



Table of Contents

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

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

1.0 Executive Summary

Deutsch Heritage Farms LLC (“the Company”) will provide a wide range of organically grown fruits and vegetables from its 50-acre farm in Doylestown, Pennsylvania. The Company was founded by Matthew Deutsch. At this time, Management is seeking a \$2 million loan to acquire the property and commence farming operations. The business is expected to become operational in the first quarter of next year.

Operations

The primary focus of the Company’s operations will be to sell farm shares to its customer base within the greater Bucks County market. Beyond providing organic produce to the general public, the Company will also establish ongoing relationships with restaurants that will require substantial inventories on a year-round basis.

Although the vast majority of the Company’s farming operations will be conducted outdoor outdoors, there will be a number of heated greenhouses so that certain types of produce can be grown on a year-round basis (with a focus on microgreens).

The farm shares that Deutsch Heritage Farms will offer will produce highly predictable streams of income, which will lock in a substantial portion of the Company’s profits.

The operations of Deutsch Heritage Farms will be further discussed in the third section of this document.

The Financing

The \$2 million of debt sought in this document will be principally used for the acquisition of land, farm building developments, as well as farming equipment. Matthew Deutsch will contribute \$300,000 towards the venture.

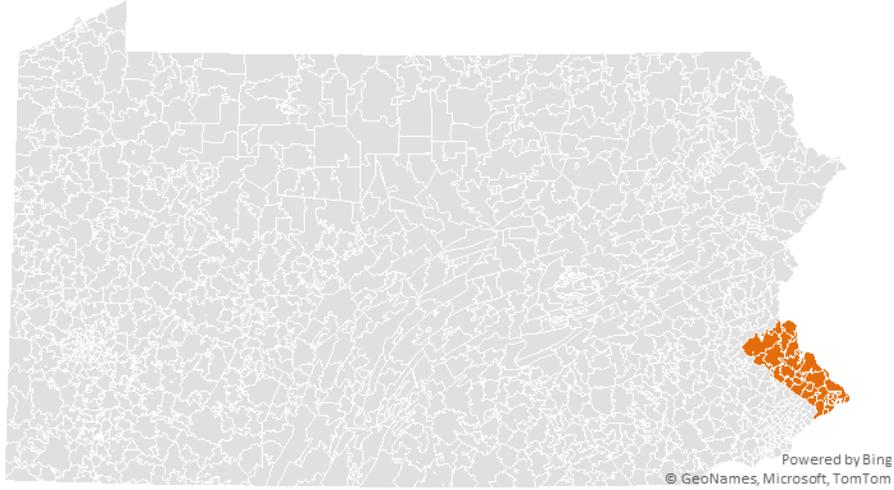
As the business will have a substantial amount of tangible assets, the Company could further require a revolving credit facility in order to more effectively manage cash flow. The business will maintain highly predictable income from the ongoing sale of farm shares. This will can also secure an ongoing credit facility.

The Future

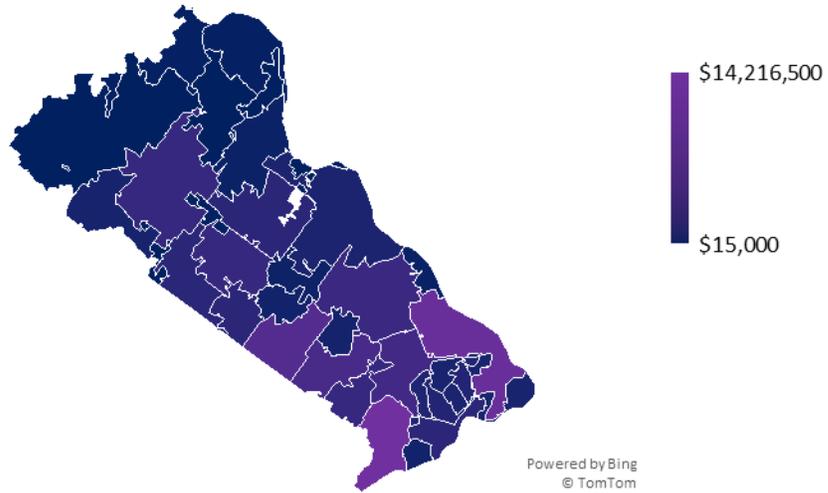
Moving forward, the Company will continue to expand the scope of its operations to include onsite events such as corn mazes, Halloween events, and school events in order to position Deutsch Heritage Farms as a teaching farm within the Bucks County market. The Company may also acquire additional parcels of land in other areas of Bucks County in order to grow a greater amount of produce.

