MD
SOUTHERN
LOGISTICS

Human Intelligence
Business Plans

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1.0 Executive Summary

The purpose of this business plan is to secure $85,000 for the development of a hot shot trucking business based in Mobile, Alabama. MD Southern Logistics ("the Company") was founded by Matthew Deutsch. Full scale revenue generating operations are expected to commence in the second quarter of next year. The business will specialize in providing short distance and regional hauling via its fleet of heavy-duty trucks.

Operations

As noted above, the primary revenue center will come from the ongoing transportation of moderate amounts of freight on a short distance basis. The Company will produce $3.00 per mile travel.

At the onset of operations, the Company intends to operate two heavy duty trucks that will serve its clients within the greater Mobile market area. The business will also acquire two gooseneck trailers for providing secure freight transportation. To complement these operations, the business will transport vehicles to and from dealerships within the target market area as well as providing construction materials hauling.

The third section of this hot trucking business plan will further discuss operations.

The Financing

The Company is seeking $85,000 via a small business loan in order to acquire the vehicles to commence operations. Matthew Deutsch will contribute $50,000 towards a venture.

As a result of the highly predictable streams of revenue that the Company will generate by providing hot shot trucking, the business could easily secure additional capital in order to acquire additional trucks specifically for this purpose. This document assumes that two additional vehicles will be added to the fleet over the next five years, which will be financed with retained earnings.

The Future

Within the Mobile market, the company intends established ongoing relationships with companies that have frequent and immediate needs for short distance and regionally based freight transportation. As noted, the Company will establish ongoing relationships with vehicle dealers that need to have cars transported to and from other dealerships. The business will also establish ongoing relationships with construction materials distributors that needs to have large quantities of goods dispatched to job sites.

Market Overview

Target Market Area

Target Market Population

Target Market Household Income

Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$305,760	$330,221	$498,633	$538,524	$689,311
Cost of Revenue	$15,288	$16,511	$24,932	$26,926	$34,466
Gross Profit	$290,472	$313,710	$473,702	$511,598	$654,845
Total Operating Costs	$213,599	$220,863	$303,812	$315,213	$395,212
EBITDA	**$76,873**	**$92,847**	**$169,889**	**$196,384**	**$259,634**

2.0 The Financing

2.1 Funds Required

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

Use of Funds	
Trucks	$85,000
Working Capital	$41,500
Furniture, Fixtures, and Equipment	$15,000
Initial Marketing	$5,000
Professional Fees and Licensure	$2,500
Misc. Costs	$1,000
Total	$150,000

2.2 Management and Investor Equity

Matthew Deutsch contains a 100% ownership interest in MD Southern Logistics LLC.

2.3 Exit Strategies

Given the strong brand name that the Founder is seeking to develop, the Company could be easily sold to a third-party for a moderate earnings multiple. Typically, hot trucking businesses have a P/E ratio of two times the prior year's EBITDA.

3.0 Operations

The Company will operate in the unique capacity by using heavy duty trucks to transport freight on a short distance and regional basis. The use of heavy-duty trucks for this purpose is referred to his hot shot trucking. The Company will employee one driver at the onset of operations and Mr. Deutsch will serve as the other driver so that the business has 100% utilization capacity for its fleet.

A major component of the Company's revenue generating operations will focus on establishing ongoing relationships with numerous entities throughout the greater Mobile area. From time to time, the company will also source regional transportation orders in tandem with freight brokerages that operate within this market area.

As a revenue mix, it is expected at 75% of the Company's income will come from direct transportation orders while 25% will be sourced through third-party dispatchers and freight brokerage agents.

4.0 Overview of the Organization

4.1 Registered Name

MD Southern Logistics LLC. The business is registered as a limited liability company in the State of Alabama.

4.2 Commencement of Operations

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

4.3 Mission Statement

To provide comprehensive short distance, travel by cost-effective basis throughout the Mobile area.

4.4 Vision Statement

To become a leading local transportation and freight logistics business within Mobile.

4.5 Organizational Objectives

- Properly acquire two heavy duty trucks that will serve as the initial fleet of the business.
- Established ongoing relationships with construction materials firms that will have MD Southern Logistics transport goods to job sites.
- Establishing relationships with vehicle dealerships that need to have cars transported to and from dealership locations as well as client's homes.
- Develop and expand a significant online presence so that the business can be quickly called upon when short distance transportation is needed.
- Adhered to all laws regarding the transportation of freight.
- Provide drivers with comprehensive compensation so that they will be retained over a significant period of time.
- Join numerous small business associations within the Mobile market in order to increase brand name visibility.
- Maintain proper financial controls and protocols to assure that the business can remain profitable in all economic climate.

