

BANH MI



STATION



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1.0 Executive Summary

The purpose of this business plan is to secure \$50,000 for the development of a Vietnamese restaurant that will specialize in Bánh Mì sandwiches. Bánh Mì Station LLC (“the Company”) intends to launch full scale operations in the fourth quarter of this year. The Company was founded by Matthew Deutsch. In order to keep cost low, the business will operate in a ghost kitchen capacity. The business will only provide delivery and take away options without any sit-down service.

Operations

The primary revenue driver for Bánh Mì Station will come from the ongoing sale of Bánh Mì sandwiches. These are highly popular and affordable meals that feature grilled meats as well as vegetables and hot peppers. In order to keep a highly streamlined menu the business will charge \$10 as a flat rate per sandwich.

To complement these operations, the business will also provide a wide range of popular beverages that are either bottled or canned. There will be no alcohol service available at the ghost kitchen location.

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

The Financing

As noted above, Bánh Mì Station is currently seeking \$50,000 in order to commence operations. The terms of this funding are to be determined during negotiation. The funds will be primarily used for the following:

- Location development in Houston
- Opening inventories
- Working capital

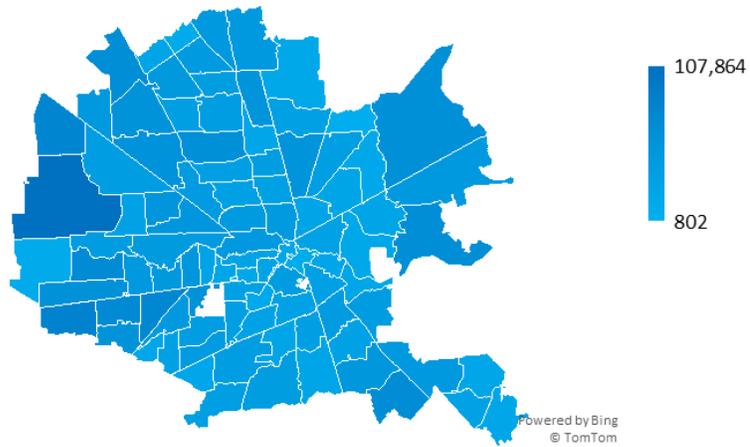
If it is financially reasonable to do so, the Company may acquire additional rounds of capital to establish additional locations in the greater Houston metropolitan area. However, this document assumes that no further capital will be required as the business does not intend to establish an additional location until after the fifth year of operation.

The Future

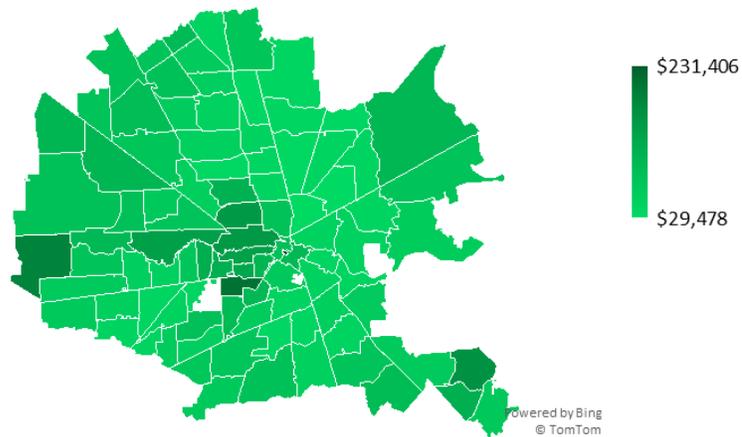
Management will make ongoing and sustained reinvestment into the Company’s marketing operations so that becomes the preeminent Bánh Mì sandwich location within the greater Houston area. The company may also introduce additional menu items such as Phở, which is also a highly popular Vietnamese soup dish. As noted, the business may establish additional locations, but this is not anticipated to occur for a significant period of time.

Market Overview

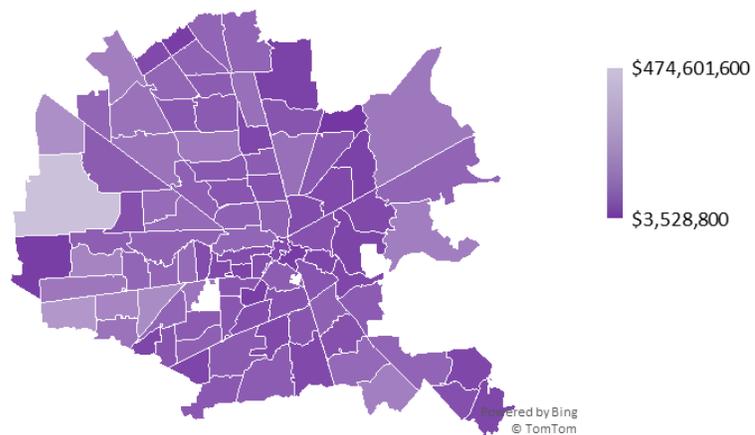
Target Market Population (by Zip Code)



Target Market Household Income (by Zip Code)



Target Market Demand (by Zip Code)

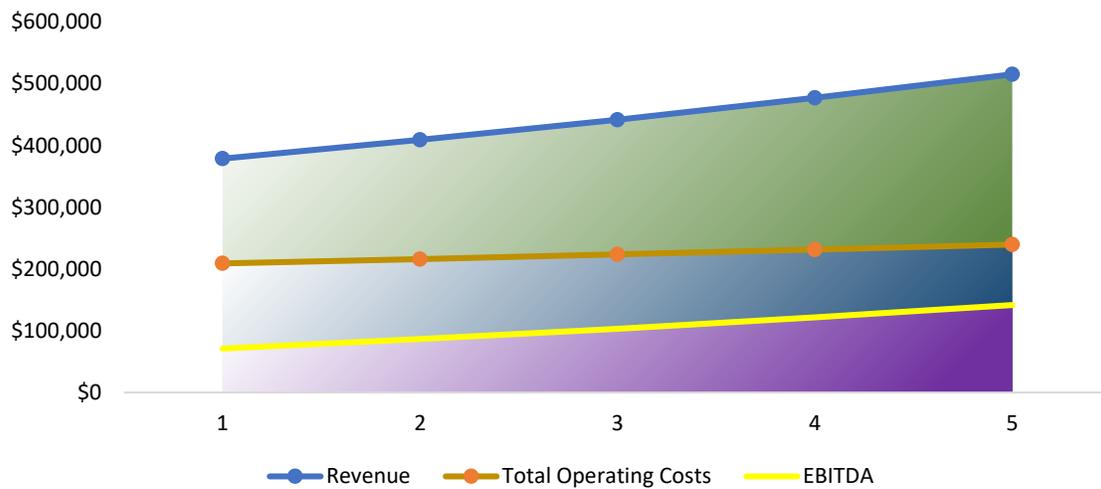


Houston has a metropolitan area of eight million people. The median household income of this market is \$79,000. The substantial population of this area will ensure profitability for this ghost kitchen.

Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$378,750	\$409,050	\$441,774	\$477,116	\$515,285
Cost of Revenue	\$98,475	\$106,353	\$114,861	\$124,050	\$133,974
Gross Profit	\$280,275	\$302,697	\$326,913	\$353,066	\$381,311
Total Operating Costs	\$209,074	\$216,263	\$223,738	\$231,513	\$239,602
EBITDA	\$71,201	\$86,434	\$103,175	\$121,553	\$141,709

Revenue, Operating Costs, EBITDA



2.0 The Financing

2.1 Funds Required

An investment of \$50,000 is required to launch operations. The funds will be used as follows:

Use of Funds	
Location Development	\$7,500
Furniture, Fixtures, and Equipment	\$10,000
Pre-Launch Marketing	\$5,000
Working Capital	\$21,000
Professional Fees	\$2,500
Opening Inventories	\$3,000
Misc. and Contingency	\$1,000
Total	\$50,000

Use of Funds Breakdown



2.2 Management and Investor Equity

This will be further discussed during negotiation.

2.3 Exit Strategies

Given the strong demand for profitable food service businesses, Bánh Mì Station could easily be sold to a third-party for a significant profit. However, Matthew Deutsch has no intention of diverting this business for a significant period of time. Given the low cost associated with operating in a ghost kitchen capacity, this business will produce substantial profits in the coming years, which can be used to establish additional locations as needed. In the event of a business sale, a formal valuation will be completed prior to marketing the business.

3.0 Operations

As noted in the executive summary, Bánh Mi Station will be actively involved with providing the general public with a wide range of premium Bánh Mi sandwiches. These sandwiches are served in a French baguette that features grilled meats, carrots, cucumber, and jalapeños. It is accompanied by a sauce that complements the underlying protein. To keep operations as streamlined as possible, the business will charge a flat fee of \$10 per sandwich. Additions will not be permitted, although customers may request that certain items may be removed due to a potential food allergy.

The Company will operate solely in a ghost kitchen capacity in order to keep cost as low as possible. Customers will be free to come to the location in order to pick up their meal or to receive their fair through a delivery application suite. Bánh Mi Station will enroll among numerous application suites in order to ensure that a number of delivery options are available to patrons throughout the greater Houston metropolitan area.

In time, the Company may introduced additional items such as Phở, which is a highly popular soup that contains a protein, vermicelli, noodles, basil, and a unique broth which is simmered over a 24-hour period. This item could be easily introduced given the space of the ghost kitchen.

The business will provide its patrons with a wide range of nonalcoholic beverages, including sodas, bottled waters, and bottled juices.

4.0 Overview of the Organization

4.1 Registered Name

Bánh Mi Station LLC. The business is registered as a limited liability in the State of Texas.

4.2 Commencement of Operations

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

4.3 Mission Statement

To provide affordable Banh Mi sandwiches and Vietnamese fare from the Company's ghost kitchen location.

4.4 Vision Statement

Bánh Mi Station's vision is to provide a widely respected Vietnamese restaurant in the greater Houston area.

4.5 Organizational Objectives

- Remain within the letter of the law as it relates to providing food and beverages to general public.
- Implement a wide-ranging pre-launch marketing campaign, so that people are aware of the ghost kitchen from the onset of operations.
- Leverage multiple forms of online marketing in order to create a brand name awareness in the Houston market.
- Enroll among numerous delivery application suites in order to drive substantial revenue.
- Provide staff with a gainful place of employment that is stable.
- Showcase the business to food critics/reviewers throughout the greater Houston area that will write articles about the business.
- Source additional ghost kitchen locations where Bánh Mi Station can conduct operations if additional locations are to be developed.
- Maintain a committed program that position Bánh Mi Station as a community minded business.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

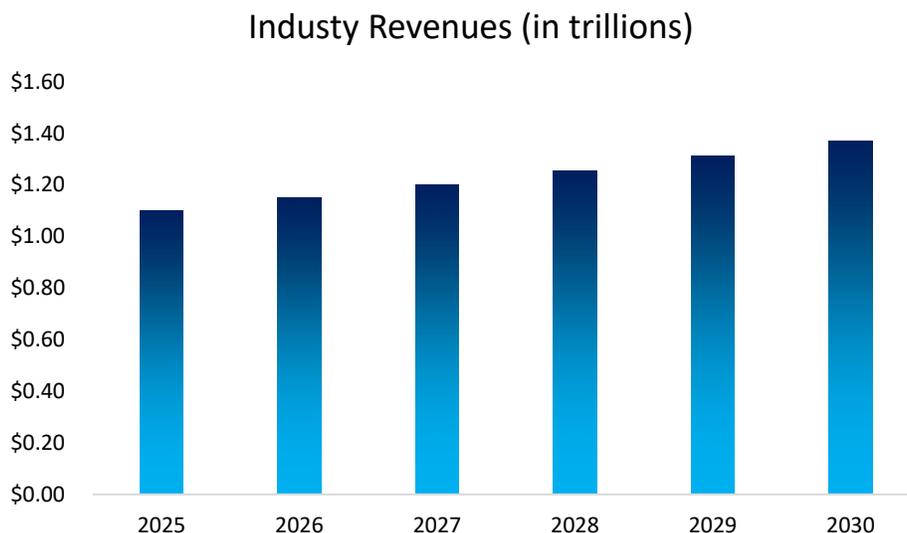
This section of the business plan will document the current economic climate, the customer profile, the industry, and the ongoing competition that the business will face moving forward.

At this time, economic climate with the United States is moderate. As a result of changing trade policies, there has been an increase in inflation. However, the US Federal Reserve, as well as major central banks are implementing appropriate policies that will abate inflation will also fostering ongoing economic growth.

It should be noted that the revenues the Bánh Mi Station will be relatively immune from challenging economic climate's given the affordable pricing point for the Bánh Mi sandwiches that will be offered. By offering a ghost kitchen capacity, the business will be able to have highly controllable operating costs, which will ensure that the business can reach profitability very quickly.

5.2 Industry Analysis

As of this year, there are 700,000 restaurants and food service businesses with the United States. These businesses generate approximately \$1.1 trillion per year and employe slightly under 16 million people. The growth rate of this industry is expected remain similar to that of the economy as a whole.



One of the unique trends in this industry, and one that Bánh Mi Station is capitalizing on, is the ghost kitchen concept. This way of providing food was established within the course of the pandemic in order to ensure that people could still receive takeout fare without having to come into contact with another person. Although the major issues with the

pandemic have fully subsided, many smaller food service businesses find this business model to be advantageous given a low cost of operating this type of enterprise. The ability to receive orders through online communication has facilitated this sub segment of the overall food service industry.

