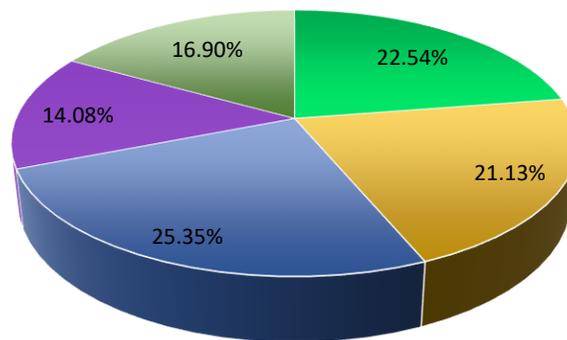


8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
General Manager	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020
Catering Manager	\$37,500	\$38,625	\$39,784	\$40,977	\$42,207
Catering Staff	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
Commissary Kitchen Staff	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138
Administrative Staff	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765
Total	\$177,500	\$182,825	\$188,310	\$193,959	\$199,778

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
General Manager	1	1	1	1	1
Catering Manager	1	1	1	1	1
Catering Staff	3	3	3	3	3
Commissary Kitchen Staff	1	1	1	1	1
Administrative Staff	1	1	1	1	1
Total	7	7	7	7	7

Personnel Summary



- General Manager
- Catering Manager
- Catering Staff
- Commissary Kitchen Staff
- Administrative Staff

9.0 Financial Plan

9.1 Underlying Assumptions

- MDLD Catering will have a annual growth rate of 9% per year.
- Matthew Deutsch will contribute \$25,000 to the development of this catering business.
- A loan of \$100,000 will be secured in order to acquire the vehicle as well as furniture, fixtures, and equipment.

9.2 Financial Highlights

- Limited operating risks as in inventory is only purchased once a catering engagement is secured.
- The Company can easily scale throughout multiple markets in New Mexico.
- The business will operate on a year-round basis.

9.3 Sensitivity Analysis

The business is revenues may be impacted by a very severe economic recession. During these times, the demand for premium catering services may decline as families and corporations seek lower cost alternatives for catering. However, these risks are reduced by the fact that the Albuquerque area is substantially population dense. There are a number of people that operate in a professional capacity, and they will always be able to afford the Company's catering services.

9.4 Source of Funds

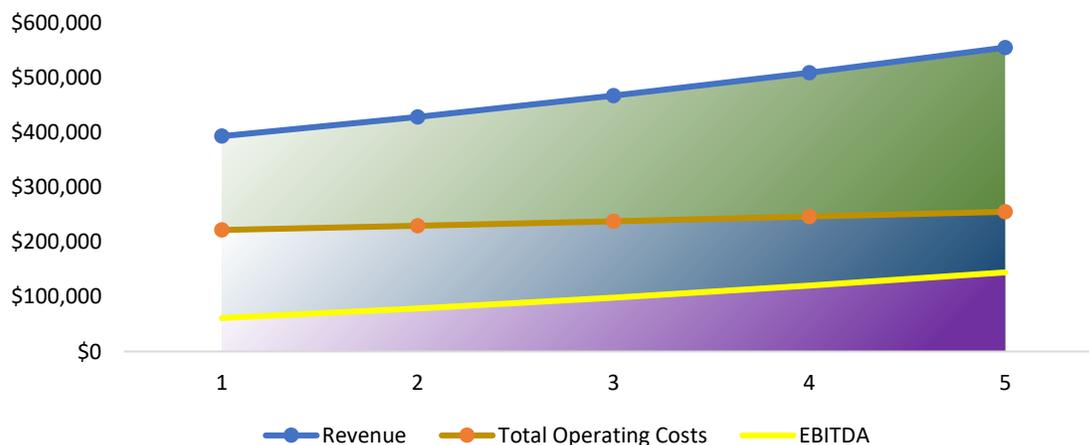
Financing	
Equity	
Equity Capitalization	\$25,000.00
Total Equity Financing	\$25,000.00
Banks and Lenders	
Business Loan	\$100,000.00
Total Debt Financing	\$100,000.00
Total Financing	\$125,000.00

