# MDLD

## Sparkle Cleaning

RESIDENTIAL & COMMERCIAL CLEANING

## Table of Contents

1.0 Executive Summary ..... 4
2.0 The Financing ..... 6
2.1 Funds Required ..... 6
2.2 Management and Investor Equity ..... 6
2.3 Exit Strategies ..... 6
3.0 Operations ..... 7
4.0 Overview of the Organization ..... 8
4.1 Registered Name ..... 8
4.2 Commencement of Operations ..... 8
4.3 Mission Statement ..... 8
4.4 Vision Statement ..... 8
4.5 Organizational Objectives ..... 8
5.0 Market and Industry Analysis ..... 9
5.1 External Environmental Analysis ..... 9
5.2 Industry Analysis ..... 9
5.3 Customer Profile ..... 9
5.4 Competitive Analysis ..... 11
6.0 Key Strategic Issues ..... 11
6.1 Sustainable Operations ..... 12
6.2 Basis of Growth ..... 12
7.0 Marketing Plan ..... 13
7.1 Marketing Objectives ..... 13
7.2 Revenue Forecasts ..... 13
7.3 Revenue Assumptions ..... 13
7.4 Marketing Strategies ..... 14
8.0 Organizational Plan ..... 15
8.1 Organizational Hierarchy ..... 15
8.2 Personnel Costs ..... 16
9.0 Financial Plan ..... 17

9.1 Underlying Assumptions ..... 17
9.2 Financial Highlights ..... 17
9.3 Sensitivity Analysis ..... 17
9.4 Source of Funds ..... 17
9.5 Financial Proformas ..... 18
A) Profit and Loss Statement ..... 18
B) Common Size Income Statement ..... 19
C) Cash Flow Analysis ..... 20
D) Balance Sheet ..... 21
9.6 Breakeven Analysis ..... 22
9.7 Business Ratios ..... 22
Appendix A – SWOT Analysis ..... 23
Appendix B – Critical Risks ..... 24
Appendix C – Expanded Profit and Loss Statements ..... 25
Appendix D – Expanded Cash Flow Analysis ..... 31

## 1.0 Executive Summary

This business plan will showcase the continued growth and development of a residential and commercial cleaning service based in Palm Beach County, Florida. MDLD Sparkle Cleaning LLC ("the Company") was founded by Matthew Deutsch. The Company will generate substantial and ongoing revenues from the ongoing interior cleaning of both residential and commercial properties. Full scale revenue generating operations are expected to commence in the third quarter of this year.

At this time, the company is seeking a $150,000 revolving credit facility in order to establish operations. These funds are expected to be secured in tandem with the Small Business Administration.

### Operations

For each engagement, the Company will typically deploy two people to provide in-home cleaning services and services that meet the needs of office facilities. The Company will generate highly recurring reams of revenue from these operations with each engagement generating$150 to $400.

All staff members will undergo substantial training in order to ensure that they understand the best practices for properly cleaning a home or commercial property. Management will dispatch cleaners via Company owned vehicles that it will be branded with the business' logo and marketing messages.

The third section of this cleaning service business plan will further document operations.

### The Financing

The Company is currently seeking a $150,000 working capital line of credit in order to commence operations within the Palm Beach County market. Matthew Deutsch will contribute $50,000 to the venture.

Given the ongoing demand for cleaning services within the Palm Beach County market, the Company may request expansions of its working capital line of credit from time to time in order to facilitate ongoing growth to the business. MDLD Sparkle Cleaning will also use its retained earnings to fuel ongoing growth.

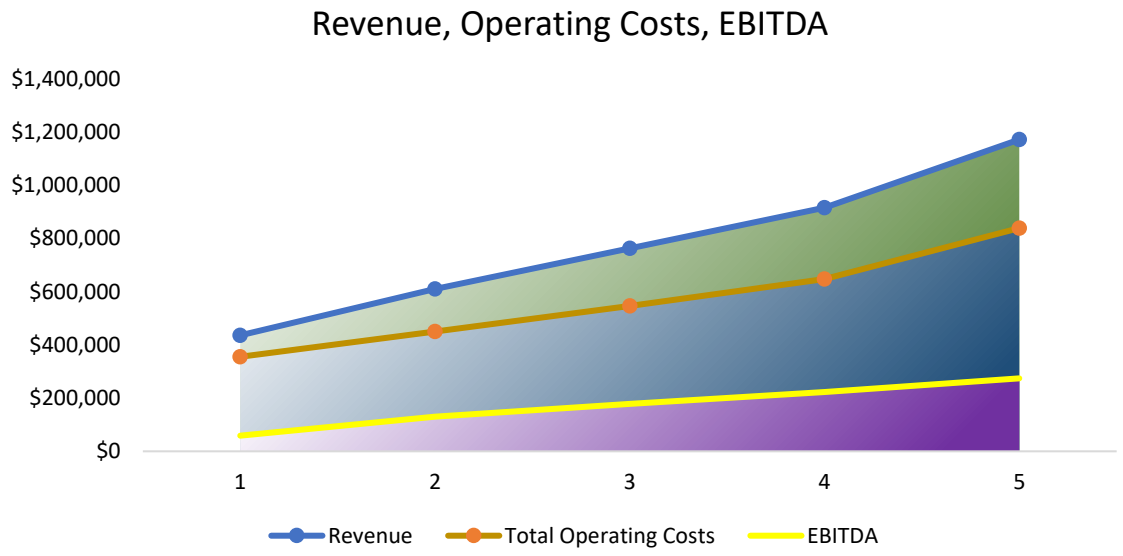
### The Future

The Company will continue to onboard a number of cleaning professionals that will be able to render services throughout the Palm Beach County area. The business may also expand into neighboring markets within the South Florida Metropolitan area. Additionally, there's also been a possibility that the Company can expand its operations to include cleaning

services that would be specific for the needs of medical and dental facilities. This could be a very high growth method for driving greater earnings in the coming years.

## Revenue Forecasts

| Proforma Profit and Loss | | | | | |
|---|---|---|---|---|---|
| Year | 1 | 2 | 3 | 4 | 5 |
| **Revenue** | $435,750 | $610,050 | $762,563 | $915,075 | $1,171,296 |
| Cost of Revenue | $21,788 | $30,503 | $38,128 | $45,754 | $58,565 |
| **Gross Profit** | $413,963 | $579,548 | $724,434 | $869,321 | $1,112,731 |
| Total Operating Costs | $355,152 | $449,453 | $545,747 | $646,513 | $838,576 |
| **EBITDA** | **$58,810** | **$130,095** | **$178,688** | **$222,808** | **$274,156** |

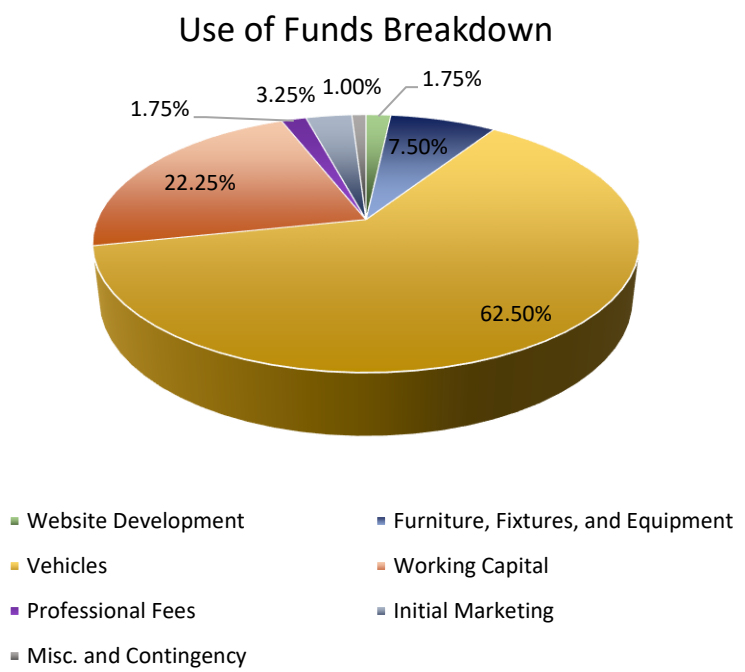


## 2.0 The Financing

### 2.1 Funds Required

The funds to be used to launch this venture will be used as follows:

| Use of Funds | |
|---|---|
| Website Development | $3,500 |
| Furniture, Fixtures, and Equipment | $15,000 |
| Vehicles | $125,000 |
| Working Capital | $44,500 |
| Professional Fees | $3,500 |
| Initial Marketing | $6,500 |
| Misc. and Contingency | $2,000 |
| **Total** | $200,000 |




### 2.2 Management and Investor Equity

Matthew Deutsch retains a 100% ownership interest in MDLD Sparkle Cleaning LLC.

### 2.3 Exit Strategies

As cleaning service businesses produce highly recurring streams of revenue, they are highly valued among companies given their stable earnings. In the event that Matthew Deutsch wishes to retire or relocate, a qualified business broker will be hired to manage the sale of MDLD Sparkle Cleaning to a third-party. A comprehensive valuation will be completed prior to marking the business for sale. Based on the profitability of the business by the fifth of operation, the company could have a value of $750,000.