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 hot shot trucking industry, the customer profile, and the ongoing competition at the business will be moving forward.

At this time, the economic climate within the United States is moderate. This is due to the fact there have been changes in overall trade policy, which has caused a higher than expected in inflationary period. However, the Federal Reserve is taking appropriate measures to ensure that inflation returns to more normalized levels well also fostering economic growth.

These issues should only have a modest impact on the Company's to generate revenue through its hot truck trucking service services. The demand for immediate and short-term freight hauling remains strong in any economic climate giving. The business will establish numerous relationships with companies throughout the greater Mobile market in order to ensure that the business operates at year 100% capacity at all times.

5.2 Industry Analysis

The hot trucking segment of the freight transportation industry produces $10 billion of revenue per year. There are 15,000 companies that operate specifically in this capacity. The industry employees approximately 25,000 people.

One of the major trends within this industry is to use application-based platforms in order to source transportation orders. Beyond establishing ongoing relationships with vehicle dealerships, construction material materials, distributors, and other entities that require hot shot trucking – the business will also make itself available to individuals who need to have

moderate amount of rate transported on a regional basis. The development of this type of technology that fosters short distance transportation orders is expected to grow in the coming years.

5.3 Customer Profile

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

- Operates as a construction materials distributor, vehicle dealership, or entity with ongoing short-distance freight hauling needs.
- Will spend $300 to $1,000 per engagement
- Operates within 50 miles of the MD Southern Logistics location

5.4 Competitive Analysis

This hot shot trucking business plan was written specifically as a sample. As such, no formal competitive analysis was conducted. In the event that this was completed for a client, an analysis regarding the number of hot shot trucking companies within the target market would have been included. An analysis of companies that operate in a similar capacity, such as box truck operators would have also been included.

6.0 Key Strategic Issues

6.1 Sustainable Operations

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

- Relatively low operating costs given that the business is going to be using heavy duty trucks as the vehicle vehicles for a transportation.

- The Company will have numerous dedicated lane relationships with construction materials distributors, vehicle dealers, and other entities that have short distance freight transportation needs within the Mobile market.

- The Company can easily scale its operations via the acquisition of additional capital for the purchase of additional trucks.

- An experienced Owner, Matthew Deutsch, who will be able to effectively establish ongoing relationships within this market while scaling the business accordingly

- The Company can seamlessly enter other markets within Alabama as well as within the State of Florida as a means of growth.

6.2 Basis of Growth

The Company will expand via the following methods:

- Continued acquisition of additional operating assets to further the growth objectives of the business.

- Expansion of the number of dedicated relationships that the Company maintains a vehicle dealers and construction materials distributors.

- Expansion into additional geographic markets within the State of Alabama.

- Integrate other types of freight, transportation service into the Company's operational architecture.

7.0 Marketing Plan

7.1 Marketing Objectives

- Conduct extensive direct outreach with dealerships and construction related firms within the Mobile market.
- Establish a significant online presence to that individuals can find the business when they require short distance hauling.
- From time to time, work with freight brokerages, as they will place orders with the business in order to ensure that the business operates at 100% capacity.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	**1**	**2**	**3**	**4**	**5**
Hot Trucking Fees	$273,000	$294,840	$445,208	$480,825	$615,456
Ancillary Services	$32,760	$35,381	$53,425	$57,699	$73,855
Total	**$305,760**	**$330,221**	**$498,633**	**$538,524**	**$689,311**

Gross Profit					
Year	1	2	3	4	5
Total	**$290,472**	**$313,710**	**$473,702**	**$511,598**	**$654,845**

7.3 Revenue Assumptions

Year 1

- First year revenue will reach $305,000.
- Gross profits will reach $290,000.

Year 2

- Revenue will reach $330,000.
- Income will increase by 8%.

Years 3-5

- A third truck will be added in Year 3.
- A fourth truck will be purchased in Year 4.
- By the fifth year of operation, total revenue will reach $689,000.
- Gross profits will reach $654,000.

7.4 Marketing Strategies

MD Southern Logistics will use a number of marketing strategies that will create significant awareness for its short distance freight transportation operations within Mobile and its surrounding areas. Most importantly, Matthew Deutsch will conduct extensive direct outreach with the demographics discussed in the fifth section of this document. This will allow the business to receive ongoing and highly frequent transportation orders among companies that require short distance hauling. This will continue to remain as the primary method of marketing throughout the life of the business.