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$393,000	\$428,370	\$466,923	\$508,946	\$554,752
Cost of Revenue	\$110,040	\$119,944	\$130,739	\$142,505	\$155,330
Gross Margin	72.00%	72.00%	72.00%	72.00%	72.00%
Gross Profit	\$282,960	\$308,426	\$336,185	\$366,441	\$399,421
Expenses					
Payroll	\$177,500	\$182,825	\$188,310	\$193,959	\$199,778
General and Administrative	\$7,860	\$8,567	\$9,338	\$10,179	\$11,095
Business Development	\$2,948	\$3,213	\$3,502	\$3,817	\$4,161
Marketing	\$4,952	\$5,397	\$5,883	\$6,413	\$6,990
Insurance Costs	\$3,500	\$3,675	\$3,859	\$4,052	\$4,254
Professional Fees	\$2,500	\$2,625	\$2,756	\$2,894	\$3,039
Facility Costs	\$8,000	\$8,240	\$8,487	\$8,742	\$9,004
Misc. Costs	\$990	\$1,079	\$1,177	\$1,283	\$1,398
Payroll Taxes	\$13,579	\$13,986	\$14,406	\$14,838	\$15,283
Total Operating Costs	\$221,828	\$229,608	\$237,718	\$246,176	\$255,001
EBITDA	\$61,132	\$78,818	\$98,467	\$120,266	\$144,420
Federal Income Tax	\$11,369	\$15,893	\$20,918	\$26,492	\$32,668
State Income Tax	\$2,274	\$3,179	\$4,184	\$5,298	\$6,534
Interest Expense	\$7,754	\$7,189	\$6,578	\$5,915	\$5,198
Depreciation Expenses	\$7,900	\$8,058	\$8,219	\$8,384	\$8,551
Net Profit	\$31,834	\$44,500	\$58,569	\$74,177	\$91,470
Profit Margin	8.10%	10.39%	12.54%	14.57%	16.49%