## 3.0 Operations

MDLD Sparkle Cleaning will be actively involved with providing a wide range of comprehensive cleaning services specific for the needs of residential property owners and commercial property owners. The scope of the services will include floor cleaning, bathroom cleaning, window cleaning, textile cleaning, other services are part and parcel of a comprehensive residential cleaning service.

For commercial cleaning, the Company will offer the same scope of services while ensuring that all office areas and retail areas are clean and presentable to workers, clients, and customers.

The Company will produce highly recurring reams of revenue from these operations. For residential clients, it is expected that the services will be rendered either weekly or biweekly depending on the needs of the client. For commercial cleaning engagements, it is expected that these services will be rendered every two days. The Company will also have the ability to provide daily service for larger scale clients.

# 4.0 Overview of the Organization

## 4.1 Registered Name

MDLD Sparkle Cleaning LLC. The business is registered as a limited liability company in the State of Florida.

## 4.2 Commencement of Operations

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

## 4.3 Mission Statement

To provide exceptional, residential and commercial cleaning services and an affordable price for the Palm Beach County area.

## 4.4 Vision Statement

To become a widely recognized cleaning service that is known for its comprehensive nature in the South Florida area.

## 4.5 Organizational Objectives

- Properly onboard cleaning staff that will render exceptional services to the Company's clients.
- Conduct direct outreach with property management firms that will outsource commercial cleaning to MDLD Sparkle Cleaning.
- Adhere to all laws and regulations regarding the rendering of cleaning services in the State of Florida.
- Leverage multiple forms of online marketing in order to create a substantial brand name in the Palm Beach County area.
- Potentially developed satellite locations within the South Florida metropolitan area as the Company expands.
- Potentially integrate complementary services such as medical facility and dental facility cleaning in order to boost revenues.

# 5.0 Market and Industry Analysis

## 5.1 External Environmental Analysis

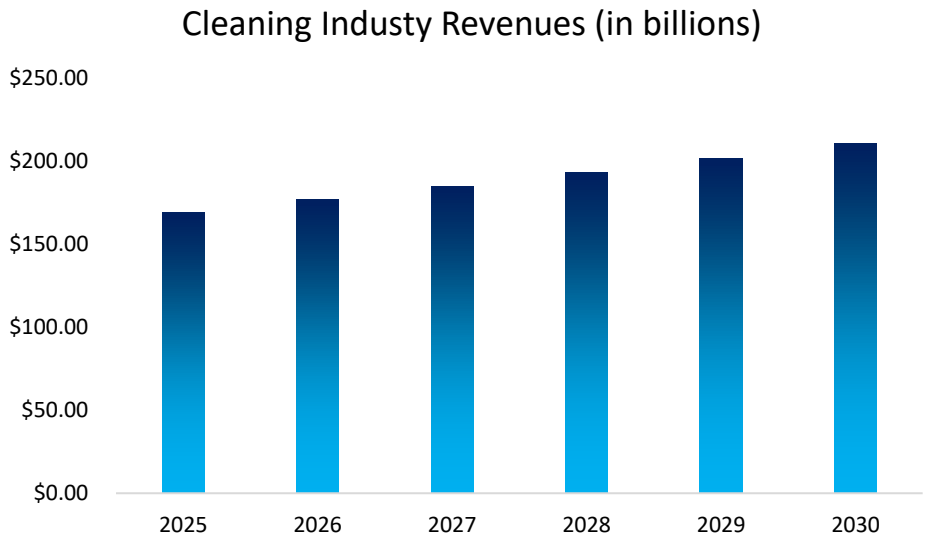
This section of the business plan will document the cleaning industry, the customer profile, the economic climate, and ongoing competition.

At this time, the current economic climate in the United States is moderate. As a result of ever-changing trade policies as well as adjustments in fiscal policy – a certain level of volatility has been integrated into the market.

However, this should only have a modest impact on MDLD Sparkle Cleaning's ability to generate revenue. The Palm Beach County area is a substantially population dense market and numerous major corporations operate in this area. Furthermore, the Company will generate highly recurring revenue from its operations that will support all of the underlying operating cost of the business as well as its financial obligations.

## 5.2 Industry Analysis

Within the United States, there are one million cleaning services that provide services to residential property owners and commercial property owners. Each year, these businesses generate $169 billion of revenue. It should be noted that these statistics specifically exclude janitorial services. The industry employees two million people.




The growth rate of this industry is expected to remain at a similar rate to that of the economy as a whole. This is a highly established industry that has been operational for well over a century. One of the common trends within this industry is to integrate application focused technology so that residential property owners and commercial property owners can use an app to schedule cleaning services. Once operations commence, MDLD Sparkle Cleaning will integrate this type of functionality into its operations

### 5.3 Customer Profile

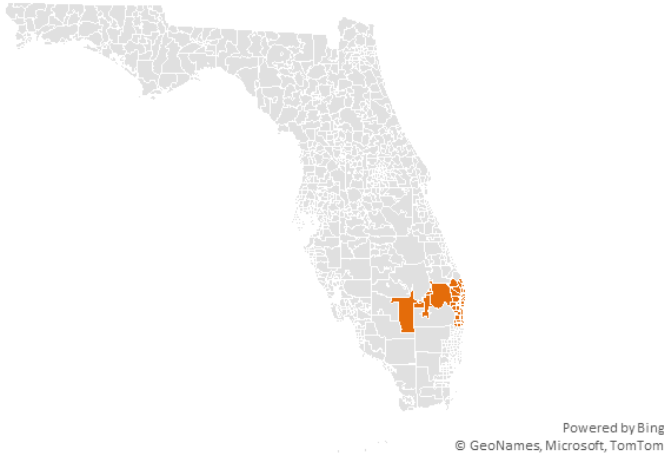
The following demographic profile will be used during the course of marketing operations:

- Household income of $100,000+
- Will spend $150 to $200 per visit
- Lives within 10 miles of the MDLD Sparkle Cleaning location

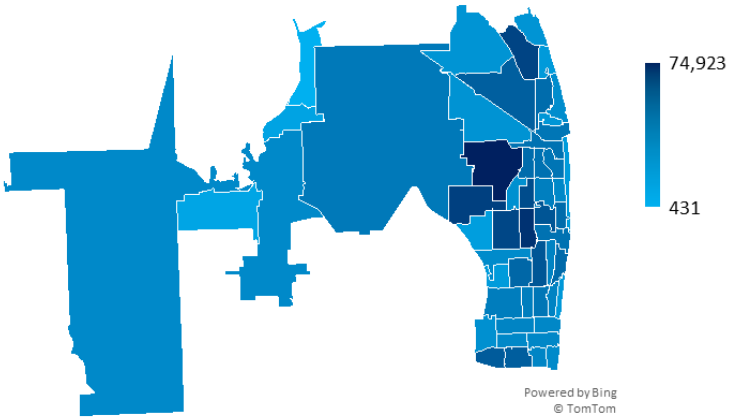
Among commercial clients, the following profile will be used:

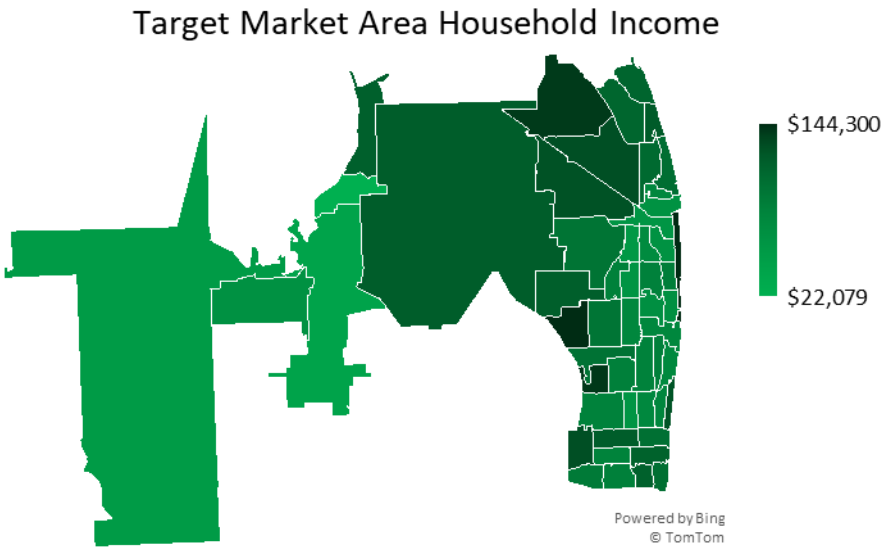
- Operates as an office building or retail facility
- Will spend $2,000 to $4,000 per month
- Operates within 20 miles of the Company's location

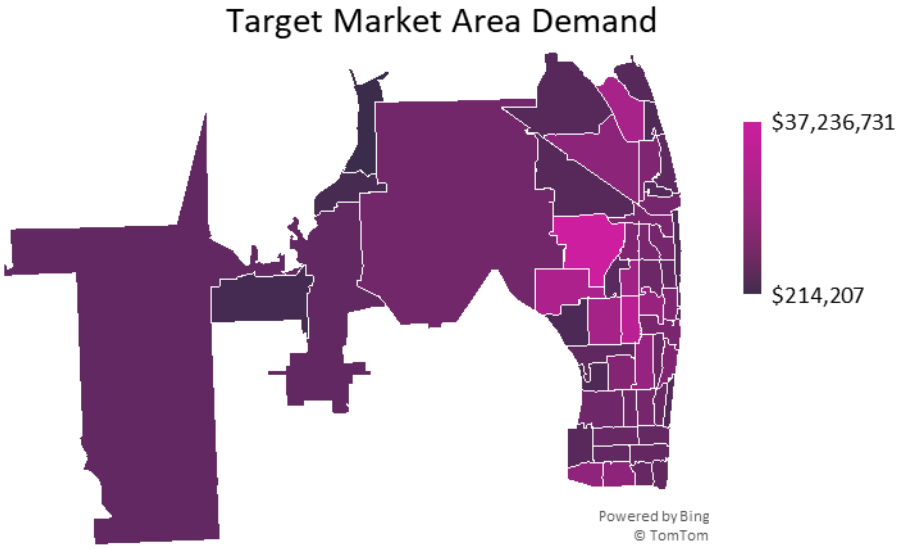
Target Market Area




Target Market Area Population






**5.4 Competitive Analysis**

This cleaning service business plan has been written for sample purposes only. If this had been completed as an engagement for a client, a thorough analysis of all competitors within the target market would have been included. This would have included an examination of the number of competitors, their online reviews, length of time in business, and in ways in which the business would be able to maintain a differentiating factor.