Market Overview

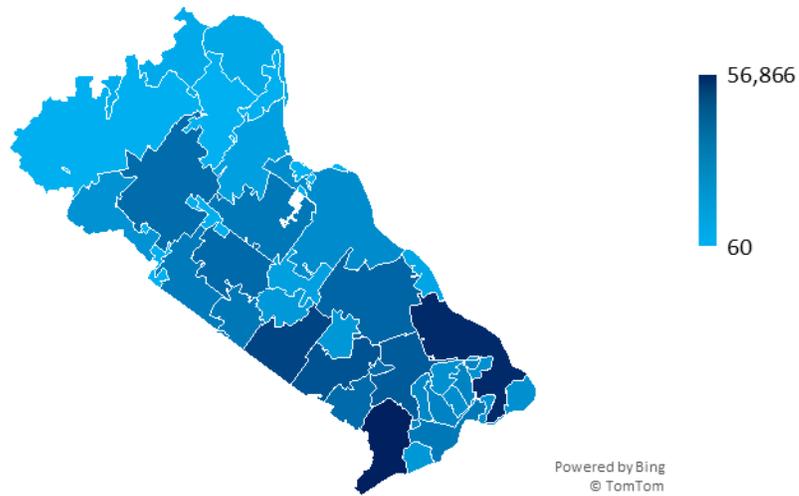
Target Market Area



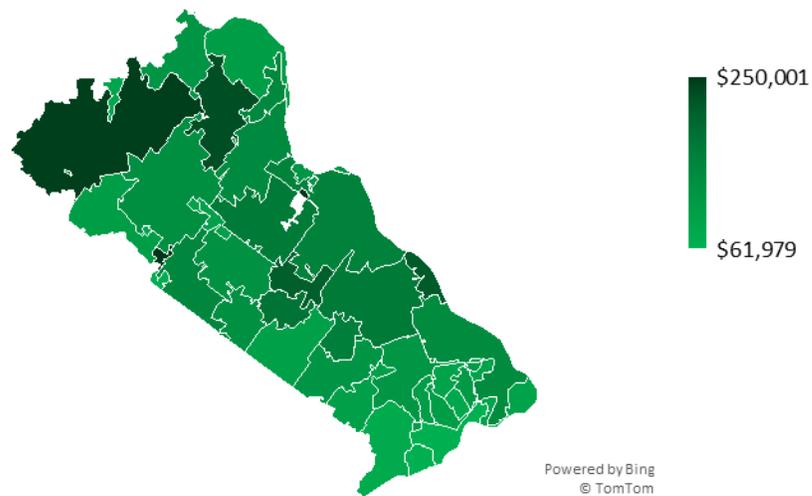
Target Market Population



Target Market Population



Target Market Household Income

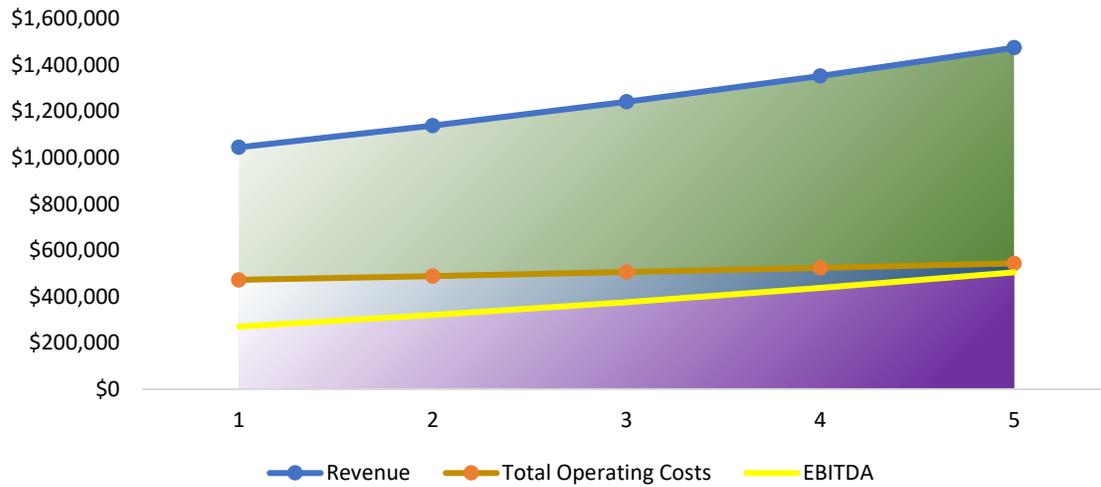


Based on national and state-level statistics regarding organic farming, the demand for produced grown through these methods is a \$157 million industry within Bucks County. There are 646,000 residents in Bucks County. The median household income is \$112,000.

Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$1,044,450	\$1,138,451	\$1,240,911	\$1,352,593	\$1,474,326
Cost of Revenue	\$302,258	\$329,461	\$359,112	\$391,432	\$426,661