5.3 Customer Profile

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

- Household income of \$50,000+
- Will spend \$10 per visit (per person)
- Lives within 5 miles of the Bánh Mi Station location

5.4 Competitive Analysis

This business plan has been developed solely for sample purposes only. As such, a full competitive analysis was not completed. If this was a business plan specific for a client engagement, then a full analysis of all companies that offer a similar range of cuisine would be conducted. This would include examining their reviews, pricing, and distance from the client's location.

6.0 Key Strategic Issues

6.1 Sustainable Operations

Bánh Mi Station will have sustainable operations as a result of the following:

- Limited competition among companies that specialize in the sale of Bánh Mi sandwiches.
- The business is operating in a ghost kitchen capacity, which will allow the Company to operate with a great deal of economic stability while providing its fare at a competitive pricing point.
- The revenues of the business are relatively immune from negative changes in the economy given the affordability.
- Additional items, such as Phở, can be seamlessly integrated into the Company's operations.
- The operations of the business are highly capable, including through a potential franchising program.

6.2 Basis of Growth

The Company will expand via the following methods:

- Continued expansion in the Company's marketing campaigns throughout the greater Houston area.
- Development of additional locations within this market, given its substantial population density and economic activity.
- In integration of new menu items such as Phở that will drive additional revenue.

7.0 Marketing Plan

7.1 Marketing Objectives

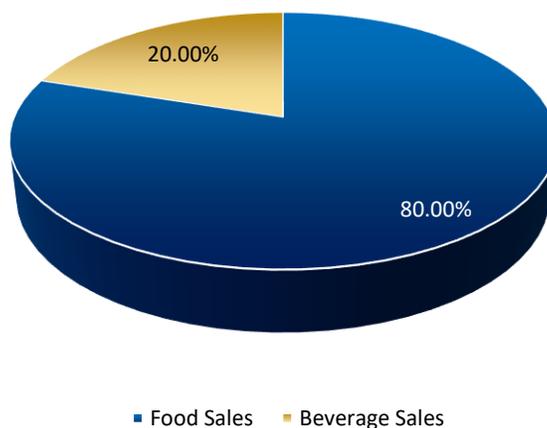
- Engage in a wide ranging pre-launch marketing campaign in order to increase awareness of the ghost kitchen.
- Use multiple delivery application suites in order to drive delivery orders.
- Engage in public relations so that the business is featured among a number of journals that circulate throughout the greater Houston area.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	1	2	3	4	5
Food Sales	\$303,000	\$327,240	\$353,419	\$381,693	\$412,228
Beverage Sales	\$75,750	\$81,810	\$88,355	\$95,423	\$103,057
Totals	\$378,750	\$409,050	\$441,774	\$477,116	\$515,285

Gross Profit					
Year	1	2	3	4	5
Total	\$280,275	\$302,697	\$326,913	\$353,066	\$381,311

Revenue Generation



7.3 Revenue Assumptions

Year 1

- First year revenue will reach \$378,000.
- Gross profits will reach \$280,000.

Year 2

- Revenue will reach \$409,000.
- Gross profits will reach \$302,000.

Years 3-5

- By the fifth year of operation, aggregate sales will reach \$515,000.
- Gross profits will reach \$381,000.

7.4 Marketing Strategies

Given that the Company who principally operate in a ghost kitchen capacity, the ongoing marketing will focus heavily on online channels. As has been one of the central themes throughout this document, the use of application suites will be of absolute utmost importance for ensuring that the business is able to generate a substantial amount of revenue from delivery and takeaway orders. During the development period, the business will focus heavily on enrolling in these platforms so that the business can immediately begin to generate revenue from the very first days of operation.

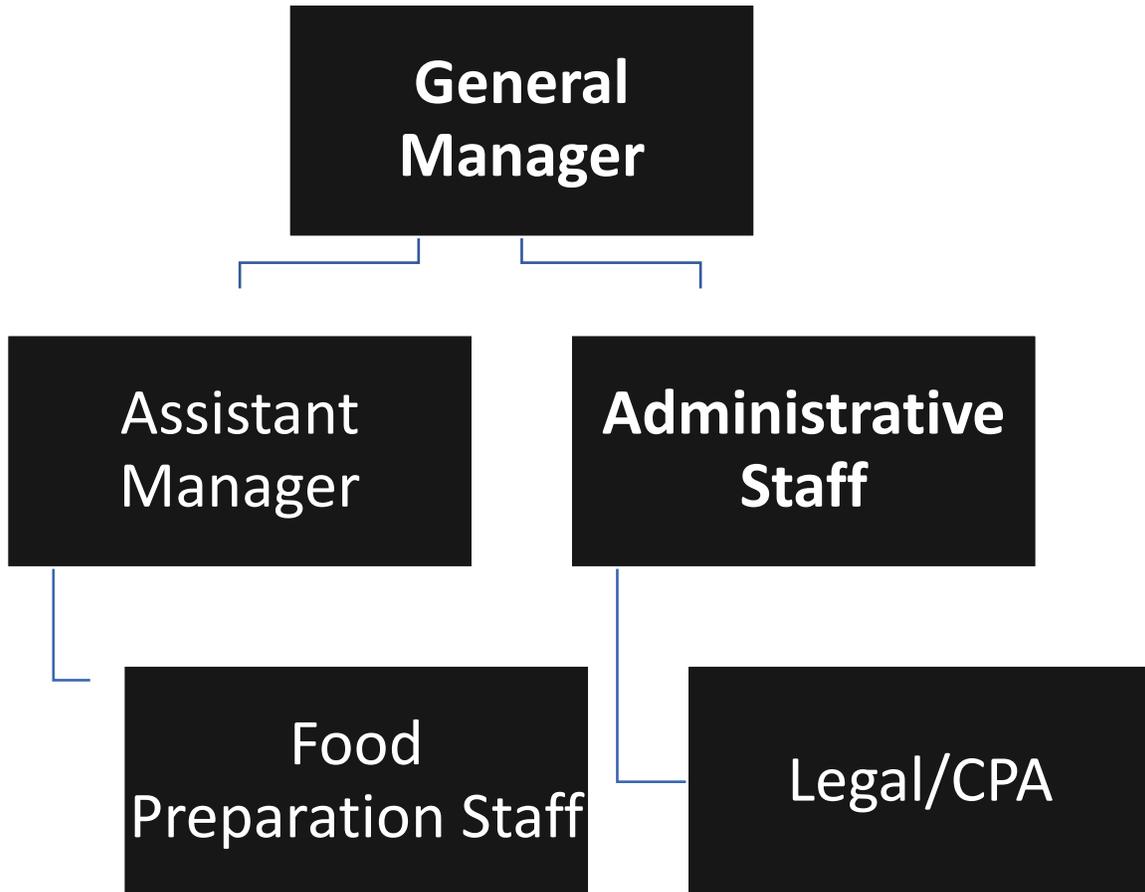
These operations will be complimented with a proprietary website. The platform will feature ecommerce functionality so that orders can be directly routed through the platform for customer pick up. This website will undergo substantial search engine optimization so that when relevant searches for Vietnamese cuisine in the greater Houston metropolitan area are conducted, the business can be quickly found.