# 6.0 Key Strategic Issues

## 6.1 Sustainable Operations

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

- Highly recurring reams of revenue will support the ongoing operations and growth of the business.
- The Company can easily scale it operations throughout other markets in South Florida.
- Use of application technology will streamline the Company's operations while providing a value-added benefit to clients.
- The ability to provide both residential and commercial cleaning services will provide a differentiating factor for MDLD Sparkle Cleaning.

## 6.2 Basis of Growth

The Company will expand via the following methods:

- Continued expansion in the Company's marketing campaigns specifically targeting residential property owners in Palm Beach County.
- Conduct direct outreach with property management firms and office building owners through the target market area.
- Expand the scope of the Companies operations to include other markets in South Florida.
- Expansion of operations to include cleaning services specifically needs of medical and dental facilities.

# 7.0 Marketing Plan

## 7.1 Marketing Objectives

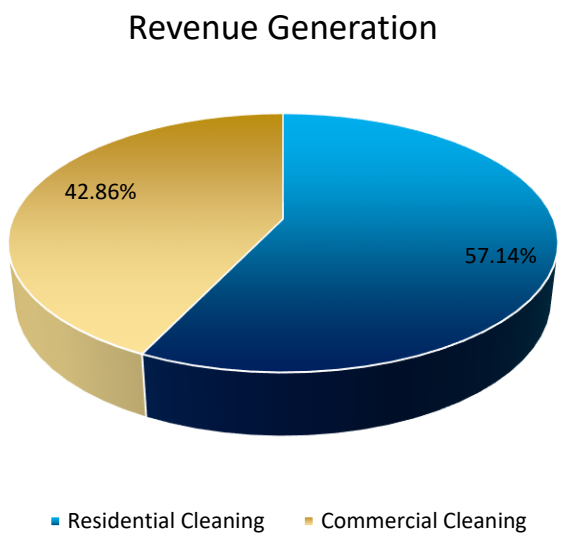
- Engage in a wide-ranging marketing campaign that covers the entirety of the Palm Beach County area.

- Aggressively establish relationships with property management firms, office building managers, as well as homeowners' associations.

## 7.2 Revenue Forecasts

| Yearly Sales Forecast | | | | | |
|---|---|---|---|---|---|
| **Year** | **1** | **2** | **3** | **4** | **5** |
| Residential Cleaning | $249,000 | $348,600 | $435,750 | $522,900 | $669,312 |
| Commercial Cleaning | $186,750 | $261,450 | $326,813 | $392,175 | $501,984 |
| **Totals** | **$435,750** | **$610,050** | **$762,563** | **$915,075** | **$1,171,296** |

| Gross Profit | | | | | |
|---|---|---|---|---|---|
| Year | 1 | 2 | 3 | 4 | 5 |
| **Total** | **$413,963** | **$579,548** | **$724,434** | **$869,321** | **$1,112,731** |




## 7.3 Revenue Assumptions

Year 1

- First year revenue will reach $435,000.
- Gross profits will reach $413,000.

Year 2

- Revenue will reach $610,000.
- Revenue will increase by 40%.

Years 3-5

- By the fifth year of operation, total revenue will reach $1.17 million.
- At this time, the Company may expand into other markets in South Florida.

**7.4 Marketing Strategies**

The Company intends to use a number of marketing strategies that will create significant brand name awareness in the coming months and years. As it relates to residential property cleaning service services, the Company will take an online first approach as many people find these types of services through the internet. The Company will maintain an expanse of online presence via a search engine optimized website specific for the Palm Beach County market. This platform will showcase all services rendered, preliminary pricing information, in general information about the Company. Over the next five years, ongoing content will be continually added to the website in order to maintain visibility.

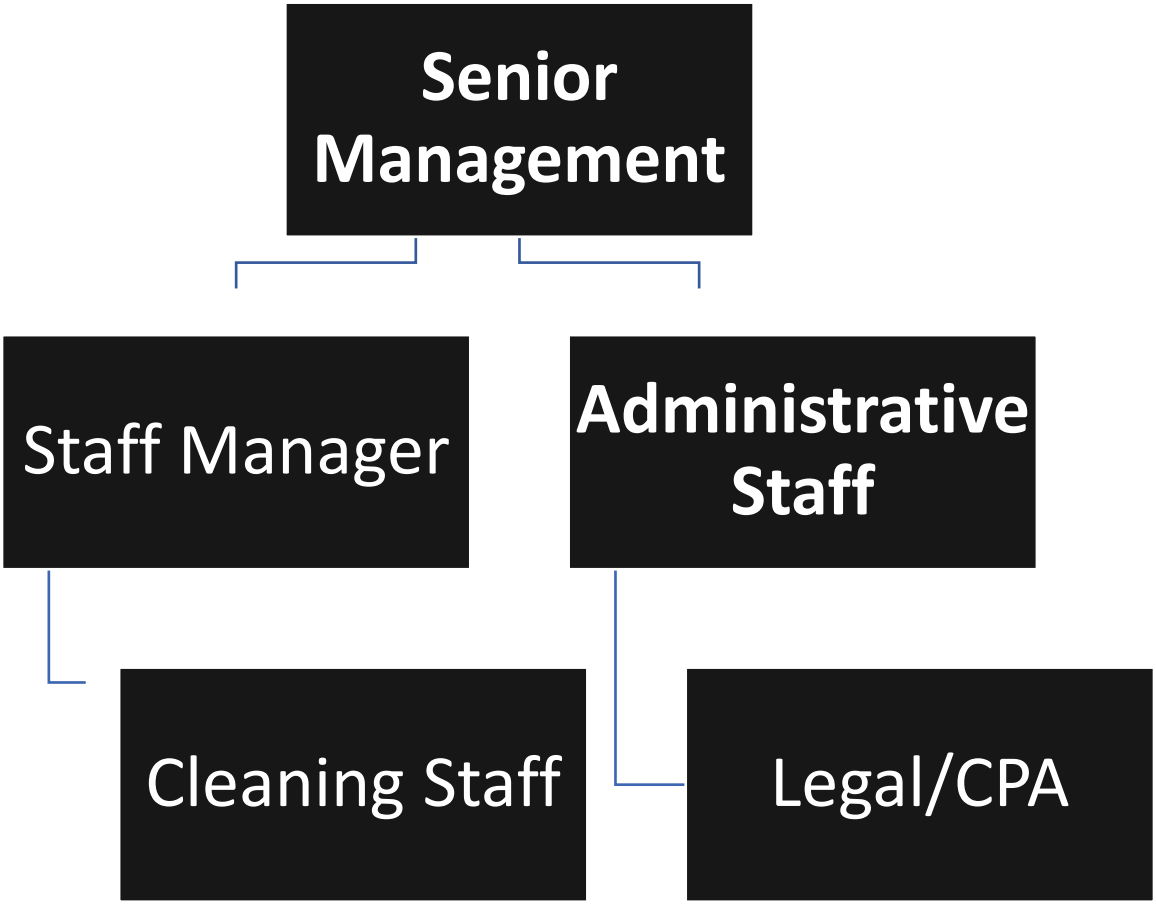
At the onset of operations, the Company intends to offer a number of discounted services through multiple social media platforms. The first cleaning session will be offered at a price that is 50% lower than the list price. This is expected to onboard a number of clients given that they will see the exceptional quality that is provided through the Company's residential cleaning services. These types of promotions will occur throughout the life of business.

Management will also conduct extensive direct outreach with office building managers, property, managers, as well as homeowners' association directors. As it relates to the latter, there is a possibility that the business will be able to secure ongoing contracts to provide cleaning for common areas, especially within planned residential neighborhoods and complexes. For office building, managers and general property managers, the Company will showcase the cost-effectiveness of outsourcing commercial cleaning service services to MDLD Sparkle Cleaning. These types of direct outreach campaigns will occur about the life of the business.

To further increase brand visibility, the company will enroll among numerous area chambers of commerce as well as small business associations.