Gross Profit	\$742,193	\$808,990	\$881,799	\$961,161	\$1,047,665
Total Operating Costs	\$472,087	\$488,734	\$506,092	\$524,202	\$543,106
EBITDA	\$270,106	\$320,256	\$375,706	\$436,958	\$504,559

Revenue, Operating Costs, EBITDA



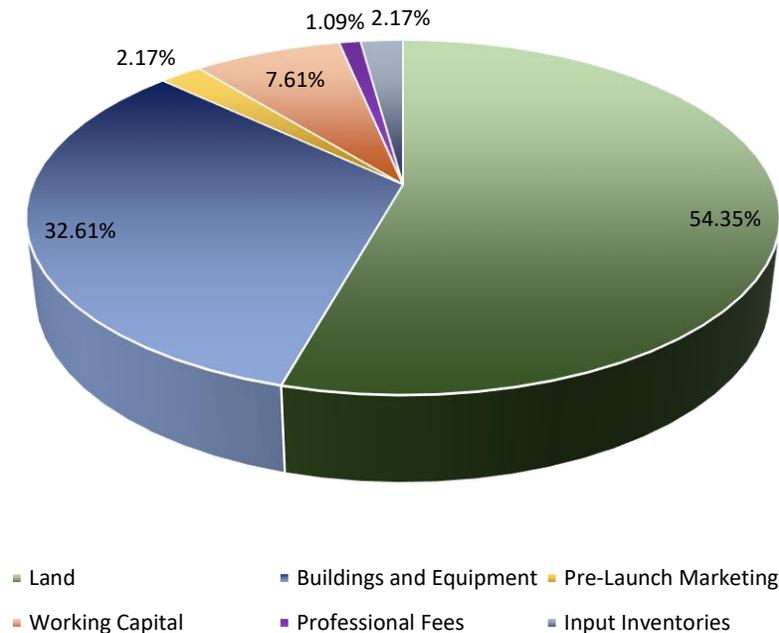
2.0 The Financing

2.1 Funds Required

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

Use of Funds	
Land	\$1,250,000
Buildings and Equipment	\$750,000
Pre-Launch Marketing	\$50,000
Working Capital	\$175,000
Professional Fees	\$25,000
Input Inventories	\$50,000
Total	\$2,300,000

Use of Funds Breakdown



2.2 Management and Investor Equity

Matthew Deutsch has 100% ownership in the business.