In order to attract individuals that may have short distance and transportation needs, the Company will maintain an expansive online presence. The businesses website will showcase the heavy-duty trucks, per mile fees, general information about the Company, as well as contact information. This website will undergo search engine optimization specific for the Mobile, Alabama market.

To further increased brand awareness, the business will become a member of chambers of commerce while also taking out advertisements in regional publications that deal specifically with matters related freight transportation. To complement these operations, the business will establish relationships with real estate brokers and agents within Mobile in order to ensure that when clients have freight hauling needs specific for moving in this market, the business will be called upon to provide its services.

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	$50,500	$51,005	$51,515	$52,030
Drivers	$37,500	$37,875	$76,508	$77,273	$117,068
Administrative Staff	$30,000	$30,300	$30,603	$30,909	$31,218
Total	**$117,500**	**$118,675**	**$158,116**	**$159,697**	**$200,316**

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
Senior Management	1	1	1	1	1
Drivers	1	1	2	2	3
Administrative Staff	1	1	1	1	1
Total	**3**	**3**	**4**	**4**	**5**

9.0 Financial Plan

9.1 Underlying Assumptions

- The Company will acquire $85,000 a debt capital to establish operations.
- MD Southern Logistics LLC will have an equity capitalization of $50,000.
- Management anticipates at the company's compounded annual growth rate will be 22.6%.

9.2 Financial Highlights

- Significant demand in the mobile market for short distance freight hauling services.
- The Company can access additional as needed to acquire additional hot shot trucks.
- The Company can scale into other markets outside of Mobile relatively quickly.

9.3 Sensitivity Analysis

The business' revenues are only modernly sensitive to an economic recession. The demand for short distance freight hauling typically remain strong in any economic climate as it meets the needs of a wide range of customers for a broad range of purposes. The Company will produce substantial contribution margins from each short distance transportation engagement. Additionally, the ongoing operating cost of the business are relatively low.

9.4 Source of Funds

Financing	
Equity	
Equity Capitalization	$50,000.00
Total Equity Financing	$50,000.00
Banks and Lenders	
Business Loan	$85,000.00
Total Debt Financing	$85,000.00
Total Financing	**$135,000.00**

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss (Yearly)					
Year	1	2	3	4	5
Revenue	$305,760	$330,221	$498,633	$538,524	$689,311
Cost of Revenue	$15,288	$16,511	$24,932	$26,926	$34,466
Gross Margin	95.00%	95.00%	95.00%	95.00%	95.00%
Gross Profit	$290,472	$313,710	$473,702	$511,598	$654,845
Expenses					
Payroll	$117,500	$118,675	$158,116	$159,697	$200,316
Facility Costs	$9,600	$9,696	$9,793	$9,891	$9,990
General and Administrative	$4,586	$4,953	$7,480	$8,078	$10,340
Professional Fees and Licensure	$4,250	$4,293	$4,335	$4,379	$4,423
Insurance	$5,228	$5,647	$8,527	$9,209	$11,787
Marketing	$3,058	$3,302	$4,986	$5,385	$6,893
Fuel	$58,094	$62,742	$94,740	$102,320	$130,969
Misc. Costs	$2,293	$2,477	$3,740	$4,039	$5,170
Payroll Taxes	$8,989	$9,079	$12,096	$12,217	$15,324
Total Operating Costs	**$213,599**	**$220,863**	**$303,812**	**$315,213**	**$395,212**
EBITDA	**$76,873**	**$92,847**	**$169,889**	**$196,384**	**$259,634**
Federal Income Tax	$15,896	$20,009	$38,325	$45,089	$59,979
State Income Tax	$3,179	$4,002	$7,665	$9,018	$11,996
Interest Expense	$6,591	$6,111	$5,591	$5,028	$4,418
Depreciation Expenses	$6,700	$6,700	$11,000	$11,000	$15,300
Net Profit	**$44,508**	**$56,025**	**$107,309**	**$126,250**	**$167,941**
Profit Margin	**14.56%**	**16.97%**	**21.52%**	**23.44%**	**24.36%**