## 8.0 Organizational Plan

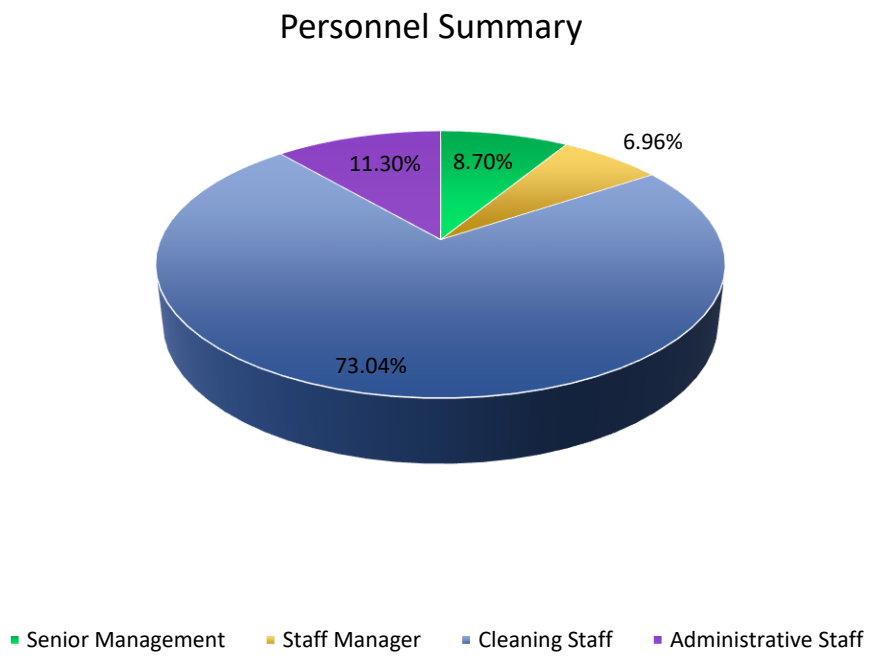
### 8.1 Organizational Hierarchy



## 8.2 Personnel Costs

| Personnel Plan - Yearly | | | | | |
|---|---|---|---|---|---|
| Year | 1 | 2 | 3 | 4 | 5 |
| Senior Management | $50,000 | $51,500 | $53,045 | $54,636 | $56,275 |
| Staff Manager | $40,000 | $41,200 | $42,436 | $43,709 | $45,020 |
| Cleaning Staff | $150,000 | $216,300 | $286,443 | $360,600 | $472,714 |
| Administrative Staff | $32,500 | $33,475 | $34,479 | $35,514 | $73,158 |
| **Total** | **$272,500** | **$342,475** | **$416,403** | **$494,459** | **$647,168** |

| Numbers of Personnel (Year End Headcount) | | | | | |
|---|---|---|---|---|---|
| Year | 1 | 2 | 3 | 4 | 5 |
| Senior Management | 1 | 1 | 1 | 1 | 1 |
| Staff Manager | 1 | 1 | 1 | 1 | 1 |
| Cleaning Staff | 5 | 7 | 9 | 11 | 14 |
| Administrative Staff | 1 | 1 | 1 | 1 | 2 |
| **Total** | **8** | **10** | **12** | **14** | **18** |



# 9.0 Financial Plan

## 9.1 Underlying Assumptions

- The company will acquire a $150,000 revolving line of credit.
- Matthew Deutsch will contribute $50,000 towards venture.
- The cleaning service will achieve a compounded annual growth rate of 28%

## 9.2 Financial Highlights

- The Company can easily scale of operations by hiring additional staff.
- The highly predictable nature of revenue on your economic stability.
- The Company is operating in a population dense market that will be able to support its operations.

## 9.3 Sensitivity Analysis

The business may face modest revenue generation issues during the event of a severe economic recession. However, as noted earlier – the target market is very population dense. Furthermore, the Company intends to work with office buildings as well as retail stores provide ongoing cleaning services. As these are a necessity for these types of clients, the Company will be able to maintain profitability even during a challenging business climate.

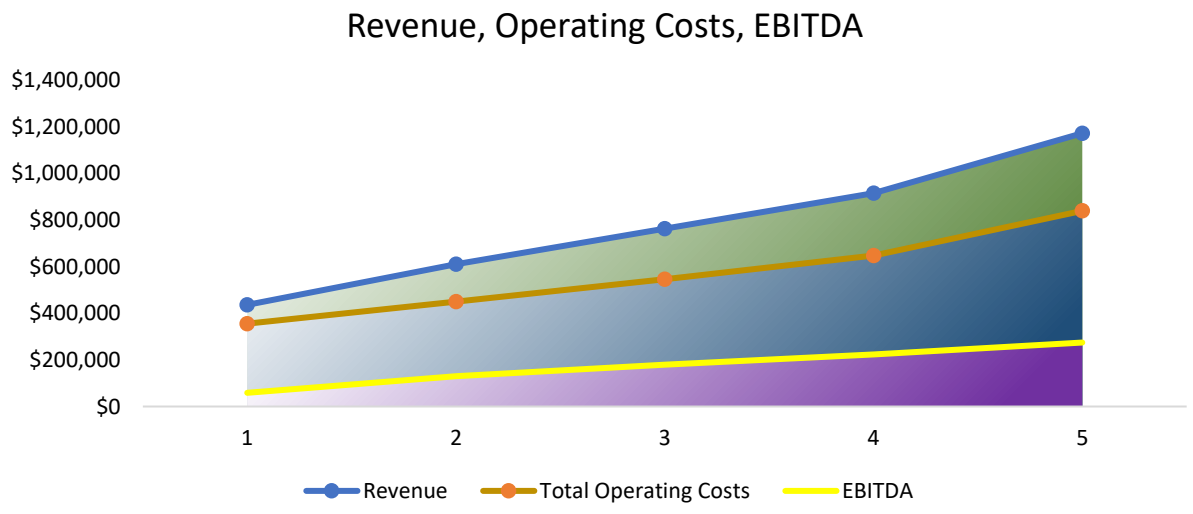
## 9.4 Source of Funds

| Financing | |
|---|---|
| **Equity** | |
| Equity Capitalization | $50,000.00 |
| **Total Equity Financing** | $50,000.00 |
| **Banks and Lenders** | |
| Business Loan | $150,000.00 |
| **Total Debt Financing** | $150,000.00 |
| **Total Financing** | **$200,000.00** |

## 9.5 Financial Proformas

## A) Profit and Loss Statement

| Proforma Profit and Loss | | | | | |
|---|---|---|---|---|---|
| Year | 1 | 2 | 3 | 4 | 5 |
| **Revenue** | $435,750 | $610,050 | $762,563 | $915,075 | $1,171,296 |
| Cost of Revenue | $21,788 | $30,503 | $38,128 | $45,754 | $58,565 |
| Gross Margin | 95.00% | 95.00% | 95.00% | 95.00% | 95.00% |
| | | | | | |
| **Gross Profit** | $413,963 | $579,548 | $724,434 | $869,321 | $1,112,731 |
| | | | | | |
| **Expenses** | | | | | |
| Payroll | $272,500 | $342,475 | $416,403 | $494,459 | $647,168 |
| General and Administrative | $8,715 | $12,201 | $15,251 | $18,302 | $23,426 |
| Vehicle Costs | $30,503 | $42,704 | $53,379 | $64,055 | $81,991 |
| Marketing | $5,490 | $7,687 | $9,608 | $11,530 | $14,758 |
| Insurance Costs | $5,000 | $5,250 | $5,513 | $5,788 | $6,078 |
| Professional Fees | $3,500 | $3,675 | $3,859 | $4,052 | $4,254 |
| Facility Costs | $7,500 | $7,725 | $7,957 | $8,195 | $8,441 |
| Misc. Costs | $1,098 | $1,537 | $1,922 | $2,306 | $2,952 |
| Payroll Taxes | $20,846 | $26,199 | $31,855 | $37,826 | $49,508 |
| **Total Operating Costs** | **$355,152** | **$449,453** | **$545,747** | **$646,513** | **$838,576** |
| | | | | | |
| **EBITDA** | **$58,810** | **$130,095** | **$178,688** | **$222,808** | **$274,156** |
| Federal Income Tax | $8,207 | $26,168 | $38,473 | $49,677 | $62,707 |
| State Income Tax | $0 | $0 | $0 | $0 | $0 |
| Interest Expense | $11,631 | $10,784 | $9,866 | $8,873 | $7,796 |
| Depreciation Expenses | $14,350 | $14,637 | $14,930 | $15,228 | $15,533 |
| | | | | | |
| **Net Profit** | **$24,622** | **$78,505** | **$115,419** | **$149,030** | **$188,120** |
| **Profit Margin** | **5.65%** | **12.87%** | **15.14%** | **16.29%** | **16.06%** |