2.3 Exit Strategies

Although it is unlikely to occur for a significant period of time, there is a potential to sell this business for a significant profit. Ultimately, Matthew Deutsch intends to operate this as a family run farm that will be held for multiple generations. However, if it is necessary to do so – a qualified business broker will be hired to manage a sale either to an existing farm or an individual that is looking to get into the field of organic farming.

3.0 Operations

Through the Company's 50-acre farm, the following crops will be grown:

- Arugula
- Asparagus
- Basil
- Beets
- Blackberries
- Blueberries
- Cabbage
- Carrots
- Cauliflower
- Chard
- Cucumbers
- Eggplant
- Garlic
- Kale
- Lettuce
- Microgreens
- Potatoes
- Pumpkins
- Squash
- Strawberries
- Sweet Cord
- Tomatoes
- Zucchini

In order to properly plan for each season, the Company will sell farm shares to the general public. Quarter shares and half shares will be available for smaller families and individuals. A full farm share will have a seasonal price of \$400. As noted earlier, the Company will also work with restaurants that are seeking to incorporate locally sourced organic produce into their operations. This will be a major driver of future revenue growth as many restaurants in Bucks County try to source local ingredients whenever possible.

The Company will directly employ at staff so that the business has full control over its operations throughout the course of the year. During harvesting seasons, the Company will work with independent contractors that will assist in harvesting the produce.

4.0 Overview of the Organization

4.1 Registered Name

Deutsch Heritage Farms LLC. The business is registered as a limited liability company in the Commonwealth of Pennsylvania.

4.2 Commencement of Operations

The farm will commence operations in the first quarter of next year.

4.3 Mission Statement

To provide exceptional, organically grown fruits and vegetables to the Bucks County public.

4.4 Vision Statement

To be called widely respected organic farm that is noted for its educational capabilities.

4.5 Organizational Objectives

- Adhere to all best practices when engaging in organic farming operations.
- Conduct extensive direct outreach with restaurants within the Bucks County area.
- Use numerous marketing strategies so that individuals can acquire farm shares when visiting the farm as well as through the Company's website.
- Maintain relationships with area schools, so that field trips can occur, which will further elevate brand name visibility as a teaching farm.
- Participate in organizations and associations that promote organic farming practices.
- Provide upwardly mobile employment opportunities to the Company's staff.
- Potentially acquire additional parcels land, where organic farming can occur within 20 miles of the Company's initial location.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

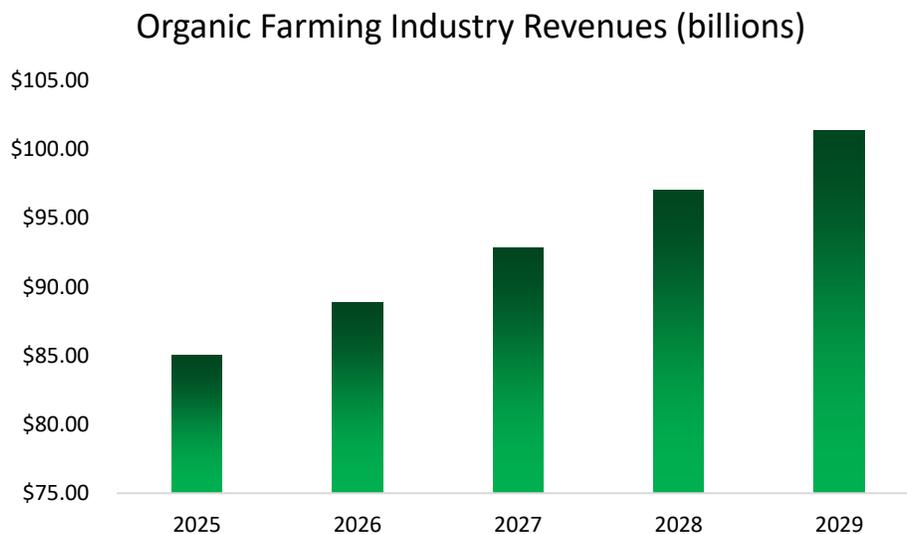
This section of the organic farm business plan will document the industry, the customer profile, the economic climate, and the ongoing competition at the business will face moving forward.