Bánh Mì Station will also maintain an extensive presence on all social media platforms. The Company will frequently post images as well as videos of the location and its operations. As the businesses operating in a ghost kitchen capacity, a number of videos that showcase behind the scenes operations will be created in order to create a substantial amount of interest as to how the business is able to produce its exceptional fare.

The Company will also distribute mailed advertisements within a 5-mile radius of the location in Houston. These mailed advertisements will include discounts on a customer's order and they will also feature QR codes so that orders can be placed from their mobile devices.

8.0 Organizational Plan

8.1 Organizational Hierarchy

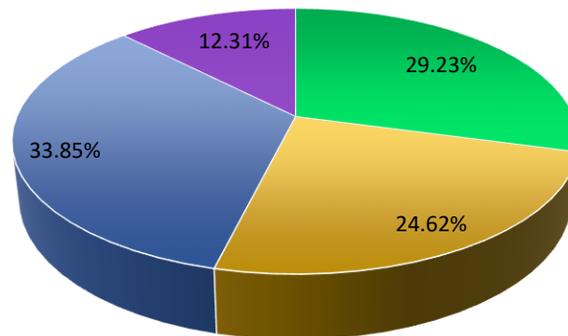


8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
General Manager	\$47,500	\$48,925	\$50,393	\$51,905	\$53,462
Assistant Manager	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020
Food Preparation Staff	\$55,000	\$56,650	\$58,350	\$60,100	\$61,903
Administrative Staff	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510
Total	\$162,500	\$167,375	\$172,396	\$177,568	\$182,895

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
General Manager	1	1	1	1	1
Assistant Manager	1	1	1	1	1
Food Preparation Staff	2	2	2	2	2
Administrative Staff	1	1	1	1	1
Total	5	5	5	5	5

Personnel Summary



■ General Manager
 ■ Assistant Manager
 ■ Food Preparation Staff
 ■ Administrative Staff

9.0 Financial Plan

9.1 Underlying Assumptions

- The business will have a compounded annual growth rate of 8%.
- The Company will acquire \$50,000 of investment capital.

9.2 Financial Highlights

- Very low costs as the business operates in a ghost kitchen capacity.
- Substantial contribution margins on sandwich sales and beverages.
- The operations of the Company are highly scalable.

9.3 Sensitivity Analysis

The Company's revenues are not sensitive to negative changes in economic climate. Bánh Mì sandwiches are relatively low cost, and they are affordable even during an economic recession. As the Company is operating in a ghost kitchen capacity, the business will have very low operating costs which will further ensure profitability of the business at all times.

9.4 Source of Funds

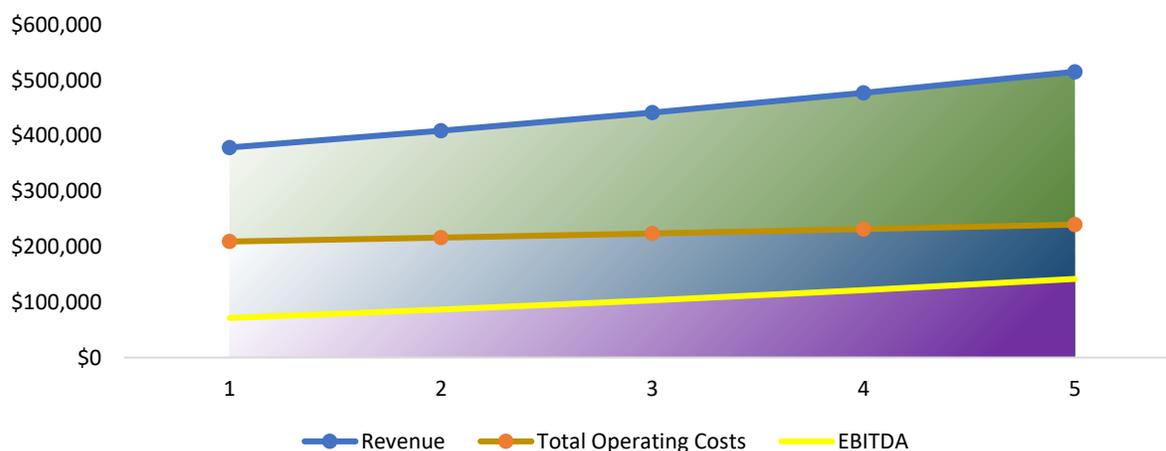
Financing	
Equity	
Equity Capitalization	\$50,000.00
Total Equity Financing	\$50,000.00
Banks and Lenders	
Total Debt Financing	\$0.00
Total Financing	\$50,000.00

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$378,750	\$409,050	\$441,774	\$477,116	\$515,285
Cost of Revenue	\$98,475	\$106,353	\$114,861	\$124,050	\$133,974
Gross Margin	74.00%	74.00%	74.00%	74.00%	74.00%
Gross Profit	\$280,275	\$302,697	\$326,913	\$353,066	\$381,311
Expenses					
Payroll	\$162,500	\$167,375	\$172,396	\$177,568	\$182,895
General and Administrative	\$7,575	\$8,181	\$8,835	\$9,542	\$10,306
Business Development	\$2,841	\$3,068	\$3,313	\$3,578	\$3,865
Marketing	\$4,772	\$5,154	\$5,566	\$6,012	\$6,493
Insurance Costs	\$2,000	\$2,100	\$2,205	\$2,315	\$2,431
Professional Fees	\$3,500	\$3,675	\$3,859	\$4,052	\$4,254
Facility Costs	\$12,500	\$12,875	\$13,261	\$13,659	\$14,069
Misc. Costs	\$954	\$1,031	\$1,113	\$1,202	\$1,299
Payroll Taxes	\$12,431	\$12,804	\$13,188	\$13,584	\$13,991
Total Operating Costs	\$209,074	\$216,263	\$223,738	\$231,513	\$239,602
EBITDA	\$71,201	\$86,434	\$103,175	\$121,553	\$141,709
Federal Income Tax	\$16,775	\$20,563	\$24,727	\$29,301	\$34,318
State Income Tax	\$3,355	\$4,113	\$4,945	\$5,860	\$6,864
Interest Expense	\$0	\$0	\$0	\$0	\$0
Depreciation Expenses	\$4,100	\$4,182	\$4,266	\$4,351	\$4,438
Net Profit	\$46,971	\$57,576	\$69,236	\$82,041	\$96,090
Profit Margin	12.40%	14.08%	15.67%	17.20%	18.65%