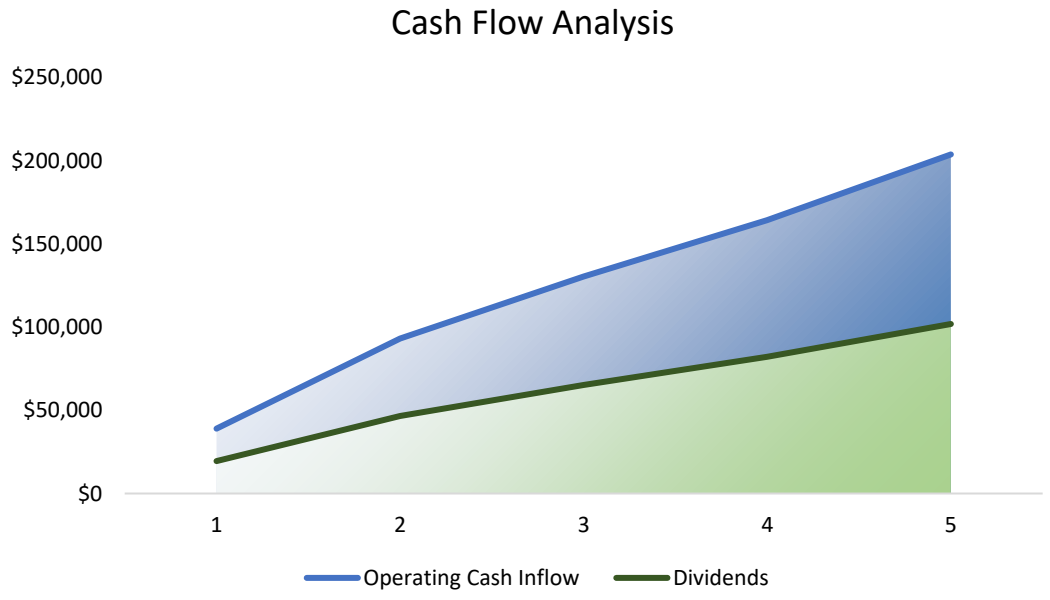


## B) Common Size Income Statement

| 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 | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| | | | | | |
| **Gross Profit** | 95.00% | 95.00% | 95.00% | 95.00% | 95.00% |
| | | | | | |
| **Expenses** | | | | | |
| Payroll | 62.54% | 56.14% | 54.61% | 54.03% | 55.25% |
| General and Administrative | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Vehicle Costs | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% |
| Marketing | 1.26% | 1.26% | 1.26% | 1.26% | 1.26% |
| Insurance Costs | 1.15% | 0.86% | 0.72% | 0.63% | 0.52% |
| Professional Fees | 0.80% | 0.60% | 0.51% | 0.44% | 0.36% |
| Facility Costs | 1.72% | 1.27% | 1.04% | 0.90% | 0.72% |
| Misc. Costs | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| Payroll Taxes | 4.78% | 4.29% | 4.18% | 4.13% | 4.23% |
| **Total Operating Costs** | 81.50% | 73.67% | 71.57% | 70.65% | 71.59% |
| | | | | | |
| **EBITDA** | 13.50% | 21.33% | 23.43% | 24.35% | 23.41% |
| Federal Income Tax | 1.88% | 4.29% | 5.05% | 5.43% | 5.35% |
| State Income Tax | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Interest Expense | 2.67% | 1.77% | 1.29% | 0.97% | 0.67% |
| Depreciation Expenses | 3.29% | 2.40% | 1.96% | 1.66% | 1.33% |
| | | | | | |
| **Net Profit** | 5.65% | 12.87% | 15.14% | 16.29% | 16.06% |

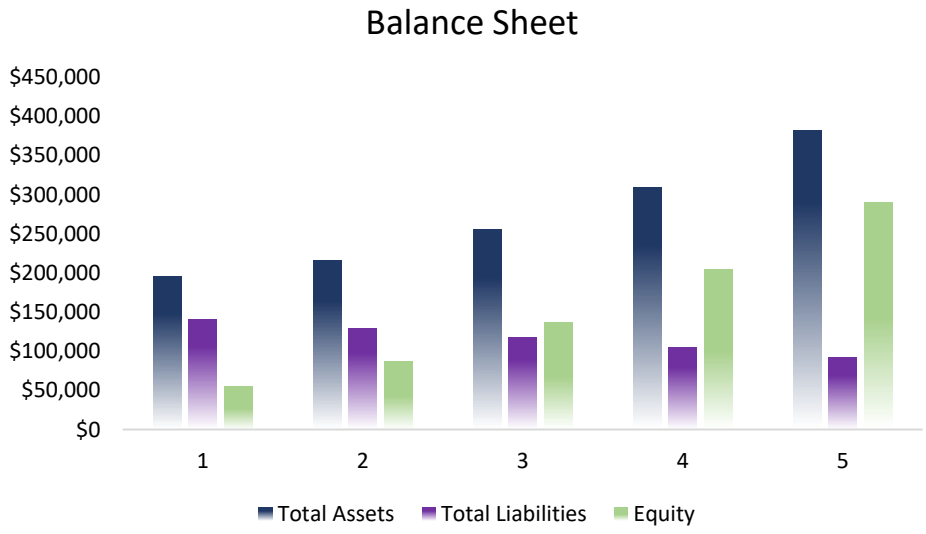
## C) Cash Flow Analysis

| Proforma Cash Flow Analysis - Yearly | | | | | |
|---|---|---|---|---|---|
| Year | 1 | 2 | 3 | 4 | 5 |
| Cash From Operations | $38,972 | $93,142 | $130,349 | $164,259 | $203,653 |
| Cash From Receivables | $0 | $0 | $0 | $0 | $0 |
| **Operating Cash Inflow** | **$38,972** | **$93,142** | **$130,349** | **$164,259** | **$203,653** |
| | | | | | |
| **Other Cash Inflows** | | | | | |
| Equity Investment | $50,000 | $0 | $0 | $0 | $0 |
| Increased Borrowings | $150,000 | $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** | **$201,000** | **$1,050** | **$1,103** | **$1,158** | **$1,216** |
| | | | | | |
| **Total Cash Inflow** | **$239,972** | **$94,192** | **$131,451** | **$165,416** | **$204,868** |
| | | | | | |
| **Cash Outflows** | | | | | |
| Repayment of Principal | $10,208 | $11,055 | $11,973 | $12,966 | $14,043 |
| A/P Decreases | $700 | $735 | $772 | $810 | $851 |
| A/R Increases | $0 | $0 | $0 | $0 | $0 |
| Asset Purchases | $143,500 | $23,286 | $32,587 | $41,065 | $50,913 |
| Dividends | $19,486 | $46,571 | $65,174 | $82,129 | $101,826 |
| Preferred Equity Payment | $0 | $0 | $0 | $0 | $0 |
| **Total Cash Outflows** | **$173,894** | **$81,647** | **$110,506** | **$136,971** | **$167,633** |
| | | | | | |
| **Net Cash Flow** | **$66,078** | **$12,545** | **$20,945** | **$28,446** | **$37,235** |
| **Cash Balance** | **$66,078** | **$78,624** | **$99,569** | **$128,014** | **$165,249** |



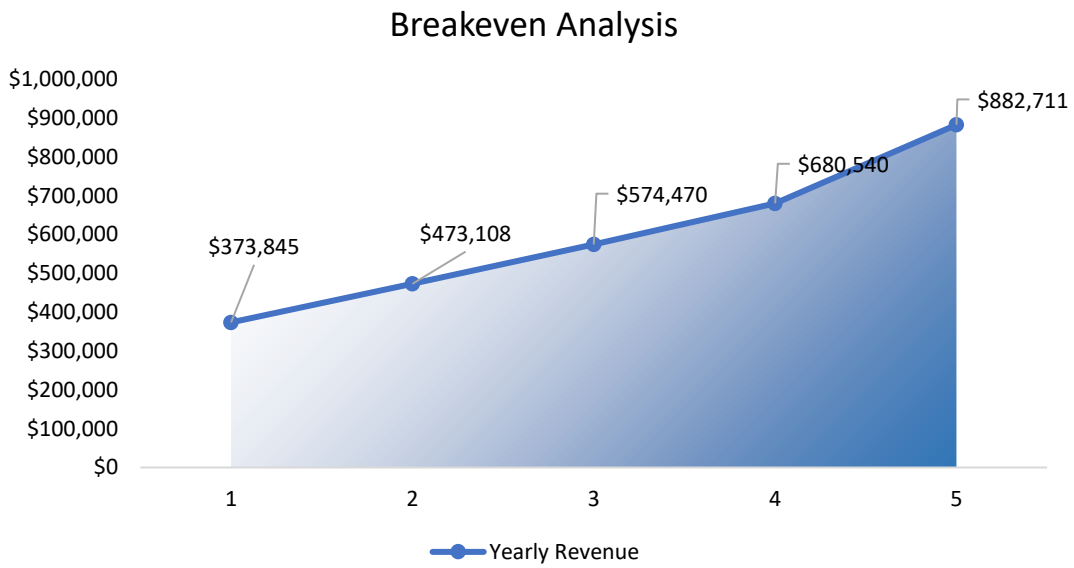
## D) Balance Sheet

| Proforma Balance Sheet - Yearly | | | | | |
|---|---|---|---|---|---|
| Year | 1 | 2 | 3 | 4 | 5 |
| **Assets** | | | | | |
| Cash | $66,078 | $78,624 | $99,569 | $128,014 | $165,249 |
| Fixed Assets | $143,500 | $166,786 | $199,373 | $240,437 | $291,351 |
| Accumulated Depreciation | ($14,350) | ($28,987) | ($43,917) | ($59,145) | ($74,678) |
| **Total Assets** | **$195,228** | **$216,422** | **$255,025** | **$309,307** | **$381,922** |
| | | | | | |
| **Liabilities and Equity** | | | | | |
| Accounts Payable | $300 | $615 | $946 | $1,293 | $1,658 |
| Long Term Liabilities | $139,792 | $128,737 | $116,764 | $103,798 | $89,755 |
| Other Liabilities | $0 | $0 | $0 | $0 | $0 |
| **Total Liabilities** | **$140,092** | **$129,352** | **$117,710** | **$105,091** | **$91,413** |
| | | | | | |
| **Equity** | **$55,136** | **$87,070** | **$137,315** | **$204,216** | **$290,509** |
| **Total Liabilities and Equity** | **$195,228** | **$216,422** | **$255,025** | **$309,307** | **$381,922** |