Revenue, Operating Costs, EBITDA



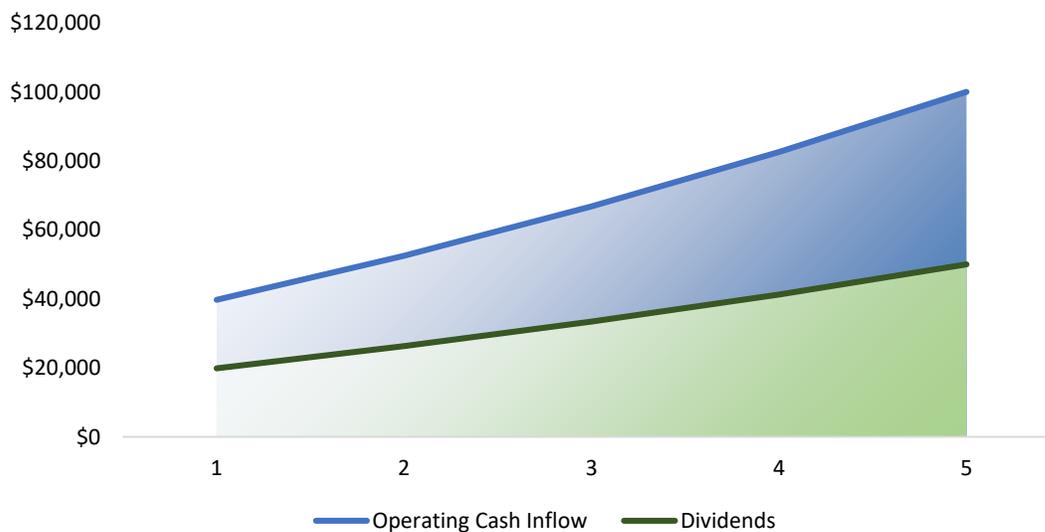
B) Common Size Income Statement

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	28.00%	28.00%	28.00%	28.00%	28.00%
Gross Profit	72.00%	72.00%	72.00%	72.00%	72.00%
Expenses					
Payroll	45.17%	42.68%	40.33%	38.11%	36.01%
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	0.89%	0.86%	0.83%	0.80%	0.77%
Professional Fees	0.64%	0.61%	0.59%	0.57%	0.55%
Facility Costs	2.04%	1.92%	1.82%	1.72%	1.62%
Misc. Costs	0.25%	0.25%	0.25%	0.25%	0.25%
Payroll Taxes	3.46%	3.26%	3.09%	2.92%	2.75%
Total Operating Costs	56.44%	53.60%	50.91%	48.37%	45.97%
EBITDA	15.56%	18.40%	21.09%	23.63%	26.03%
Federal Income Tax	2.89%	3.71%	4.48%	5.21%	5.89%
State Income Tax	0.58%	0.74%	0.90%	1.04%	1.18%
Interest Expense	1.97%	1.68%	1.41%	1.16%	0.94%
Depreciation Expenses	2.01%	1.88%	1.76%	1.65%	1.54%
Net Profit	8.10%	10.39%	12.54%	14.57%	16.49%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$39,734	\$52,558	\$66,788	\$82,560	\$100,021
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$39,734	\$52,558	\$66,788	\$82,560	\$100,021
Other Cash Inflows					
Equity Investment	\$25,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$100,000	\$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	\$126,000	\$1,050	\$1,103	\$1,158	\$1,216
Total Cash Inflow	\$165,734	\$53,608	\$67,891	\$83,718	\$101,236
Cash Outflows					
Repayment of Principal	\$6,805	\$7,370	\$7,982	\$8,644	\$9,362
A/P Decreases	\$700	\$735	\$772	\$810	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$79,000	\$13,139	\$16,697	\$20,640	\$25,005
Dividends	\$19,867	\$26,279	\$33,394	\$41,280	\$50,010
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$106,372	\$47,523	\$58,845	\$71,375	\$85,228
Net Cash Flow	\$59,362	\$6,084	\$9,046	\$12,343	\$16,008
Cash Balance	\$59,362	\$65,446	\$74,492	\$86,835	\$102,844

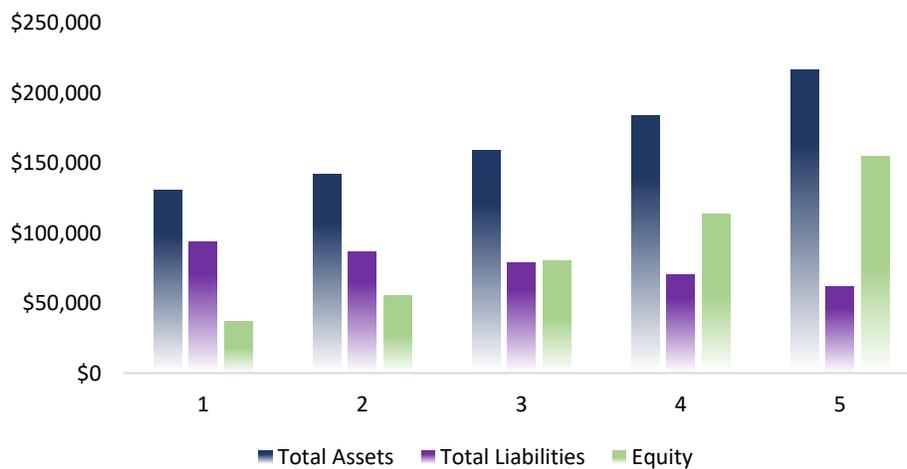
Cash Flow Analysis



D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	\$59,362	\$65,446	\$74,492	\$86,835	\$102,844
Fixed Assets	\$79,000	\$92,139	\$108,836	\$129,477	\$154,482
Accumulated Depreciation	(\$7,900)	(\$15,958)	(\$24,177)	(\$32,561)	(\$41,112)
Total Assets	\$130,462	\$141,628	\$159,152	\$183,751	\$216,213
Liabilities and Equity					
Accounts Payable	\$300	\$615	\$946	\$1,293	\$1,658
Long Term Liabilities	\$93,195	\$85,825	\$77,843	\$69,199	\$59,837
Other Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$93,495	\$86,440	\$78,789	\$70,492	\$61,495
Equity	\$36,967	\$55,188	\$80,363	\$113,260	\$154,719
Total Liabilities and Equity	\$130,462	\$141,628	\$159,152	\$183,751	\$216,213