B) Common Size Income Statement

Proforma Profit and Loss (Common Size)					
Year	1	2	3	4	5
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Revenue	5.00%	5.00%	5.00%	5.00%	5.00%
Gross Profit	95.00%	95.00%	95.00%	95.00%	95.00%
Expenses					
Payroll	38.43%	35.94%	31.71%	29.65%	29.06%
Facility Costs	3.14%	2.94%	1.96%	1.84%	1.45%
General and Administrative	1.50%	1.50%	1.50%	1.50%	1.50%
Professional Fees and Licensure	1.39%	1.30%	0.87%	0.81%	0.64%
Insurance	1.71%	1.71%	1.71%	1.71%	1.71%
Marketing	1.00%	1.00%	1.00%	1.00%	1.00%
Fuel	19.00%	19.00%	19.00%	19.00%	19.00%
Misc. Costs	0.75%	0.75%	0.75%	0.75%	0.75%
Payroll Taxes	2.94%	2.75%	2.43%	2.27%	2.22%
Total Operating Costs	69.86%	66.88%	60.93%	58.53%	57.33%
EBITDA	25.14%	28.12%	34.07%	36.47%	37.67%
Federal Income Tax	5.20%	6.06%	7.69%	8.37%	8.70%
State Income Tax	1.04%	1.21%	1.54%	1.67%	1.74%
Interest Expense	2.16%	1.85%	1.12%	0.93%	0.64%
Depreciation Expenses	2.19%	2.03%	2.21%	2.04%	2.22%
Net Profit	14.56%	16.97%	21.52%	23.44%	24.36%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	$51,208	$62,725	$118,309	$137,250	$183,241
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$51,208**	**$62,725**	**$118,309**	**$137,250**	**$183,241**
Other Cash Inflows					
Equity Investment	$50,000	$0	$0	$0	$0
Increased Borrowings	$85,000	$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	**$136,000**	**$1,050**	**$1,103**	**$1,158**	**$1,216**
Total Cash Inflow	**$187,208**	**$63,775**	**$119,411**	**$138,407**	**$184,456**
Cash Outflows					
Repayment of Principal	$5,784	$6,265	$6,785	$7,348	$7,957
A/P Decreases	$700	$735	$772	$810	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$100,000	$0	$65,000	$0	$65,000
Dividends	$18,169	$22,584	$44,610	$51,961	$70,113
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$124,654**	**$29,584**	**$117,166**	**$60,119**	**$143,922**
Net Cash Flow	**$62,554**	**$34,191**	**$2,245**	**$78,288**	**$40,535**
Cash Balance	**$62,554**	**$96,745**	**$98,991**	**$177,279**	**$217,814**

D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	$62,554	$96,745	$98,991	$177,279	$217,814
Fixed Assets	$100,000	$100,000	$165,000	$165,000	$230,000
Accumulated Depreciation	($6,700)	($13,400)	($24,400)	($35,400)	($50,700)
Total Assets	**$155,854**	**$183,345**	**$239,591**	**$306,879**	**$397,114**
Liabilities and Equity					
Accounts Payable	$300	$615	$946	$1,293	$1,658
Long Term Liabilities	$79,216	$72,951	$66,166	$58,819	$50,861
Other Liabilities	$0	$0	$0	$0	$0
Total Liabilities	**$79,516**	**$73,566**	**$67,112**	**$60,112**	**$52,519**
Equity	**$76,338**	**$109,779**	**$172,478**	**$246,767**	**$344,595**
Total Liabilities and Equity	**$155,854**	**$183,345**	**$239,591**	**$306,879**	**$397,114**

9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	$18,737	$19,374	$26,650	$27,650	$34,668
Yearly Revenue	$224,841	$232,487	$319,802	$331,804	$416,012

9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	8.0%	51.0%	8.0%	28.0%
Gross Margin	95.0%	95.0%	95.0%	95.0%	95.0%
Financials					
Profit Margin	14.56%	16.97%	21.52%	23.44%	24.36%
Assets to Liabilities	1.96	2.49	3.57	5.11	7.56
Equity to Liabilities	0.96	1.49	2.57	4.11	6.56
Assets to Equity	2.04	1.67	1.39	1.24	1.15
Liquidity					
Acid Test	0.79	1.32	1.48	2.95	4.15
Cash to Assets	0.40	0.53	0.41	0.58	0.55

Appendix A – SWOT Analysis

Strengths

- Significant demand in the Mobile market, especially among vehicle dealers and construction materials distributors.
- The business will have very low operating costs which one have business remains profitable at all times.
- The business will have seamless access the capital given that a majority of the Company's assets are vehicles.
- The business will operate with significant contribution margins, and as it does not rely on freight brokerages to acquire the majority of its transportation orders.