At this time, the economic climate within the United States is moderate. As a result of ever-changing trade policies, there has been a higher-than-expected degree of inflation within the US economy. It should be noted that the United States government is taking appropriate measures, through the Federal Reserve, to abate the risks associated with inflation.

Deutsch Heritage Farms is operating within the population dense and wealthy market of Bucks County. This will allow the business operate a greater degree of economic stability given that this area has a number of higher income people that will be willing to pay for farm shares on an ongoing basis. The Company's relationships with restaurants within the area will also contribute to the ongoing economic stability of this organic form.

5.2 Industry Analysis

There are 65,000 forms in the United States that operate in organic farming capacity. These businesses generate \$85 billion of revenue and provide employment for 700,000 people.



One of the major trends within this industry is to continue to sell farm shares to the general public. This produces highly predictable streams of revenue that allow farms to properly budget for operations on a yearly basis. Through the life of the Company, Management will implement a farm share system in order to ensure that the business can conduct its operations at a profit.

5.3 Customer Profile

During the course of marketing, the following demographic profile will be applied:

- Household income of \$115,000+
- Will spend \$400 to \$800 per annum at the organic farm,
- Lives within 25 miles of the Deutsch Heritage Farms location

5.4 Competitive Analysis

The ongoing competition that is organic farm will face as it expands its operations in Bucks County is moderate. Given the significant wealth of this market, there is an immense demand for organically grown fruits and vegetables. The Company will maintain a significant differentiating factor by implementing highly streamlined operating protocols that will allow the business to sell farm shares at a rate that is slightly under competing farms. The Company will maintain a differentiating factor by operating as an educationally focused facility, which will increase brand name awareness and provide a greater degree of trust.

6.0 Key Strategic Issues

6.1 Sustainable Operations

Deutsch Heritage Farms will have sustainable operations as a result of the following:

- The Company is implementing a numerous number of strategies that will streamline all facets of operation, which will ultimately lead to higher profits.
- Significant demand for organically grown produce within Bucks County and the Southeastern Pennsylvania market.
- A highly experienced owner, Matthew Deutsch, that has more than two decades of experience operating farms.
- The Company will be able to operate on a year-round basis through its microgreen production operations.
- There are significant number of restaurants within Bucks County that will place recurring purchase orders.

6.2 Basis of Growth

The Company will expand via the following methods:

- Potential acquisition of additional parcels land where organic farming can occur.
- Continued expansion of the number of wholesale relationships of the Company maintains with area restaurants.
- Integration of different types of crops that can be sold on site.

7.0 Marketing Plan

7.1 Marketing Objectives

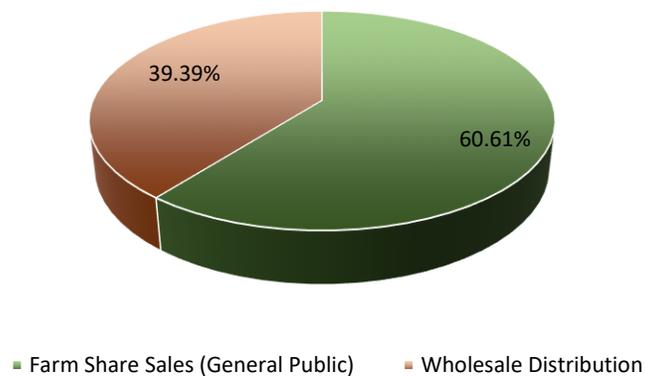
- Conduct extensive direct outreach with restaurants in the area that specifically focus on using locally source ingredients.
- Implement a wide ranging online driven campaign in order to facilitate the sale of farm shares.
- Position the company as a community focus enterprise by providing educational opportunities.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	1	2	3	4	5
Farm Share Sales (General Public)	\$633,000	\$689,970	\$752,067	\$819,753	\$893,531
Wholesale Distribution	\$411,450	\$448,481	\$488,844	\$532,840	\$580,795
Totals	\$1,044,450	\$1,138,451	\$1,240,911	\$1,352,593	\$1,474,326