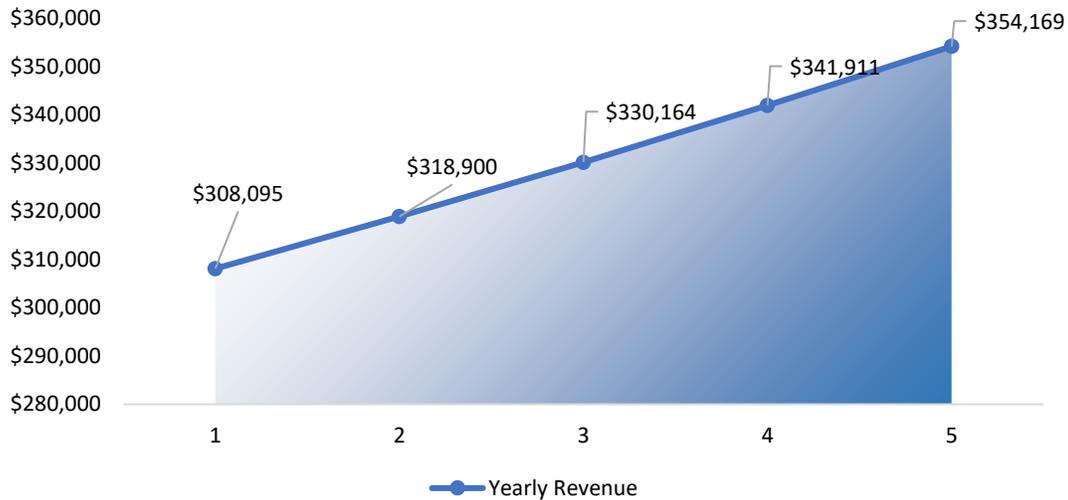
Balance Sheet



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	\$25,675	\$26,575	\$27,514	\$28,493	\$29,514
Yearly Revenue	\$308,095	\$318,900	\$330,164	\$341,911	\$354,169

Breakeven Analysis



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	9.0%	9.0%	9.0%	9.0%
Gross Margin	72.0%	72.0%	72.0%	72.0%	72.0%
Financials					
Profit Margin	8.10%	10.39%	12.54%	14.57%	16.49%
Assets to Liabilities	1.40	1.64	2.02	2.61	3.52
Equity to Liabilities	0.40	0.64	1.02	1.61	2.52
Assets to Equity	3.53	2.57	1.98	1.62	1.40
Liquidity					
Acid Test	0.63	0.76	0.95	1.23	1.67
Cash to Assets	0.46	0.46	0.47	0.47	0.48

Appendix A – SWOT Analysis

Strengths

- Highly predictable streams of revenue from the ongoing engagements discussed this document.
- Matthew Deutsch will be able to leverage his notoriety as a modern American chef when marketing the Company's services.
- The Company will be able to render services for both personal events in corporate events.
- The business has developed a highly focused marketing plan that will create a significant amount referral from event planners in the Albuquerque area.

Weaknesses

- Operational complexities as this is a food service business that deals with substantial volumes of cuisine being produced in a short period of time.
- Moderately high cost related to payroll during catering events.

Opportunities

- Continued to expansion of the number of relationships that the Company maintains with event planners.
- Enter new markets within New Mexico.
- Expansion of the types of cuisine that can be offered at catering events.

Threats

- A severe economic recession could impact revenues.
- Ongoing issues within inflation can cause the operating costs and inventory costs of the business to increase.

Appendix B – Critical Risks

Development Risk – Low

The business protocols and types of cuisine that will be offered through this catering enterprise has already been developed. At this time, Matthew Deutsch is seeking \$100,000 a capital in order to establish operations in Albuquerque.

Financing Risk – Low/Moderate

As shown earlier in this document, a vast majority of the funding, so it will be specifically used for the acquisition of a vehicle as well as furniture, fixtures, and equipment. The risks related as financing or offset by the low operating cost of the business and its ability to only acquire inventory once catering orders are place.

Marketing Risk – Low

Matthew Deutsch will leverage his existing notoriety when establishing ongoing relationships with event planners throughout Albuquerque. This will be complimented by the use of online marketing strategies as well as print advertisements in regional publications.