Revenue, Operating Costs, EBITDA



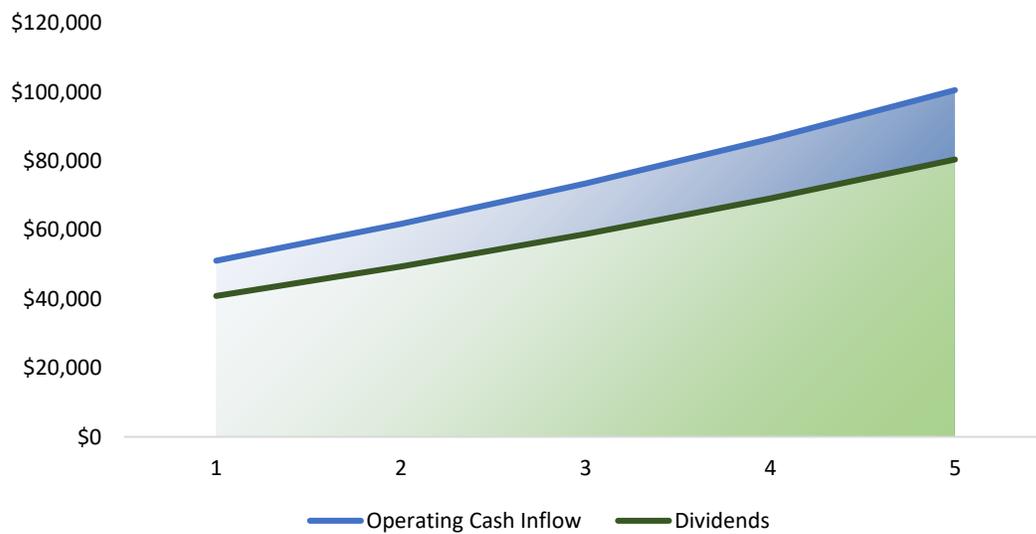
B) Common Size Income Statement

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	26.00%	26.00%	26.00%	26.00%	26.00%
Gross Profit	74.00%	74.00%	74.00%	74.00%	74.00%
Expenses					
Payroll	42.90%	40.92%	39.02%	37.22%	35.49%
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	0.53%	0.51%	0.50%	0.49%	0.47%
Professional Fees	0.92%	0.90%	0.87%	0.85%	0.83%
Facility Costs	3.30%	3.15%	3.00%	2.86%	2.73%
Misc. Costs	0.25%	0.25%	0.25%	0.25%	0.25%
Payroll Taxes	3.28%	3.13%	2.99%	2.85%	2.72%
Total Operating Costs	55.20%	52.87%	50.65%	48.52%	46.50%
EBITDA	18.80%	21.13%	23.35%	25.48%	27.50%
Federal Income Tax	4.43%	5.03%	5.60%	6.14%	6.66%
State Income Tax	0.89%	1.01%	1.12%	1.23%	1.33%
Interest Expense	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation Expenses	1.08%	1.02%	0.97%	0.91%	0.86%
Net Profit	12.40%	14.08%	15.67%	17.20%	18.65%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$51,071	\$61,758	\$73,502	\$86,392	\$100,528
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$51,071	\$61,758	\$73,502	\$86,392	\$100,528
Other Cash Inflows					
Equity Investment	\$50,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216
Total Other Cash Inflows	\$51,000	\$1,050	\$1,103	\$1,158	\$1,216
Total Cash Inflow	\$102,071	\$62,808	\$74,605	\$87,550	\$101,743
Cash Outflows					
Repayment of Principal	\$0	\$0	\$0	\$0	\$0
A/P Decreases	\$700	\$735	\$772	\$810	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$20,500	\$3,088	\$3,675	\$4,320	\$5,026
Dividends	\$40,857	\$49,407	\$58,802	\$69,114	\$80,422
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$62,057	\$53,230	\$63,248	\$74,244	\$86,299
Net Cash Flow	\$40,014	\$9,579	\$11,356	\$13,306	\$15,444
Cash Balance	\$40,014	\$49,593	\$60,949	\$74,255	\$89,699

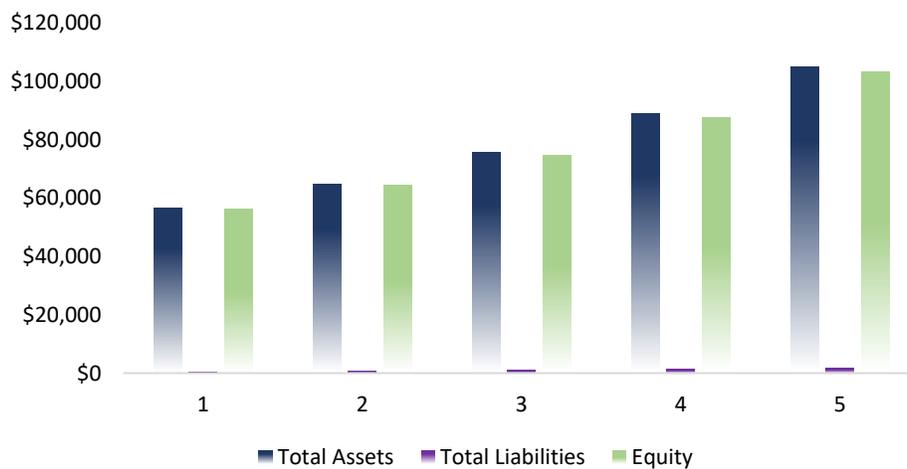
Cash Flow Analysis



D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	\$40,014	\$49,593	\$60,949	\$74,255	\$89,699
Fixed Assets and Inventory	\$20,500	\$23,588	\$27,263	\$31,583	\$36,609
Accumulated Depreciation	(\$4,100)	(\$8,282)	(\$12,548)	(\$16,899)	(\$21,337)
Total Assets	\$56,414	\$64,899	\$75,664	\$88,939	\$104,971
Liabilities and Equity					
Accounts Payable	\$300	\$615	\$946	\$1,293	\$1,658
Long Term Liabilities	\$0	\$0	\$0	\$0	\$0
Other Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$300	\$615	\$946	\$1,293	\$1,658
Equity	\$56,114	\$64,284	\$74,719	\$87,646	\$103,314
Total Liabilities and Equity	\$56,414	\$64,899	\$75,664	\$88,939	\$104,971