## 9.6 Breakeven Analysis

| Break Even Analysis | | | | | |
|---|---|---|---|---|---|
| Year | 1 | 2 | 3 | 4 | 5 |
| Monthly Revenue | $31,154 | $39,426 | $47,873 | $56,712 | $73,559 |
| Yearly Revenue | $373,845 | $473,108 | $574,470 | $680,540 | $882,711 |




## 9.7 Business Ratios

| Business Ratios - Yearly | | | | | |
|---|---|---|---|---|---|
| Year | 1 | 2 | 3 | 4 | 5 |
| **Revenue** | | | | | |
| Sales Growth | 0.0% | 40.0% | 25.0% | 20.0% | 28.0% |
| Gross Margin | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% |
| | | | | | |
| **Financials** | | | | | |
| Profit Margin | 5.65% | 12.87% | 15.14% | 16.29% | 16.06% |
| Assets to Liabilities | 1.39 | 1.67 | 2.17 | 2.94 | 4.18 |
| Equity to Liabilities | 0.39 | 0.67 | 1.17 | 1.94 | 3.18 |
| Assets to Equity | 3.54 | 2.49 | 1.86 | 1.51 | 1.31 |
| | | | | | |
| **Liquidity** | | | | | |
| Acid Test | 0.47 | 0.61 | 0.85 | 1.22 | 1.81 |
| Cash to Assets | 0.34 | 0.36 | 0.39 | 0.41 | 0.43 |

# Appendix A – SWOT Analysis

## Strengths

- Immense demand within Palm Beach County for comprehensive residential and commercial cleaning service services.
- Through the acquisition of additional assets and hiring, the operations of MDLD Sparkle Cleaning are highly scalable.
- The business will use multiple forms of online marketing to create significant brand name awareness.
- Limited competition among companies that provide both residential and commercial cleaning services.

## Weaknesses

- General operational complexities, given the scale and scope of this business and the fact that will operate among numerous locations simultaneously
- Onboarding properly qualified cleaning staff can be challenging.

## Opportunities

- Expansion of operations to include cleaning services specific for dental and medical facilities.
- Expansion to include satellite locations throughout the greater South Florida area.
- Implementation of a dedicated janitorial services division, which could substantially boost revenues.

## Threats

- Continue to issues with the high inflationary period that is currently being experienced could cause the underlying operating cost of the business to increase.
- Liabilities resulting from on-site damage that may occur during the cleaning process.

## Appendix B – Critical Risks

Development Risk – **Low**
The service architecture outlined in this document has been fully developed. At this time, the principal matter that needs to be addressed the securing the $150,000 of capital in order to launch full scale operations.

Financing Risk – **Low/Moderate**
A significant portion of the revolving credit facility will be allocated towards the acquisition of vehicles as well as furniture, fixtures, and equipment. Given the highly predictable nature of the revenues produced from residential and commercial cleaning services, a significant portion of these financing risks are elevated.

Marketing Risk **– Low**
As noted earlier, the company will use multiple types of marketing, including direct outreach in order to create ongoing relationships with both residential property owners and commercial property owners in the Palm Beach County area. Matthew Deutsch is committed to taking a direct approach in order to rapidly onboard clients.

Management Risk – **Low**
Matthew Deutsch is a highly experienced entrepreneur that has extensive experience developing cleaning and janitorial services. He will be able to properly establish the Company's operations in the Palm Beach County area.

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

- The business is operating in a highly population dense area.
- The Company will have a mix of clients (residential and commercial) that will allow for economic stability.
- Integration of cleaning services for dental/medical facilities can be seamlessly integrated.

Exit Risk - **Low**
As a result of the high profitability of these businesses and their strong degree of economic stability, there is immense demand among entrepreneurs to acquire existing cleaning services. The business will work with numerous business consultants, valuation experts, and business brokers in the event the businesses to be sold to a third-party.

# Appendix C – Expanded Profit and Loss Statements

| Profit and Loss Statement (First Year) | | | | | | | |
|---|---|---|---|---|---|---|---|
| Months | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| **Revenue** | **$31,500** | **$32,375** | **$33,250** | **$34,125** | **$35,000** | **$35,875** | **$36,750** |
| Cost of Revenue | $1,575 | $1,619 | $1,663 | $1,706 | $1,750 | $1,794 | $1,838 |
| **Gross Profit** | $29,925 | $30,756 | $31,588 | $32,419 | $33,250 | $34,081 | $34,913 |
| **Expenses** | | | | | | | |
| Payroll | $22,708 | $22,708 | $22,708 | $22,708 | $22,708 | $22,708 | $22,708 |
| General and Administrative | $726 | $726 | $726 | $726 | $726 | $726 | $726 |
| Vehicle Costs | $2,542 | $2,542 | $2,542 | $2,542 | $2,542 | $2,542 | $2,542 |
| Marketing | $458 | $458 | $458 | $458 | $458 | $458 | $458 |
| Insurance Costs | $417 | $417 | $417 | $417 | $417 | $417 | $417 |
| Professional Fees | $292 | $292 | $292 | $292 | $292 | $292 | $292 |
| Facility Costs | $625 | $625 | $625 | $625 | $625 | $625 | $625 |
| Misc. Costs | $92 | $92 | $92 | $92 | $92 | $92 | $92 |
| Payroll Taxes | $1,737 | $1,737 | $1,737 | $1,737 | $1,737 | $1,737 | $1,737 |
| **Total Operating Costs** | $29,596 | $29,596 | $29,596 | $29,596 | $29,596 | $29,596 | $29,596 |
| **EBITDA** | $329 | $1,160 | $1,991 | $2,823 | $3,654 | $4,485 | $5,316 |
| Federal Income Tax | $593 | $610 | $626 | $643 | $659 | $676 | $692 |
| State Income Tax | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Interest Expense | $1,000 | $995 | $989 | $983 | $978 | $972 | $967 |
| Depreciation Expenses | $1,196 | $1,196 | $1,196 | $1,196 | $1,196 | $1,196 | $1,196 |
| **Net Profit** | -$2,460 | -$1,640 | -$820 | $1 | $821 | $1,641 | $2,462 |

| Profit and Loss Statement (First Year Cont.) | | | | | | |
|---|---|---|---|---|---|---|
| Month | 8 | 9 | 10 | 11 | 12 | Year 1 |
| **Revenue** | **$37,625** | **$38,500** | **$39,375** | **$40,250** | **$41,125** | **$435,750** |
| Cost of Revenue | $1,881 | $1,925 | $1,969 | $2,013 | $2,056 | $21,788 |
| | | | | | | |
| **Gross Profit** | $35,744 | $36,575 | $37,406 | $38,238 | $39,069 | $413,963 |
| | | | | | | |
| **Expenses** | | | | | | |
| Payroll | $22,708 | $22,708 | $22,708 | $22,708 | $22,708 | $272,500 |
| General and Administrative | $726 | $726 | $726 | $726 | $726 | $8,715 |
| Vehicle Costs | $2,542 | $2,542 | $2,542 | $2,542 | $2,542 | $30,503 |
| Marketing | $458 | $458 | $458 | $458 | $458 | $5,490 |
| Insurance Costs | $417 | $417 | $417 | $417 | $417 | $5,000 |
| Professional Fees | $292 | $292 | $292 | $292 | $292 | $3,500 |
| Facility Costs | $625 | $625 | $625 | $625 | $625 | $7,500 |
| Misc. Costs | $92 | $92 | $92 | $92 | $92 | $1,098 |
| Payroll Taxes | $1,737 | $1,737 | $1,737 | $1,737 | $1,737 | $20,846 |
| **Total Operating Costs** | $29,596 | $29,596 | $29,596 | $29,596 | $29,596 | $355,152 |
| | | | | | | |
| **EBITDA** | $6,148 | $6,979 | $7,810 | $8,641 | $9,473 | $58,810 |
| Federal Income Tax | $709 | $725 | $742 | $758 | $775 | $8,207 |
| State Income Tax | $0 | $0 | $0 | $0 | $0 | $0 |
| Interest Expense | $961 | $955 | $949 | $944 | $938 | $11,631 |
| Depreciation Expenses | $1,196 | $1,196 | $1,196 | $1,196 | $1,196 | $14,350 |
| | | | | | | |
| **Net Profit** | $3,282 | $4,103 | $4,923 | $5,744 | $6,564 | $24,622 |