Management Risk – Low

Matthew Deutsch to a highly experienced chef that has over ten years of professional experience. He is well noted for the exceptional quality of his modern American cuisine. He will be able to quickly bring the operations of MDLD Catering to profitability.

Valuation Risk – Low

The valuation risk is offset by:

- The business can control its inventory acquisitions which reduces risk.
- The Company can expand its operations throughout multiple markets in New Mexico.
- Considerable demand within the Company’s target market for premium catering services.

Exit Risk - Low

As discussed in the second section of the business plan, there are no long ranging plans to sell this business for any third-party especially as a significant part of this business revolves around Matthew Deutsch’s abilities as a chef. In the event that the business is to be sold, the Company will retain a new executive chef that will transition the operation to their ownership. Again, this event is not expected to occur for a significant amount of time.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	\$30,000	\$30,500	\$31,000	\$31,500	\$32,000	\$32,500	\$33,000
Cost of Revenue	\$8,400	\$8,540	\$8,680	\$8,820	\$8,960	\$9,100	\$9,240
Gross Profit	\$21,600	\$21,960	\$22,320	\$22,680	\$23,040	\$23,400	\$23,760
Expenses							
Payroll	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792
General and Administrative	\$655	\$655	\$655	\$655	\$655	\$655	\$655
Business Development	\$246	\$246	\$246	\$246	\$246	\$246	\$246
Marketing	\$413	\$413	\$413	\$413	\$413	\$413	\$413
Insurance Costs	\$292	\$292	\$292	\$292	\$292	\$292	\$292
Professional Fees	\$208	\$208	\$208	\$208	\$208	\$208	\$208
Facility Costs	\$667	\$667	\$667	\$667	\$667	\$667	\$667
Misc. Costs	\$83	\$83	\$83	\$83	\$83	\$83	\$83
Payroll Taxes	\$1,132	\$1,132	\$1,132	\$1,132	\$1,132	\$1,132	\$1,132
Total Operating Costs	\$18,486						
EBITDA	\$3,114	\$3,474	\$3,834	\$4,194	\$4,554	\$4,914	\$5,274
Federal Income Tax	\$868	\$882	\$897	\$911	\$926	\$940	\$955
State Income Tax	\$174	\$176	\$179	\$182	\$185	\$188	\$191
Interest Expense	\$667	\$663	\$659	\$656	\$652	\$648	\$644
Depreciation Expenses	\$658	\$658	\$658	\$658	\$658	\$658	\$658
Net Profit	\$748	\$1,094	\$1,440	\$1,787	\$2,133	\$2,480	\$2,826

Profit and Loss Statement (First Year Cont.)

Month	8	9	10	11	12	Year 1
Revenue	\$33,500	\$34,000	\$34,500	\$35,000	\$35,500	\$393,000
Cost of Revenue	\$9,380	\$9,520	\$9,660	\$9,800	\$9,940	\$110,040
Gross Profit	\$24,120	\$24,480	\$24,840	\$25,200	\$25,560	\$282,960
Expenses						
Payroll	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792	\$177,500
General and Administrative	\$655	\$655	\$655	\$655	\$655	\$7,860
Business Development	\$246	\$246	\$246	\$246	\$246	\$2,948
Marketing	\$413	\$413	\$413	\$413	\$413	\$4,952
Insurance Costs	\$292	\$292	\$292	\$292	\$292	\$3,500
Professional Fees	\$208	\$208	\$208	\$208	\$208	\$2,500
Facility Costs	\$667	\$667	\$667	\$667	\$667	\$8,000
Misc. Costs	\$83	\$83	\$83	\$83	\$83	\$990
Payroll Taxes	\$1,132	\$1,132	\$1,132	\$1,132	\$1,132	\$13,579
Total Operating Costs	\$18,486	\$18,486	\$18,486	\$18,486	\$18,486	\$221,828
EBITDA	\$5,634	\$5,994	\$6,354	\$6,714	\$7,074	\$61,132
Federal Income Tax	\$969	\$984	\$998	\$1,013	\$1,027	\$11,369
State Income Tax	\$194	\$197	\$200	\$203	\$205	\$2,274
Interest Expense	\$641	\$637	\$633	\$629	\$625	\$7,754
Depreciation Expenses	\$658	\$658	\$658	\$658	\$658	\$7,900
Net Profit	\$3,172	\$3,519	\$3,865	\$4,212	\$4,558	\$31,834