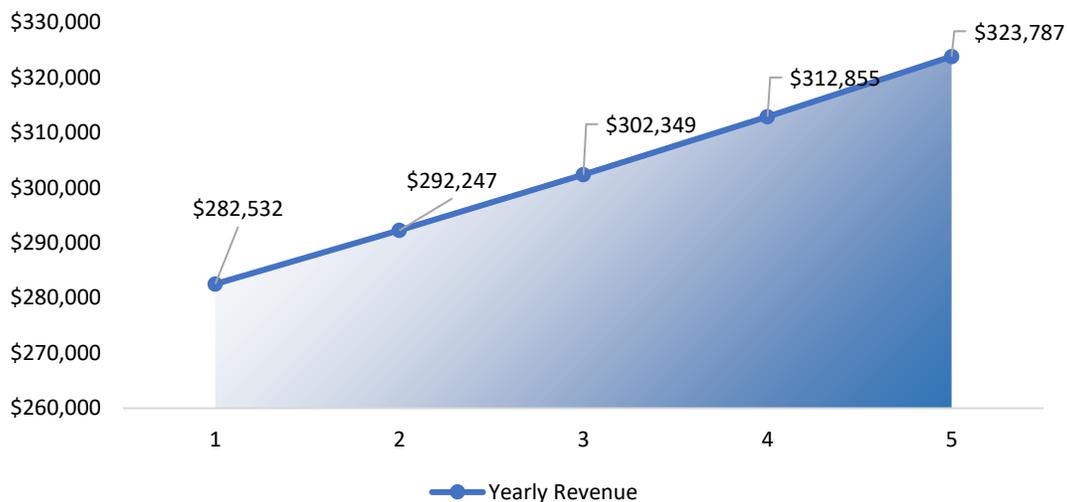
Balance Sheet



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	\$23,544	\$24,354	\$25,196	\$26,071	\$26,982
Yearly Revenue	\$282,532	\$292,247	\$302,349	\$312,855	\$323,787

Breakeven Analysis



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	8.0%	8.0%	8.0%	8.0%
Gross Margin	74.0%	74.0%	74.0%	74.0%	74.0%
Financials					
Profit Margin	12.40%	14.08%	15.67%	17.20%	18.65%
Assets to Liabilities	188.05	105.53	80.00	68.78	63.32
Equity to Liabilities	187.05	104.53	79.00	67.78	62.32
Assets to Equity	1.01	1.01	1.01	1.01	1.02
Liquidity					
Acid Test	133.38	80.64	64.45	57.43	54.11
Cash to Assets	0.71	0.76	0.81	0.83	0.85

Appendix A – SWOT Analysis

Strengths

- Limited competition among companies that solely specialize in Bánh Mi sandwiches.
- Additional menu items, such as Phở, can be integrated into the business' offerings at a relatively low cost.
- The use of the ghost kitchen model will allow the business to thrive in any economic climate.
- The business will use top shelf ingredients, especially related to proteins, in all menu items.

Weaknesses

- General operational complexity as a result of operating of food and beverage business.
- The barriers to entry are very low.

Opportunities

- Expansion of the number of locations operated within Houston or other economically markets in Texas.
- Development of catering operations given at ghost kitchen can accommodate large scale order.
- Continued expansion of the Company's marketing campaigns with a focus on online channels

Threats

- As a result of changing economic policy, inflation could impact the contribution margins of the business while causing the underlying operating cost to increase.

Appendix B – Critical Risks

Development Risk – **Low**

The concept behind Bánh Mì Station has been developed. All recipes have also been created. The primary development risk is management ability to secure the capital sought in this document.

Financing Risk – **Low/Moderate**

The \$50,000 of capital needed to establish operations will be principally used for furniture, fixtures, and equipment. As has been one of the central themes of this document, the cost associated with this business are very low. The substantial contribution margins generated from food sales will support the operations of the Company at all times.

Marketing Risk – **Low**

Given that the business is operating a ghost kitchen capacity, a substantial online driven marketing campaign will be required in order to create brand name awareness. The Company will aggressively use multiple online channels to drive sales, including the use of delivery application suites.

Management Risk – **Low**

Mr. Deutsch has extensive experience developing food service businesses in a ghost kitchen capacity. He will be able to properly establish the operations of the Company within the greater Houston area. Most importantly, the Founder will be able to expand yearly profitability.

Valuation Risk – **Low**

The valuation risk is offset by:

- Very low costs as the business will operate in a ghost kitchen capacity.
- Substantial transaction volume from the sale of Banh Mi sandwiches.
- The Company can scale its operations in the coming years through multiple ghost kitchen styled locations.

Exit Risk - **Low**

There are no long-term plans to sell this business to a third party. Matthew Deutsch intends to establish Bánh Mì Station as a highly regarded Vietnamese restaurant within the greater Houston area. As needed earlier, a qualified business consultant and business broker will be retained to manage the sale of the business to a third-party if it is financially prudent to do so.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	\$28,125	\$28,750	\$29,375	\$30,000	\$30,625	\$31,250	\$31,875
Cost of Revenue	\$7,313	\$7,475	\$7,638	\$7,800	\$7,963	\$8,125	\$8,288
Gross Profit	\$20,813	\$21,275	\$21,738	\$22,200	\$22,663	\$23,125	\$23,588
Expenses							
Payroll	\$13,542	\$13,542	\$13,542	\$13,542	\$13,542	\$13,542	\$13,542
General and Administrative	\$631	\$631	\$631	\$631	\$631	\$631	\$631
Business Development	\$237	\$237	\$237	\$237	\$237	\$237	\$237
Marketing	\$398	\$398	\$398	\$398	\$398	\$398	\$398
Insurance Costs	\$167	\$167	\$167	\$167	\$167	\$167	\$167
Professional Fees	\$292	\$292	\$292	\$292	\$292	\$292	\$292
Facility Costs	\$1,042	\$1,042	\$1,042	\$1,042	\$1,042	\$1,042	\$1,042
Misc. Costs	\$80	\$80	\$80	\$80	\$80	\$80	\$80
Payroll Taxes	\$1,036	\$1,036	\$1,036	\$1,036	\$1,036	\$1,036	\$1,036
Total Operating Costs	\$17,423						
EBITDA	\$3,390	\$3,852	\$4,315	\$4,777	\$5,240	\$5,702	\$6,165
Federal Income Tax	\$1,246	\$1,273	\$1,301	\$1,329	\$1,356	\$1,384	\$1,412
State Income Tax	\$249	\$255	\$260	\$266	\$271	\$277	\$282
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Expenses	\$342	\$342	\$342	\$342	\$342	\$342	\$342
Net Profit	\$1,553	\$1,982	\$2,412	\$2,841	\$3,270	\$3,700	\$4,129

Profit and Loss Statement (First Year Cont.)