Weaknesses

- Ongoing competition from more established hot shot trucking businesses in the Mobile area.
- The business' profitability is directly tied to underlying energy costs.

Opportunities

- Continued acquisition of additional trucks that can be used during the course of short distance rate transportation.
- Enter other markets within Alabama.
- Continued to hire drivers as the number of vehicles in the fleet is expanded.

Threats

- Potential liabilities from accidents or mishandling a freight.
- A prolonged period of inflation could cause the underlying operating cost of the business to increase significantly.

Appendix B – Critical Risks

Development Risk – **Low**
The protocols that MD Southern Logistics will use during the course of its operations have been developed. The principal matter that needs to be addressed is Management securing the $85,000 a capital discussed in this document.

Financing Risk – **Low/Moderate**
Nearly 100% of the debt capital sought will be used for the acquisition of to heavy duty trucks. The risk related to financing are substantially abated by the highly predictable revenue that the business will generate through its hot shot trucking operations.

Marketing Risk **– Low**
As noted earlier, the company will use many marketing strategies in order to foster ongoing relationships with entities that requires short distance transportation throughout Mobile. Direct outreach will be the key to the Company success in the coming months and years.

Management Risk – **Low**
Matthew Deutsch is a highly experienced logistic entrepreneur that has operated hot trucking businesses in the past. He'll be able to meet all business growth objectives discuss this document.

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

- Significant demand in Mobile for hot shot trucking services.
- Risks are very limited given the low operating costs of the business.
- The business can scale easily given the large tangible asset base of MD Southern Logistics.

Exit Risk - **Low**
In the event that the business is to be sold, the Company will work with a qualified business broker in order to find a larger logistics firm that will ultimately become the buyer of the business. This event is not expected to occur appropriate for at least seven years.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	**$22,400**	**$22,960**	**$23,520**	**$24,080**	**$24,640**	**$25,200**	**$25,760**
Cost of Revenue	$1,120	$1,148	$1,176	$1,204	$1,232	$1,260	$1,288
Gross Profit	$21,280	$21,812	$22,344	$22,876	$23,408	$23,940	$24,472
Expenses							
Payroll	$9,792	$9,792	$9,792	$9,792	$9,792	$9,792	$9,792
Facility Costs	$800	$800	$800	$800	$800	$800	$800
General and Administrative	$382	$382	$382	$382	$382	$382	$382
Professional Fees and Licensure	$354	$354	$354	$354	$354	$354	$354
Insurance	$436	$436	$436	$436	$436	$436	$436
Marketing	$255	$255	$255	$255	$255	$255	$255
Fuel	$4,841	$4,841	$4,841	$4,841	$4,841	$4,841	$4,841
Misc. Costs	$191	$191	$191	$191	$191	$191	$191
Payroll Taxes	$749	$749	$749	$749	$749	$749	$749
Total Operating Costs	$17,800	$17,800	$17,800	$17,800	$17,800	$17,800	$17,800
EBITDA	$3,480	$4,012	$4,544	$5,076	$5,608	$6,140	$6,672
Federal Income Tax	$1,165	$1,194	$1,223	$1,252	$1,281	$1,310	$1,339
State Income Tax	$233	$239	$245	$250	$256	$262	$268
Interest Expense	$567	$564	$560	$557	$554	$551	$548
Depreciation Expenses	$558	$558	$558	$558	$558	$558	$558
Net Profit	$958	$1,458	$1,958	$2,458	$2,958	$3,459	$3,959

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
Revenue	**$26,320**	**$26,880**	**$27,440**	**$28,000**	**$28,560**	**$305,760**
Cost of Revenue	$1,316	$1,344	$1,372	$1,400	$1,428	$15,288
Gross Profit	$25,004	$25,536	$26,068	$26,600	$27,132	$290,472
Expenses						
Payroll	$9,792	$9,792	$9,792	$9,792	$9,792	$117,500
Facility Costs	$800	$800	$800	$800	$800	$9,600
General and Administrative	$382	$382	$382	$382	$382	$4,586
Professional Fees and Licensure	$354	$354	$354	$354	$354	$4,250
Insurance	$436	$436	$436	$436	$436	$5,228
Marketing	$255	$255	$255	$255	$255	$3,058
Fuel	$4,841	$4,841	$4,841	$4,841	$4,841	$58,094
Misc. Costs	$191	$191	$191	$191	$191	$2,293
Payroll Taxes	$749	$749	$749	$749	$749	$8,989
Total Operating Costs	$17,800	$17,800	$17,800	$17,800	$17,800	$213,599
EBITDA	$7,204	$7,736	$8,268	$8,800	$9,332	$76,873
Federal Income Tax	$1,368	$1,397	$1,427	$1,456	$1,485	$15,896
State Income Tax	$274	$279	$285	$291	$297	$3,179
Interest Expense	$545	$541	$538	$535	$531	$6,591
Depreciation Expenses	$558	$558	$558	$558	$558	$6,700
Net Profit	$4,459	$4,960	$5,460	$5,960	$6,461	$44,508