Profit and Loss Statement (Second Year)

Quarter	Year 2				Year 2
	Q1	Q2	Q3	Q4	
Revenue	\$103,880	\$106,022	\$108,163	\$110,305	\$428,370
Cost of Revenue	\$29,086	\$29,686	\$30,286	\$30,885	\$119,944
Gross Profit	\$74,793	\$76,336	\$77,878	\$79,420	\$308,426
Expenses					
Payroll	\$45,706	\$45,706	\$45,706	\$45,706	\$182,825
General and Administrative	\$2,142	\$2,142	\$2,142	\$2,142	\$8,567
Business Development	\$779	\$795	\$811	\$827	\$3,213
Marketing	\$1,309	\$1,336	\$1,363	\$1,390	\$5,397
Insurance Costs	\$919	\$919	\$919	\$919	\$3,675
Professional Fees	\$637	\$650	\$663	\$676	\$2,625
Facility Costs	\$2,060	\$2,060	\$2,060	\$2,060	\$8,240
Misc. Costs	\$262	\$267	\$273	\$278	\$1,079
Payroll Taxes	\$3,392	\$3,462	\$3,531	\$3,601	\$13,986
Total Operating Costs	\$57,205	\$57,336	\$57,468	\$57,599	\$229,608
EBITDA	\$17,589	\$18,999	\$20,410	\$21,820	\$78,818
Federal Income Tax	\$3,854	\$3,933	\$4,013	\$4,092	\$15,893
State Income Tax	\$771	\$787	\$803	\$818	\$3,179
Interest Expense	\$1,852	\$1,816	\$1,779	\$1,742	\$7,189
Depreciation Expenses	\$2,015	\$2,015	\$2,015	\$2,015	\$8,058
Net Profit	\$9,097	\$10,449	\$11,801	\$13,153	\$44,500

Profit and Loss Statement (Third Year)

Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Revenue	\$113,229	\$115,564	\$117,898	\$120,233	\$466,923
Cost of Revenue	\$31,704	\$32,358	\$33,011	\$33,665	\$130,739
Gross Profit	\$81,525	\$83,206	\$84,887	\$86,568	\$336,185
Expenses					
Payroll	\$47,077	\$47,077	\$47,077	\$47,077	\$188,310
General and Administrative	\$2,265	\$2,311	\$2,358	\$2,405	\$9,338
Business Development	\$849	\$867	\$884	\$902	\$3,502
Marketing	\$1,427	\$1,456	\$1,486	\$1,515	\$5,883
Insurance Costs	\$965	\$965	\$965	\$965	\$3,859
Professional Fees	\$668	\$682	\$696	\$710	\$2,756
Facility Costs	\$2,122	\$2,122	\$2,122	\$2,122	\$8,487
Misc. Costs	\$285	\$291	\$297	\$303	\$1,177
Payroll Taxes	\$3,601	\$3,601	\$3,601	\$3,601	\$14,406
Total Operating Costs	\$59,260	\$59,373	\$59,486	\$59,599	\$237,718
EBITDA	\$22,265	\$23,833	\$25,401	\$26,968	\$98,467
Federal Income Tax	\$5,073	\$5,177	\$5,282	\$5,386	\$20,918
State Income Tax	\$1,015	\$1,035	\$1,056	\$1,077	\$4,184
Interest Expense	\$1,704	\$1,665	\$1,625	\$1,584	\$6,578
Depreciation Expenses	\$2,055	\$2,055	\$2,055	\$2,055	\$8,219
Net Profit	\$12,420	\$13,901	\$15,383	\$16,866	\$58,569

Profit and Loss Statement (Fourth Year)

Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Revenue	\$123,420	\$125,964	\$128,509	\$131,054	\$508,946
Cost of Revenue	\$34,557	\$35,270	\$35,983	\$36,695	\$142,505
Gross Profit	\$88,862	\$90,694	\$92,526	\$94,359	\$366,441
Expenses					
Payroll	\$48,490	\$48,490	\$48,490	\$48,490	\$193,959
General and Administrative	\$2,468	\$2,519	\$2,570	\$2,621	\$10,179
Business Development	\$926	\$945	\$964	\$983	\$3,817
Marketing	\$1,555	\$1,587	\$1,619	\$1,651	\$6,413
Insurance Costs	\$1,013	\$1,013	\$1,013	\$1,013	\$4,052
Professional Fees	\$702	\$716	\$731	\$745	\$2,894
Facility Costs	\$2,185	\$2,185	\$2,185	\$2,185	\$8,742
Misc. Costs	\$311	\$317	\$324	\$330	\$1,283
Payroll Taxes	\$3,709	\$3,709	\$3,709	\$3,709	\$14,838
Total Operating Costs	\$61,360	\$61,482	\$61,605	\$61,728	\$246,176
EBITDA	\$27,502	\$29,212	\$30,921	\$32,630	\$120,266
Federal Income Tax	\$6,424	\$6,557	\$6,689	\$6,822	\$26,492
State Income Tax	\$1,285	\$1,311	\$1,338	\$1,364	\$5,298
Interest Expense	\$1,543	\$1,501	\$1,458	\$1,414	\$5,915
Depreciation Expenses	\$2,096	\$2,096	\$2,096	\$2,096	\$8,384
Net Profit	\$16,155	\$17,747	\$19,341	\$20,935	\$74,177

Profit and Loss Statement (Fifth Year)

Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Revenue	\$134,527	\$137,301	\$140,075	\$142,849	\$554,752
Cost of Revenue	\$37,668	\$38,444	\$39,221	\$39,998	\$155,330
Gross Profit	\$96,860	\$98,857	\$100,854	\$102,851	\$399,421
Expenses					
Payroll	\$49,944	\$49,944	\$49,944	\$49,944	\$199,778
General and Administrative	\$2,691	\$2,746	\$2,801	\$2,857	\$11,095
Business Development	\$1,009	\$1,030	\$1,051	\$1,071	\$4,161
Marketing	\$1,695	\$1,730	\$1,765	\$1,800	\$6,990
Insurance Costs	\$1,064	\$1,064	\$1,064	\$1,064	\$4,254
Professional Fees	\$737	\$752	\$767	\$782	\$3,039
Facility Costs	\$2,251	\$2,251	\$2,251	\$2,251	\$9,004
Misc. Costs	\$339	\$346	\$353	\$360	\$1,398
Payroll Taxes	\$3,821	\$3,821	\$3,821	\$3,821	\$15,283
Total Operating Costs	\$63,550	\$63,684	\$63,817	\$63,950	\$255,001
EBITDA	\$33,309	\$35,173	\$37,037	\$38,900	\$144,420
Federal Income Tax	\$7,922	\$8,085	\$8,249	\$8,412	\$32,668
State Income Tax	\$1,584	\$1,617	\$1,650	\$1,682	\$6,534
Interest Expense	\$1,369	\$1,323	\$1,277	\$1,229	\$5,198
Depreciation Expenses	\$2,138	\$2,138	\$2,138	\$2,138	\$8,551
Net Profit	\$20,296	\$22,010	\$23,724	\$25,439	\$91,470

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	\$1,406	\$1,752	\$2,099	\$2,445	\$2,791	\$3,138	\$3,484	\$3,831
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$1,406	\$1,752	\$2,099	\$2,445	\$2,791	\$3,138	\$3,484	\$3,831
Other Cash Inflows								
Equity Investment	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$100,000	\$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	\$125,083	\$83						
Total Cash Inflow	\$126,489	\$1,836	\$2,182	\$2,528	\$2,875	\$3,221	\$3,568	\$3,914
Cash Outflows								
Repayment of Principal	\$547	\$550	\$554	\$558	\$561	\$565	\$569	\$573
A/P Decreases	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$79,000	\$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	\$79,605	\$609	\$612	\$616	\$620	\$623	\$627	\$631
Net Cash Flow	\$46,885	\$1,227	\$1,570	\$1,912	\$2,255	\$2,598	\$2,940	\$3,283
Cash Balance	\$46,885	\$48,112	\$49,682	\$51,594	\$53,849	\$56,447	\$59,387	\$62,670