Month	8	9	10	11	12	Year 1
Revenue	\$32,500	\$33,125	\$33,750	\$34,375	\$35,000	\$378,750
Cost of Revenue	\$8,450	\$8,613	\$8,775	\$8,938	\$9,100	\$98,475
Gross Profit	\$24,050	\$24,513	\$24,975	\$25,438	\$25,900	\$280,275
Expenses						
Payroll	\$13,542	\$13,542	\$13,542	\$13,542	\$13,542	\$162,500
General and Administrative	\$631	\$631	\$631	\$631	\$631	\$7,575
Business Development	\$237	\$237	\$237	\$237	\$237	\$2,841
Marketing	\$398	\$398	\$398	\$398	\$398	\$4,772
Insurance Costs	\$167	\$167	\$167	\$167	\$167	\$2,000
Professional Fees	\$292	\$292	\$292	\$292	\$292	\$3,500
Facility Costs	\$1,042	\$1,042	\$1,042	\$1,042	\$1,042	\$12,500
Misc. Costs	\$80	\$80	\$80	\$80	\$80	\$954
Payroll Taxes	\$1,036	\$1,036	\$1,036	\$1,036	\$1,036	\$12,431
Total Operating Costs	\$17,423	\$17,423	\$17,423	\$17,423	\$17,423	\$209,074
EBITDA	\$6,627	\$7,090	\$7,552	\$8,015	\$8,477	\$71,201
Federal Income Tax	\$1,439	\$1,467	\$1,495	\$1,523	\$1,550	\$16,775
State Income Tax	\$288	\$293	\$299	\$305	\$310	\$3,355
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Expenses	\$342	\$342	\$342	\$342	\$342	\$4,100
Net Profit	\$4,558	\$4,987	\$5,417	\$5,846	\$6,275	\$46,971

Profit and Loss Statement (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Revenue	\$99,195	\$101,240	\$103,285	\$105,330	\$409,050
Cost of Revenue	\$25,791	\$26,322	\$26,854	\$27,386	\$106,353
Gross Profit	\$73,404	\$74,918	\$76,431	\$77,944	\$302,697
Expenses					
Payroll	\$41,844	\$41,844	\$41,844	\$41,844	\$167,375
General and Administrative	\$2,045	\$2,045	\$2,045	\$2,045	\$8,181
Business Development	\$744	\$759	\$775	\$790	\$3,068
Marketing	\$1,250	\$1,276	\$1,301	\$1,327	\$5,154
Insurance Costs	\$525	\$525	\$525	\$525	\$2,100
Professional Fees	\$891	\$910	\$928	\$946	\$3,675
Facility Costs	\$3,219	\$3,219	\$3,219	\$3,219	\$12,875
Misc. Costs	\$250	\$255	\$260	\$265	\$1,031
Payroll Taxes	\$3,105	\$3,169	\$3,233	\$3,297	\$12,804
Total Operating Costs	\$53,873	\$54,001	\$54,130	\$54,259	\$216,263
EBITDA	\$19,531	\$20,916	\$22,301	\$23,686	\$86,434
Federal Income Tax	\$4,987	\$5,089	\$5,192	\$5,295	\$20,563
State Income Tax	\$997	\$1,018	\$1,038	\$1,059	\$4,113
Interest Expense	\$0	\$0	\$0	\$0	\$0
Depreciation Expenses	\$1,046	\$1,046	\$1,046	\$1,046	\$4,182
Net Profit	\$12,502	\$13,763	\$15,025	\$16,286	\$57,576

Profit and Loss Statement (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Revenue	\$107,130	\$109,339	\$111,548	\$113,757	\$441,774
Cost of Revenue	\$27,854	\$28,428	\$29,002	\$29,577	\$114,861
Gross Profit	\$79,276	\$80,911	\$82,545	\$84,180	\$326,913
Expenses					
Payroll	\$43,099	\$43,099	\$43,099	\$43,099	\$172,396
General and Administrative	\$2,143	\$2,187	\$2,231	\$2,275	\$8,835
Business Development	\$803	\$820	\$837	\$853	\$3,313
Marketing	\$1,350	\$1,378	\$1,406	\$1,433	\$5,566
Insurance Costs	\$551	\$551	\$551	\$551	\$2,205
Professional Fees	\$936	\$955	\$974	\$994	\$3,859
Facility Costs	\$3,315	\$3,315	\$3,315	\$3,315	\$13,261
Misc. Costs	\$270	\$276	\$281	\$287	\$1,113
Payroll Taxes	\$3,297	\$3,297	\$3,297	\$3,297	\$13,188
Total Operating Costs	\$55,764	\$55,878	\$55,991	\$56,105	\$223,738
EBITDA	\$23,512	\$25,033	\$26,554	\$28,075	\$103,175
Federal Income Tax	\$5,996	\$6,120	\$6,244	\$6,367	\$24,727
State Income Tax	\$1,199	\$1,224	\$1,249	\$1,273	\$4,945
Interest Expense	\$0	\$0	\$0	\$0	\$0
Depreciation Expenses	\$1,066	\$1,066	\$1,066	\$1,066	\$4,266
Net Profit	\$15,250	\$16,623	\$17,995	\$19,368	\$69,236

Profit and Loss Statement (Fourth Year)

Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Revenue	\$115,701	\$118,086	\$120,472	\$122,857	\$477,116
Cost of Revenue	\$30,082	\$30,702	\$31,323	\$31,943	\$124,050
Gross Profit	\$85,618	\$87,384	\$89,149	\$90,914	\$353,066
Expenses					
Payroll	\$44,392	\$44,392	\$44,392	\$44,392	\$177,568
General and Administrative	\$2,314	\$2,362	\$2,409	\$2,457	\$9,542
Business Development	\$868	\$886	\$904	\$921	\$3,578
Marketing	\$1,458	\$1,488	\$1,518	\$1,548	\$6,012
Insurance Costs	\$579	\$579	\$579	\$579	\$2,315
Professional Fees	\$983	\$1,003	\$1,023	\$1,043	\$4,052
Facility Costs	\$3,415	\$3,415	\$3,415	\$3,415	\$13,659
Misc. Costs	\$292	\$298	\$304	\$310	\$1,202
Payroll Taxes	\$3,396	\$3,396	\$3,396	\$3,396	\$13,584
Total Operating Costs	\$57,695	\$57,817	\$57,939	\$58,061	\$231,513
EBITDA	\$27,923	\$29,567	\$31,210	\$32,853	\$121,553
Federal Income Tax	\$7,105	\$7,252	\$7,398	\$7,545	\$29,301
State Income Tax	\$1,421	\$1,450	\$1,480	\$1,509	\$5,860
Interest Expense	\$0	\$0	\$0	\$0	\$0
Depreciation Expenses	\$1,088	\$1,088	\$1,088	\$1,088	\$4,351
Net Profit	\$18,309	\$19,777	\$21,244	\$22,712	\$82,041