Profit and Loss Statement (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Revenue	$80,079	$81,730	$83,381	$85,032	$330,221
Cost of Revenue	$4,004	$4,086	$4,169	$4,252	$16,511
Gross Profit	**$76,075**	**$77,643**	**$79,212**	**$80,780**	**$313,710**
Expenses					
Payroll	$29,669	$29,669	$29,669	$29,669	$118,675
Facility Costs	$2,424	$2,424	$2,424	$2,424	$9,696
General and Administrative	$1,201	$1,226	$1,251	$1,275	$4,953
Professional Fees and Licensure	$1,041	$1,062	$1,084	$1,105	$4,293
Insurance	$1,412	$1,412	$1,412	$1,412	$5,647
Marketing	$801	$817	$834	$850	$3,302
Fuel	$15,685	$15,685	$15,685	$15,685	$62,742
Misc. Costs	$601	$613	$625	$638	$2,477
Payroll Taxes	$2,202	$2,247	$2,292	$2,338	$9,079
Total Operating Costs	**$55,035**	**$55,156**	**$55,276**	**$55,397**	**$220,863**
EBITDA	**$21,040**	**$22,488**	**$23,936**	**$25,384**	**$92,847**
Federal Income Tax	$4,852	$4,952	$5,052	$5,152	$20,009
State Income Tax	$970	$990	$1,010	$1,030	$4,002
Interest Expense	$1,574	$1,544	$1,512	$1,481	$6,111
Depreciation Expenses	$1,675	$1,675	$1,675	$1,675	$6,700
Net Profit	**$11,968**	**$13,326**	**$14,686**	**$16,045**	**$56,025**

Profit and Loss Statement (Third Year)					
		Year 3			
Quarter	Q1	Q2	Q3	Q4	Year 3
Revenue	$120,919	$123,412	$125,905	$128,398	$498,633
Cost of Revenue	$6,046	$6,171	$6,295	$6,420	$24,932
Gross Profit	**$114,873**	**$117,241**	**$119,610**	**$121,978**	**$473,702**
Expenses					
Payroll	$39,529	$39,529	$39,529	$39,529	$158,116
Facility Costs	$2,448	$2,448	$2,448	$2,448	$9,793
General and Administrative	$1,814	$1,851	$1,889	$1,926	$7,480
Professional Fees and Licensure	$1,051	$1,073	$1,095	$1,116	$4,335
Insurance	$2,132	$2,132	$2,132	$2,132	$8,527
Marketing	$1,209	$1,234	$1,259	$1,284	$4,986
Fuel	$23,685	$23,685	$23,685	$23,685	$94,740
Misc. Costs	$907	$926	$944	$963	$3,740
Payroll Taxes	$3,024	$3,024	$3,024	$3,024	$12,096
Total Operating Costs	**$75,799**	**$75,902**	**$76,004**	**$76,107**	**$303,812**
EBITDA	**$39,074**	**$41,339**	**$43,605**	**$45,871**	**$169,889**
Federal Income Tax	$9,294	$9,485	$9,677	$9,869	$38,325
State Income Tax	$1,859	$1,897	$1,935	$1,974	$7,665
Interest Expense	$1,448	$1,415	$1,381	$1,347	$5,591
Depreciation Expenses	$2,750	$2,750	$2,750	$2,750	$11,000
Net Profit	**$23,723**	**$25,792**	**$27,862**	**$29,932**	**$107,309**