| Profit and Loss Statement (Second Year) | | | | | |
|---|---|---|---|---|---|
| | Year 2 | | | | |
| Quarter | Q1 | Q2 | Q3 | Q4 | Year 2 |
| **Revenue** | $147,937 | $150,987 | $154,038 | $157,088 | $610,050 |
| Cost of Revenue | $7,397 | $7,549 | $7,702 | $7,854 | $30,503 |
| | | | | | |
| **Gross Profit** | **$140,540** | **$143,438** | **$146,336** | **$149,233** | **$579,548** |
| | | | | | |
| **Expenses** | | | | | |
| Payroll | $85,619 | $85,619 | $85,619 | $85,619 | $342,475 |
| General and Administrative | $3,050 | $3,050 | $3,050 | $3,050 | $12,201 |
| Vehicle Costs | $10,356 | $10,569 | $10,783 | $10,996 | $42,704 |
| Marketing | $1,864 | $1,902 | $1,941 | $1,979 | $7,687 |
| Insurance Costs | $1,313 | $1,313 | $1,313 | $1,313 | $5,250 |
| Professional Fees | $891 | $910 | $928 | $946 | $3,675 |
| Facility Costs | $1,931 | $1,931 | $1,931 | $1,931 | $7,725 |
| Misc. Costs | $373 | $380 | $388 | $396 | $1,537 |
| Payroll Taxes | $6,353 | $6,484 | $6,615 | $6,746 | $26,199 |
| **Total Operating Costs** | **$111,750** | **$112,159** | **$112,568** | **$112,977** | **$449,453** |
| | | | | | |
| **EBITDA** | **$28,791** | **$31,279** | **$33,768** | **$36,257** | **$130,095** |
| Federal Income Tax | $6,346 | $6,477 | $6,608 | $6,738 | $26,168 |
| State Income Tax | $0 | $0 | $0 | $0 | $0 |
| Interest Expense | $2,778 | $2,724 | $2,669 | $2,613 | $10,784 |
| Depreciation Expenses | $3,659 | $3,659 | $3,659 | $3,659 | $14,637 |
| | | | | | |
| **Net Profit** | **$16,007** | **$18,419** | **$20,832** | **$23,246** | **$78,505** |

| Profit and Loss Statement (Third Year) | | | | | |
|---|---|---|---|---|---|
| | Year 3 | | | | |
| Quarter | Q1 | Q2 | Q3 | Q4 | Year 3 |
| **Revenue** | $184,921 | $188,734 | $192,547 | $196,360 | $762,563 |
| Cost of Revenue | $9,246 | $9,437 | $9,627 | $9,818 | $38,128 |
| | | | | | |
| **Gross Profit** | **$175,675** | **$179,298** | **$182,920** | **$186,542** | **$724,434** |
| | | | | | |
| **Expenses** | | | | | |
| Payroll | $104,101 | $104,101 | $104,101 | $104,101 | $416,403 |
| General and Administrative | $3,698 | $3,775 | $3,851 | $3,927 | $15,251 |
| Vehicle Costs | $12,944 | $13,211 | $13,478 | $13,745 | $53,379 |
| Marketing | $2,330 | $2,378 | $2,426 | $2,474 | $9,608 |
| Insurance Costs | $1,378 | $1,378 | $1,378 | $1,378 | $5,513 |
| Professional Fees | $936 | $955 | $974 | $994 | $3,859 |
| Facility Costs | $1,989 | $1,989 | $1,989 | $1,989 | $7,957 |
| Misc. Costs | $466 | $476 | $485 | $495 | $1,922 |
| Payroll Taxes | $7,964 | $7,964 | $7,964 | $7,964 | $31,855 |
| **Total Operating Costs** | **$135,807** | **$136,227** | **$136,647** | **$137,067** | **$545,747** |
| | | | | | |
| **EBITDA** | **$39,869** | **$43,071** | **$46,273** | **$49,475** | **$178,688** |
| Federal Income Tax | $9,330 | $9,522 | $9,714 | $9,907 | $38,473 |
| State Income Tax | $0 | $0 | $0 | $0 | $0 |
| Interest Expense | $2,555 | $2,497 | $2,437 | $2,376 | $9,866 |
| Depreciation Expenses | $3,732 | $3,732 | $3,732 | $3,732 | $14,930 |
| | | | | | |
| **Net Profit** | **$24,251** | **$27,319** | **$30,389** | **$33,459** | **$115,419** |

| Profit and Loss Statement (Fourth Year) | | | | | |
|---|---|---|---|---|---|
| | | Year 4 | | | |
| Quarter | Q1 | Q2 | Q3 | Q4 | Year 4 |
| **Revenue** | $221,906 | $226,481 | $231,056 | $235,632 | $915,075 |
| Cost of Revenue | $11,095 | $11,324 | $11,553 | $11,782 | $45,754 |
| | | | | | |
| **Gross Profit** | **$210,810** | **$215,157** | **$219,504** | **$223,850** | **$869,321** |
| | | | | | |
| **Expenses** | | | | | |
| Payroll | $123,615 | $123,615 | $123,615 | $123,615 | $494,459 |
| General and Administrative | $4,438 | $4,530 | $4,621 | $4,713 | $18,302 |
| Vehicle Costs | $15,533 | $15,854 | $16,174 | $16,494 | $64,055 |
| Marketing | $2,796 | $2,854 | $2,911 | $2,969 | $11,530 |
| Insurance Costs | $1,447 | $1,447 | $1,447 | $1,447 | $5,788 |
| Professional Fees | $983 | $1,003 | $1,023 | $1,043 | $4,052 |
| Facility Costs | $2,049 | $2,049 | $2,049 | $2,049 | $8,195 |
| Misc. Costs | $559 | $571 | $582 | $594 | $2,306 |
| Payroll Taxes | $9,457 | $9,457 | $9,457 | $9,457 | $37,826 |
| **Total Operating Costs** | **$160,876** | **$161,378** | **$161,879** | **$162,380** | **$646,513** |
| | | | | | |
| **EBITDA** | **$49,934** | **$53,779** | **$57,625** | **$61,470** | **$222,808** |
| Federal Income Tax | $12,047 | $12,295 | $12,543 | $12,792 | $49,677 |
| State Income Tax | $0 | $0 | $0 | $0 | $0 |
| Interest Expense | $2,314 | $2,251 | $2,186 | $2,121 | $8,873 |
| Depreciation Expenses | $3,807 | $3,807 | $3,807 | $3,807 | $15,228 |
| | | | | | |
| **Net Profit** | **$31,766** | **$35,426** | **$39,088** | **$42,751** | **$149,030** |

| Profit and Loss Statement (Fifth Year) | | | | | |
|---|---|---|---|---|---|
| | | Year 5 | | | |
| Quarter | Q1 | Q2 | Q3 | Q4 | Year 5 |
| **Revenue** | $284,039 | $289,896 | $295,752 | $301,609 | $1,171,296 |
| Cost of Revenue | $14,202 | $14,495 | $14,788 | $15,080 | $58,565 |
| | | | | | |
| **Gross Profit** | **$269,837** | **$275,401** | **$280,965** | **$286,528** | **$1,112,731** |
| | | | | | |
| **Expenses** | | | | | |
| Payroll | $161,792 | $161,792 | $161,792 | $161,792 | $647,168 |
| General and Administrative | $5,681 | $5,798 | $5,915 | $6,032 | $23,426 |
| Vehicle Costs | $19,883 | $20,293 | $20,703 | $21,113 | $81,991 |
| Marketing | $3,579 | $3,653 | $3,726 | $3,800 | $14,758 |
| Insurance Costs | $1,519 | $1,519 | $1,519 | $1,519 | $6,078 |
| Professional Fees | $1,032 | $1,053 | $1,074 | $1,095 | $4,254 |
| Facility Costs | $2,110 | $2,110 | $2,110 | $2,110 | $8,441 |
| Misc. Costs | $716 | $731 | $745 | $760 | $2,952 |
| Payroll Taxes | $12,377 | $12,377 | $12,377 | $12,377 | $49,508 |
| **Total Operating Costs** | **$208,689** | **$209,325** | **$209,962** | **$210,599** | **$838,576** |
| | | | | | |
| **EBITDA** | **$61,149** | **$66,076** | **$71,002** | **$75,929** | **$274,156** |
| Federal Income Tax | $15,206 | $15,520 | $15,833 | $16,147 | $62,707 |
| State Income Tax | $0 | $0 | $0 | $0 | $0 |
| Interest Expense | $2,053 | $1,985 | $1,915 | $1,843 | $7,796 |
| Depreciation Expenses | $3,883 | $3,883 | $3,883 | $3,883 | $15,533 |
| | | | | | |
| **Net Profit** | **$40,006** | **$44,688** | **$49,371** | **$54,055** | **$188,120** |