Profit and Loss Statement (Fifth Year)					
	Year 5				
Quarter	Q1	Q2	Q3	Q4	Year 5
Revenue	\$124,957	\$127,533	\$130,110	\$132,686	\$515,285
Cost of Revenue	\$32,489	\$33,159	\$33,828	\$34,498	\$133,974
Gross Profit	\$92,468	\$94,374	\$96,281	\$98,188	\$381,311
Expenses					
Payroll	\$45,724	\$45,724	\$45,724	\$45,724	\$182,895
General and Administrative	\$2,499	\$2,551	\$2,602	\$2,654	\$10,306
Business Development	\$937	\$956	\$976	\$995	\$3,865
Marketing	\$1,574	\$1,607	\$1,639	\$1,672	\$6,493
Insurance Costs	\$608	\$608	\$608	\$608	\$2,431
Professional Fees	\$1,032	\$1,053	\$1,074	\$1,095	\$4,254
Facility Costs	\$3,517	\$3,517	\$3,517	\$3,517	\$14,069
Misc. Costs	\$315	\$321	\$328	\$334	\$1,299
Payroll Taxes	\$3,498	\$3,498	\$3,498	\$3,498	\$13,991
Total Operating Costs	\$59,704	\$59,835	\$59,966	\$60,097	\$239,602
EBITDA	\$32,764	\$34,539	\$36,315	\$38,090	\$141,709
Federal Income Tax	\$8,322	\$8,494	\$8,665	\$8,837	\$34,318
State Income Tax	\$1,664	\$1,699	\$1,733	\$1,767	\$6,864
Interest Expense	\$0	\$0	\$0	\$0	\$0
Depreciation Expenses	\$1,109	\$1,109	\$1,109	\$1,109	\$4,438
Net Profit	\$21,668	\$23,238	\$24,807	\$26,377	\$96,090

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	\$1,895	\$2,324	\$2,753	\$3,183	\$3,612	\$4,041	\$4,471	\$4,900
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$1,895	\$2,324	\$2,753	\$3,183	\$3,612	\$4,041	\$4,471	\$4,900
Other Cash Inflows								
Equity Investment	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83
Total Other Cash Inflows	\$50,083	\$83						
Total Cash Inflow	\$51,978	\$2,407	\$2,837	\$3,266	\$3,695	\$4,125	\$4,554	\$4,983
Cash Outflows								
Repayment of Principal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/P Decreases	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$20,500	\$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	\$20,558	\$58						
Net Cash Flow	\$31,420	\$2,349	\$2,778	\$3,208	\$3,637	\$4,066	\$4,496	\$4,925
Cash Balance	\$31,420	\$33,769	\$36,547	\$39,755	\$43,392	\$47,458	\$51,954	\$56,879

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	\$5,329	\$5,758	\$6,188	\$6,617	\$51,071
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$5,329	\$5,758	\$6,188	\$6,617	\$51,071
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$50,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$83	\$83	\$83	\$83	\$1,000
Total Other Cash Inflows	\$83	\$83	\$83	\$83	\$51,000
Total Cash Inflow	\$5,412	\$5,842	\$6,271	\$6,700	\$102,071
Cash Outflows					
Repayment of Principal	\$0	\$0	\$0	\$0	\$0
A/P Decreases	\$58	\$58	\$58	\$58	\$700
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$20,500
Dividends	\$0	\$0	\$0	\$40,857	\$40,857
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$58	\$58	\$58	\$40,915	\$62,057
Net Cash Flow	\$5,354	\$5,783	\$6,213	-\$34,215	\$40,014
Cash Balance	\$62,233	\$68,016	\$74,229	\$40,014	\$40,014

Cash Flow Analysis (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	\$13,547	\$14,809	\$16,070	\$17,332	\$61,758
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$13,547	\$14,809	\$16,070	\$17,332	\$61,758
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	\$13,802	\$15,069	\$16,335	\$17,602	\$62,808
Cash Outflows					
Repayment of Principal	\$0	\$0	\$0	\$0	\$0
A/P Decreases	\$178	\$182	\$186	\$189	\$735
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$3,088	\$0	\$0	\$0	\$3,088
Dividends	\$0	\$0	\$0	\$49,407	\$49,407
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$3,266	\$182	\$186	\$49,596	\$53,230
Net Cash Flow	\$10,536	\$14,887	\$16,150	-\$31,994	\$9,579
Cash Balance	\$50,550	\$65,437	\$81,587	\$49,593	\$49,593

Cash Flow Analysis (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	\$16,316	\$17,689	\$19,062	\$20,435	\$73,502
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$16,316	\$17,689	\$19,062	\$20,435	\$73,502
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	\$16,584	\$17,962	\$19,340	\$20,719	\$74,605
Cash Outflows					
Repayment of Principal	\$0	\$0	\$0	\$0	\$0
A/P Decreases	\$187	\$191	\$195	\$199	\$772
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$3,675	\$0	\$0	\$0	\$3,675
Dividends	\$0	\$0	\$0	\$58,802	\$58,802
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$3,862	\$191	\$195	\$59,000	\$63,248
Net Cash Flow	\$12,721	\$17,771	\$19,145	-\$38,282	\$11,356
Cash Balance	\$62,314	\$80,085	\$99,231	\$60,949	\$60,949

Cash Flow Analysis (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	\$19,397	\$20,864	\$22,332	\$23,799	\$86,392
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$19,397	\$20,864	\$22,332	\$23,799	\$86,392
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	\$19,677	\$21,151	\$22,624	\$24,098	\$87,550
Cash Outflows					
Repayment of Principal	\$0	\$0	\$0	\$0	\$0
A/P Decreases	\$197	\$201	\$205	\$209	\$810
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$2,160	\$2,160	\$0	\$0	\$4,320
Dividends	\$0	\$0	\$0	\$69,114	\$69,114
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$2,356	\$2,360	\$205	\$69,323	\$74,244
Net Cash Flow	\$17,321	\$18,790	\$22,420	-\$45,225	\$13,306
Cash Balance	\$78,270	\$97,061	\$119,480	\$74,255	\$74,255

Cash Flow Analysis (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	\$22,778	\$24,347	\$25,917	\$27,486	\$100,528
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$22,778	\$24,347	\$25,917	\$27,486	\$100,528
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	\$23,072	\$24,648	\$26,224	\$27,799	\$101,743
Cash Outflows					
Repayment of Principal	\$0	\$0	\$0	\$0	\$0
A/P Decreases	\$206	\$211	\$215	\$219	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$2,513	\$2,513	\$0	\$0	\$5,026
Dividends	\$0	\$0	\$0	\$80,422	\$80,422
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$2,720	\$2,724	\$215	\$80,641	\$86,299
Net Cash Flow	\$20,353	\$21,924	\$26,009	-\$52,842	\$15,444
Cash Balance	\$94,608	\$116,532	\$142,541	\$89,699	\$89,699