Profit and Loss Statement (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Revenue	$130,592	$133,285	$135,977	$138,670	$538,524
Cost of Revenue	$6,530	$6,664	$6,799	$6,933	$26,926
Gross Profit	**$124,062**	**$126,620**	**$129,178**	**$131,736**	**$511,598**
Expenses					
Payroll	$39,924	$39,924	$39,924	$39,924	$159,697
Facility Costs	$2,473	$2,473	$2,473	$2,473	$9,891
General and Administrative	$1,959	$1,999	$2,040	$2,080	$8,078
Professional Fees and Licensure	$1,062	$1,084	$1,106	$1,128	$4,379
Insurance	$2,302	$2,302	$2,302	$2,302	$9,209
Marketing	$1,306	$1,333	$1,360	$1,387	$5,385
Fuel	$25,580	$25,580	$25,580	$25,580	$102,320
Misc. Costs	$979	$1,000	$1,020	$1,040	$4,039
Payroll Taxes	$3,054	$3,054	$3,054	$3,054	$12,217
Total Operating Costs	**$78,639**	**$78,749**	**$78,858**	**$78,967**	**$315,213**
EBITDA	**$45,423**	**$47,872**	**$50,320**	**$52,769**	**$196,384**
Federal Income Tax	$10,934	$11,160	$11,385	$11,610	$45,089
State Income Tax	$2,187	$2,232	$2,277	$2,322	$9,018
Interest Expense	$1,311	$1,276	$1,239	$1,202	$5,028
Depreciation Expenses	$2,750	$2,750	$2,750	$2,750	$11,000
Net Profit	**$28,241**	**$30,455**	**$32,669**	**$34,885**	**$126,250**

Profit and Loss Statement (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Revenue	$167,158	$170,604	$174,051	$177,498	$689,311
Cost of Revenue	$8,358	$8,530	$8,703	$8,875	$34,466
Gross Profit	**$158,800**	**$162,074**	**$165,348**	**$168,623**	**$654,845**
Expenses					
Payroll	$50,079	$50,079	$50,079	$50,079	$200,316
Facility Costs	$2,497	$2,497	$2,497	$2,497	$9,990
General and Administrative	$2,507	$2,559	$2,611	$2,662	$10,340
Professional Fees and Licensure	$1,072	$1,095	$1,117	$1,139	$4,423
Insurance	$2,947	$2,947	$2,947	$2,947	$11,787
Marketing	$1,672	$1,706	$1,741	$1,775	$6,893
Fuel	$32,742	$32,742	$32,742	$32,742	$130,969
Misc. Costs	$1,254	$1,280	$1,305	$1,331	$5,170
Payroll Taxes	$3,831	$3,831	$3,831	$3,831	$15,324
Total Operating Costs	**$98,602**	**$98,736**	**$98,870**	**$99,004**	**$395,212**
EBITDA	**$60,198**	**$63,338**	**$66,478**	**$69,619**	**$259,634**
Federal Income Tax	$14,545	$14,845	$15,145	$15,445	$59,979
State Income Tax	$2,909	$2,969	$3,029	$3,089	$11,996
Interest Expense	$1,164	$1,125	$1,085	$1,045	$4,418
Depreciation Expenses	$3,825	$3,825	$3,825	$3,825	$15,300
Net Profit	**$37,756**	**$40,575**	**$43,395**	**$46,215**	**$167,941**

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	$1,516	$2,016	$2,516	$3,017	$3,517	$4,017	$4,517	$5,018
Cash From Receivables	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cash Inflow	$1,516	$2,016	$2,516	$3,017	$3,517	$4,017	$4,517	$5,018
Other Cash Inflows								
Equity Investment	$50,000	$0	$0	$0	$0	$0	$0	$0
Increased Borrowings	$85,000	$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	**$135,083**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**
Total Cash Inflow	**$136,599**	**$2,100**	**$2,600**	**$3,100**	**$3,600**	**$4,100**	**$4,601**	**$5,101**
Cash Outflows								
Repayment of Principal	$465	$468	$471	$474	$477	$480	$484	$487
A/P Decreases	$58	$58	$58	$58	$58	$58	$58	$58
A/R Increases	$0	$0	$0	$0	$0	$0	$0	$0
Asset Purchases	$100,000	$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	**$100,523**	**$526**	**$529**	**$532**	**$535**	**$539**	**$542**	**$545**
Net Cash Flow	**$36,076**	**$1,573**	**$2,071**	**$2,568**	**$3,065**	**$3,562**	**$4,059**	**$4,556**
Cash Balance	**$36,076**	**$37,650**	**$39,720**	**$42,288**	**$45,353**	**$48,914**	**$52,973**	**$57,529**