Gross Profit					
Year	1	2	3	4	5
Total	\$742,193	\$808,990	\$881,799	\$961,161	\$1,047,665

Revenue Generation



7.3 Revenue Assumptions

Year 1

- First year revenue will reach \$1.04 million.
- The business will conduct extensive marketing through this year.

Year 2

- The Company will further expand its relationships with restaurants in Bucks County.
- Revenue will reach \$1.13 million in Year 2.

Years 3-5

- By the fifth year of operation, aggregate revenue from farming operations will reach \$1.4 million.
- Gross profits of \$1.04 million are expected.

7.4 Marketing Strategies

Given the scope and scale of the property, the ongoing marketing required by the business will be moderate. During the first season of growth, the Company will conduct extensive direct outreach with restaurants with in Bucks County in order to establish wholesale distribution arrangements. This will allow the business to produce highly predictable streams of revenue from its bulk orders.

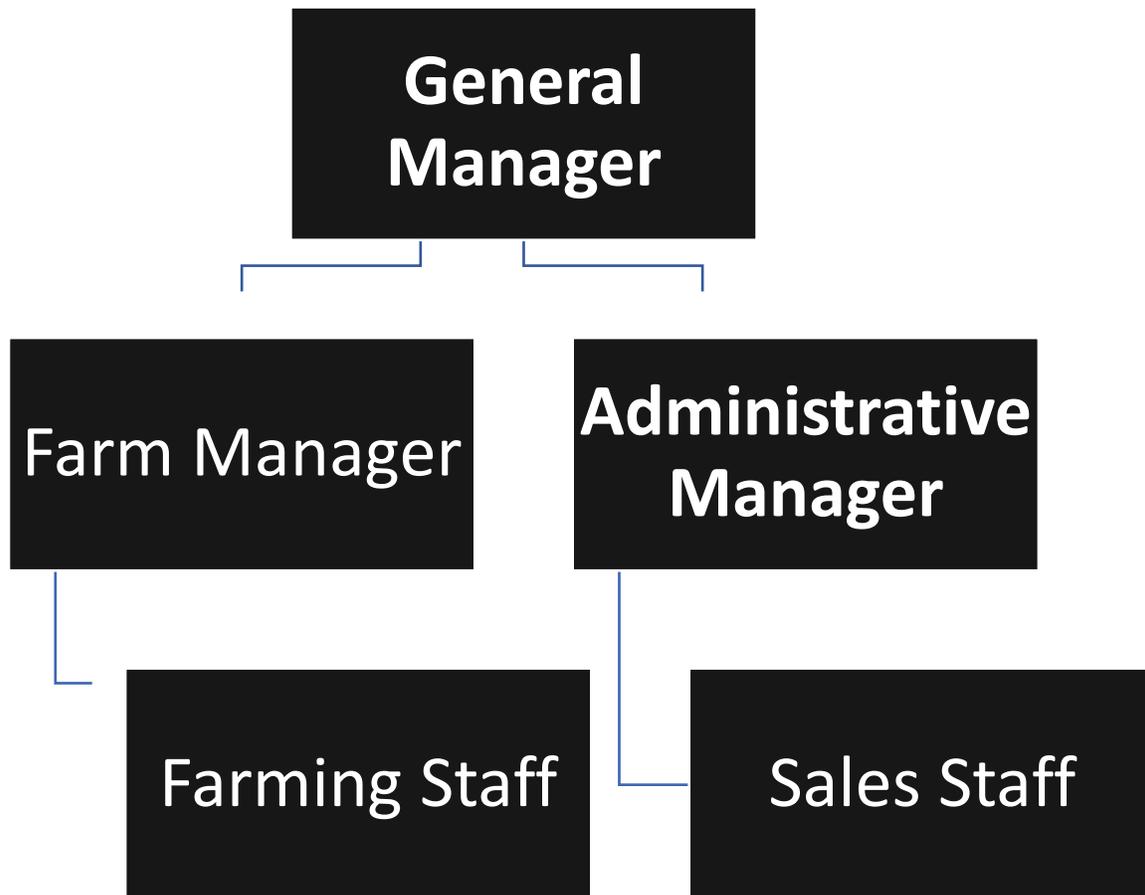
In regards to the Company's website, this will be an e-commerce driven platform where people from Bucks County can place orders for farm shares. As a value added a benefit, the Company will provide delivery service services in order to create a differentiating factor. This website will also serve as an educational resource by discussing a number of topics that are related to organic farming. As more content is created in this regard, the Company's website will naturally elevate its status.