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	\$4,177	\$4,524	\$4,870	\$5,217	\$39,734
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$4,177	\$4,524	\$4,870	\$5,217	\$39,734
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$25,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$100,000
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	\$126,000
Total Cash Inflow	\$4,260	\$4,607	\$4,953	\$5,300	\$165,734
Cash Outflows					
Repayment of Principal	\$576	\$580	\$584	\$588	\$6,805
A/P Decreases	\$58	\$58	\$58	\$58	\$700
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$79,000
Dividends	\$0	\$0	\$0	\$19,867	\$19,867
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$635	\$639	\$642	\$20,514	\$106,372
Net Cash Flow	\$3,626	\$3,968	\$4,311	-\$15,214	\$59,362
Cash Balance	\$66,296	\$70,264	\$74,575	\$59,362	\$59,362

Cash Flow Analysis (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	\$11,112	\$12,463	\$13,815	\$15,168	\$52,558
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$11,112	\$12,463	\$13,815	\$15,168	\$52,558
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	\$11,366	\$12,723	\$14,080	\$15,438	\$53,608
Cash Outflows					
Repayment of Principal	\$1,788	\$1,824	\$1,861	\$1,898	\$7,370
A/P Decreases	\$178	\$182	\$186	\$189	\$735
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$13,139	\$0	\$0	\$0	\$13,139
Dividends	\$0	\$0	\$0	\$26,279	\$26,279
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$15,105	\$2,006	\$2,046	\$28,366	\$47,523
Net Cash Flow	-\$3,739	\$10,717	\$12,034	-\$12,928	\$6,084
Cash Balance	\$55,623	\$66,340	\$78,374	\$65,446	\$65,446

Cash Flow Analysis (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	\$14,475	\$15,956	\$17,438	\$18,920	\$66,788
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$14,475	\$15,956	\$17,438	\$18,920	\$66,788
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	\$14,742	\$16,229	\$17,716	\$19,204	\$67,891
Cash Outflows					
Repayment of Principal	\$1,936	\$1,975	\$2,015	\$2,056	\$7,982
A/P Decreases	\$187	\$191	\$195	\$199	\$772
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$16,697	\$0	\$0	\$0	\$16,697
Dividends	\$0	\$0	\$0	\$33,394	\$33,394
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$18,820	\$2,166	\$2,210	\$35,648	\$58,845
Net Cash Flow	-\$4,078	\$14,062	\$15,506	-\$16,444	\$9,046
Cash Balance	\$61,368	\$75,430	\$90,936	\$74,492	\$74,492

Cash Flow Analysis (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	\$18,250	\$19,843	\$21,436	\$23,031	\$82,560
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$18,250	\$19,843	\$21,436	\$23,031	\$82,560
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	\$18,531	\$20,130	\$21,729	\$23,329	\$83,718
Cash Outflows					
Repayment of Principal	\$2,097	\$2,139	\$2,182	\$2,226	\$8,644
A/P Decreases	\$197	\$201	\$205	\$209	\$810
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$10,320	\$10,320	\$0	\$0	\$20,640
Dividends	\$0	\$0	\$0	\$41,280	\$41,280
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$12,613	\$12,660	\$2,387	\$43,715	\$71,375
Net Cash Flow	\$5,918	\$7,470	\$19,342	-\$20,386	\$12,343
Cash Balance	\$80,410	\$87,880	\$107,222	\$86,835	\$86,835

Cash Flow Analysis (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	\$22,434	\$24,148	\$25,862	\$27,577	\$100,021
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$22,434	\$24,148	\$25,862	\$27,577	\$100,021
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	\$22,729	\$24,448	\$26,169	\$27,890	\$101,236
Cash Outflows					
Repayment of Principal	\$2,271	\$2,317	\$2,363	\$2,411	\$9,362
A/P Decreases	\$206	\$211	\$215	\$219	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$12,503	\$12,503	\$0	\$0	\$25,005
Dividends	\$0	\$0	\$0	\$50,010	\$50,010
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$14,980	\$15,030	\$2,578	\$52,640	\$85,228
Net Cash Flow	\$7,749	\$9,419	\$23,591	-\$24,750	\$16,008
Cash Balance	\$94,584	\$104,003	\$127,594	\$102,844	\$102,844