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	$5,518	$6,018	$6,519	$7,019	$51,208
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$5,518**	**$6,018**	**$6,519**	**$7,019**	**$51,208**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$50,000
Increased Borrowings	$0	$0	$0	$0	$85,000
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	$136,000
Total Cash Inflow	**$5,601**	**$6,102**	**$6,602**	**$7,102**	**$187,208**
Cash Outflows					
Repayment of Principal	$490	$493	$497	$500	$5,784
A/P Decreases	$58	$58	$58	$58	$700
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$0	$0	$0	$0	$100,000
Dividends	$0	$0	$0	$18,169	$18,169
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$548**	**$552**	**$555**	**$18,727**	**$124,654**
Net Cash Flow	**$5,053**	**$5,550**	**$6,047**	**-$11,625**	**$62,554**
Cash Balance	**$62,582**	**$68,132**	**$74,179**	**$62,554**	**$62,554**

Cash Flow Analysis (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	$13,643	$15,001	$16,361	$17,720	$62,725
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$13,643**	**$15,001**	**$16,361**	**$17,720**	**$62,725**
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	**$13,897**	**$15,261**	**$16,626**	**$17,991**	**$63,775**
Cash Outflows					
Repayment of Principal	$1,520	$1,550	$1,581	$1,613	$6,265
A/P Decreases	$178	$182	$186	$189	$735
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$0	$0	$0	$0	$0
Dividends	$0	$0	$0	$22,584	$22,584
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$1,698**	**$1,732**	**$1,767**	**$24,387**	**$29,584**
Net Cash Flow	**$12,200**	**$13,529**	**$14,859**	**-$6,396**	**$34,191**
Cash Balance	**$74,753**	**$88,283**	**$103,141**	**$96,745**	**$96,745**

Cash Flow Analysis (Third Year)					
	Year 3				
Quarter	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	$26,473	$28,542	$30,612	$32,682	$118,309
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$26,473**	**$28,542**	**$30,612**	**$32,682**	**$118,309**
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	**$26,740**	**$28,815**	**$30,890**	**$32,966**	**$119,411**
Cash Outflows					
Repayment of Principal	$1,646	$1,679	$1,713	$1,747	$6,785
A/P Decreases	$187	$191	$195	$199	$772
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$65,000	$0	$0	$0	$65,000
Dividends	$0	$0	$0	$44,610	$44,610
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$66,833**	**$1,870**	**$1,908**	**$46,556**	**$117,166**
Net Cash Flow	**-$40,092**	**$26,945**	**$28,983**	**-$13,590**	**$2,245**
Cash Balance	**$56,653**	**$83,598**	**$112,580**	**$98,991**	**$98,991**

Cash Flow Analysis (Fourth Year)					
	Year 4				
Quarter	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	$30,991	$33,205	$35,419	$37,635	$137,250
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$30,991**	**$33,205**	**$35,419**	**$37,635**	**$137,250**
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	**$31,272**	**$33,491**	**$35,712**	**$37,933**	**$138,407**
Cash Outflows					
Repayment of Principal	$1,782	$1,818	$1,855	$1,892	$7,348
A/P Decreases	$197	$201	$205	$209	$810
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$0	$0	$0	$0	$0
Dividends	$0	$0	$0	$51,961	$51,961
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$1,979**	**$2,019**	**$2,059**	**$54,062**	**$60,119**
Net Cash Flow	**$29,293**	**$31,472**	**$33,652**	**-$16,129**	**$78,288**
Cash Balance	**$128,283**	**$159,756**	**$193,408**	**$177,279**	**$177,279**

Cash Flow Analysis (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	$41,581	$44,400	$47,220	$50,040	$183,241
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$41,581**	**$44,400**	**$47,220**	**$50,040**	**$183,241**
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	**$41,876**	**$44,701**	**$47,527**	**$50,353**	**$184,456**
Cash Outflows					
Repayment of Principal	$1,930	$1,969	$2,009	$2,049	$7,957
A/P Decreases	$206	$211	$215	$219	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$65,000	$0	$0	$0	$65,000
Dividends	$0	$0	$0	$70,113	$70,113
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$67,137**	**$2,180**	**$2,224**	**$72,382**	**$143,922**
Net Cash Flow	**-$25,261**	**$42,521**	**$45,303**	**-$22,028**	**$40,535**
Cash Balance	**$152,018**	**$194,539**	**$239,842**	**$217,814**	**$217,814**