# Appendix D – Expanded Cash Flow Analysis

| Cash Flow Analysis (First Year) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Month | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Cash From Operations | -$1,264 | -$444 | $376 | $1,196 | $2,017 | $2,837 | $3,658 | $4,478 |
| Cash From Receivables | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Operating Cash Inflow** | -$1,264 | -$444 | $376 | $1,196 | $2,017 | $2,837 | $3,658 | $4,478 |
| | | | | | | | | |
| **Other Cash Inflows** | | | | | | | | |
| Equity Investment | $50,000 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Increased Borrowings | $150,000 | $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** | **$200,083** | **$83** | **$83** | **$83** | **$83** | **$83** | **$83** | **$83** |
| | | | | | | | | |
| **Total Cash Inflow** | **$198,819** | **-$361** | **$460** | **$1,280** | **$2,100** | **$2,921** | **$3,741** | **$4,561** |
| | | | | | | | | |
| **Cash Outflows** | | | | | | | | |
| Repayment of Principal | $820 | $825 | $831 | $836 | $842 | $848 | $853 | $859 |
| A/P Decreases | $58 | $58 | $58 | $58 | $58 | $58 | $58 | $58 |
| A/R Increases | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Asset Purchases | $143,500 | $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** | **$144,378** | **$884** | **$889** | **$895** | **$900** | **$906** | **$912** | **$917** |
| | | | | | | | | |
| **Net Cash Flow** | **$54,441** | **-$1,244** | **-$430** | **$385** | **$1,200** | **$2,015** | **$2,829** | **$3,644** |
| **Cash Balance** | **$54,441** | **$53,196** | **$52,767** | **$53,152** | **$54,352** | **$56,366** | **$59,196** | **$62,840** |

| Cash Flow Analysis (First Year Cont.) | | | | | |
|---|---|---|---|---|---|
| Month | 9 | 10 | 11 | 12 | Year 1 |
| Cash From Operations | $5,299 | $6,119 | $6,940 | $7,760 | $38,972 |
| Cash From Receivables | $0 | $0 | $0 | $0 | $0 |
| **Operating Cash Inflow** | **$5,299** | **$6,119** | **$6,940** | **$7,760** | **$38,972** |
| | | | | | |
| **Other Cash Inflows** | | | | | |
| Equity Investment | $0 | $0 | $0 | $0 | $50,000 |
| Increased Borrowings | $0 | $0 | $0 | $0 | $150,000 |
| 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 | $201,000 |
| | | | | | |
| **Total Cash Inflow** | **$5,382** | **$6,202** | **$7,023** | **$7,844** | **$239,972** |
| | | | | | |
| **Cash Outflows** | | | | | |
| Repayment of Principal | $865 | $870 | $876 | $882 | $10,208 |
| A/P Decreases | $58 | $58 | $58 | $58 | $700 |
| A/R Increases | $0 | $0 | $0 | $0 | $0 |
| Asset Purchases | $0 | $0 | $0 | $0 | $143,500 |
| Dividends | $0 | $0 | $0 | $19,486 | $19,486 |
| Preferred Equity Payment | $0 | $0 | $0 | $0 | $0 |
| **Total Cash Outflows** | **$923** | **$929** | **$935** | **$20,426** | **$173,894** |
| | | | | | |
| **Net Cash Flow** | **$4,459** | **$5,274** | **$6,088** | **-$12,583** | **$66,078** |
| **Cash Balance** | **$67,299** | **$72,572** | **$78,661** | **$66,078** | **$66,078** |

| Cash Flow Analysis (Second Year) | | | | | |
|---|---|---|---|---|---|
| | | Year 2 | | | |
| Quarter | Q1 | Q2 | Q3 | Q4 | Year 2 |
| Cash From Operations | $19,667 | $22,079 | $24,492 | $26,906 | $93,142 |
| Cash From Receivables | $0 | $0 | $0 | $0 | $0 |
| **Operating Cash Inflow** | **$19,667** | **$22,079** | **$24,492** | **$26,906** | **$93,142** |
| | | | | | |
| **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** | **$19,921** | **$22,338** | **$24,757** | **$27,176** | **$94,192** |
| | | | | | |
| **Cash Outflows** | | | | | |
| Repayment of Principal | $2,682 | $2,736 | $2,791 | $2,847 | $11,055 |
| A/P Decreases | $178 | $182 | $186 | $189 | $735 |
| A/R Increases | $0 | $0 | $0 | $0 | $0 |
| Asset Purchases | $23,286 | $0 | $0 | $0 | $23,286 |
| Dividends | $0 | $0 | $0 | $46,571 | $46,571 |
| Preferred Equity Payment | $0 | $0 | $0 | $0 | $0 |
| **Total Cash Outflows** | **$26,146** | **$2,918** | **$2,976** | **$49,607** | **$81,647** |
| | | | | | |
| **Net Cash Flow** | **-$6,224** | **$19,421** | **$21,780** | **-$22,431** | **$12,545** |
| **Cash Balance** | **$59,854** | **$79,275** | **$101,055** | **$78,624** | **$78,624** |

| Cash Flow Analysis (Third Year) | | | | | |
|---|---|---|---|---|---|
| | Year 3 | | | | |
| Quarter | Q1 | Q2 | Q3 | Q4 | Year 3 |
| Cash From Operations | $27,984 | $31,052 | $34,121 | $37,192 | $130,349 |
| Cash From Receivables | $0 | $0 | $0 | $0 | $0 |
| **Operating Cash Inflow** | **$27,984** | **$31,052** | **$34,121** | **$37,192** | **$130,349** |
| | | | | | |
| **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** | **$28,251** | **$31,325** | **$34,400** | **$37,476** | **$131,451** |
| | | | | | |
| **Cash Outflows** | | | | | |
| Repayment of Principal | $2,904 | $2,963 | $3,022 | $3,083 | $11,973 |
| A/P Decreases | $187 | $191 | $195 | $199 | $772 |
| A/R Increases | $0 | $0 | $0 | $0 | $0 |
| Asset Purchases | $32,587 | $0 | $0 | $0 | $32,587 |
| Dividends | $0 | $0 | $0 | $65,174 | $65,174 |
| Preferred Equity Payment | $0 | $0 | $0 | $0 | $0 |
| **Total Cash Outflows** | **$35,679** | **$3,154** | **$3,217** | **$68,456** | **$110,506** |
| | | | | | |
| **Net Cash Flow** | **-$7,428** | **$28,171** | **$31,182** | **-$30,981** | **$20,945** |
| **Cash Balance** | **$71,196** | **$99,367** | **$130,549** | **$99,569** | **$99,569** |

| Cash Flow Analysis (Fourth Year) | | | | | |
|---|---|---|---|---|---|
| | | Year 4 | | | |
| Quarter | Q1 | Q2 | Q3 | Q4 | Year 4 |
| Cash From Operations | $35,573 | $39,233 | $42,895 | $46,558 | $164,259 |
| Cash From Receivables | $0 | $0 | $0 | $0 | $0 |
| **Operating Cash Inflow** | **$35,573** | **$39,233** | **$42,895** | **$46,558** | **$164,259** |
| | | | | | |
| **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** | **$35,854** | **$39,520** | **$43,187** | **$46,856** | **$165,416** |
| | | | | | |
| **Cash Outflows** | | | | | |
| Repayment of Principal | $3,145 | $3,209 | $3,273 | $3,339 | $12,966 |
| A/P Decreases | $197 | $201 | $205 | $209 | $810 |
| A/R Increases | $0 | $0 | $0 | $0 | $0 |
| Asset Purchases | $20,532 | $20,532 | $0 | $0 | $41,065 |
| Dividends | $0 | $0 | $0 | $82,129 | $82,129 |
| Preferred Equity Payment | $0 | $0 | $0 | $0 | $0 |
| **Total Cash Outflows** | **$23,874** | **$23,942** | **$3,478** | **$85,677** | **$136,971** |
| | | | | | |
| **Net Cash Flow** | **$11,979** | **$15,578** | **$39,709** | **-$38,821** | **$28,446** |
| **Cash Balance** | **$111,548** | **$127,126** | **$166,836** | **$128,014** | **$128,014** |

| Cash Flow Analysis (Fifth Year) | | | | | |
|---|---|---|---|---|---|
| | | Year 5 | | | |
| Quarter | Q1 | Q2 | Q3 | Q4 | Year 5 |
| Cash From Operations | $43,889 | $48,571 | $53,254 | $57,939 | $203,653 |
| Cash From Receivables | $0 | $0 | $0 | $0 | $0 |
| **Operating Cash Inflow** | **$43,889** | **$48,571** | **$53,254** | **$57,939** | **$203,653** |
| | | | | | |
| **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** | **$44,184** | **$48,872** | **$53,561** | **$58,252** | **$204,868** |
| | | | | | |
| **Cash Outflows** | | | | | |
| Repayment of Principal | $3,406 | $3,475 | $3,545 | $3,616 | $14,043 |
| A/P Decreases | $206 | $211 | $215 | $219 | $851 |
| A/R Increases | $0 | $0 | $0 | $0 | $0 |
| Asset Purchases | $25,457 | $25,457 | $0 | $0 | $50,913 |
| Dividends | $0 | $0 | $0 | $101,826 | $101,826 |
| Preferred Equity Payment | $0 | $0 | $0 | $0 | $0 |
| **Total Cash Outflows** | **$29,069** | **$29,142** | **$3,760** | **$105,662** | **$167,633** |
| | | | | | |
| **Net Cash Flow** | **$15,115** | **$19,730** | **$49,801** | **-$47,410** | **$37,235** |
| **Cash Balance** | **$143,129** | **$162,858** | **$212,660** | **$165,249** | **$165,249** |