On all social media platforms, the Company will post images and videos of the organic farm. This will have a dual purpose. First, they will increase the Company's brand name awareness among residents of Bucks County. Second, it will further contribute to social signaling. The Company will use target advertisements on these platforms among individuals that have recently conducted searches for organic farm shares in Bucks County in Southeastern Pennsylvania.

The business will also conduct extensive direct outreach with elementary, middle, and high school is in the market in order to have them participate in educational programs on site. This will further position Deutsch Heritage Farms as a community minded enterprise that is committed to promoting healthy organic farming practices.

8.0 Organizational Plan

8.1 Organizational Hierarchy

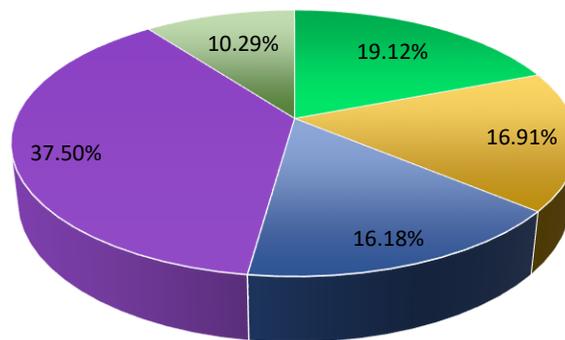


8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
General Manager	\$65,000	\$66,950	\$68,959	\$71,027	\$73,158
Farm Manager	\$57,500	\$59,225	\$61,002	\$62,832	\$64,717
Administrative Manager	\$55,000	\$56,650	\$58,350	\$60,100	\$61,903
Farming Staff	\$127,500	\$131,325	\$135,265	\$139,323	\$143,502
Sales Staff	\$35,000	\$36,050	\$37,132	\$38,245	\$39,393
Total	\$340,000	\$350,200	\$360,706	\$371,527	\$382,673

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
General Manager	1	1	1	1	1
Farm Manager	1	1	1	1	1
Administrative Manager	1	1	1	1	1
Farming Staff	3	3	3	3	3
Sales Staff	1	1	1	1	1
Total	7	7	7	7	7

Personnel Summary



■ General Manager
 ■ Farm Manager
 ■ Administrative Manager
 ■ Farming Staff
 ■ Sales Staff

9.0 Financial Plan

9.1 Underlying Assumptions

- The Company will acquire a \$2 million loan to acquire the parcel land discuss this document.
- Matthew Deutsch will contribute 300,000 to the venture.
- Deutsch Heritage Farms will achieve a compounded annual growth of 9%.

9.2 Financial Highlights

- A significant portion of the capital discussion this document will be used for the acquisition of real estate as well as furniture, fixtures, and equipment.
- Highly predictable students of revenue from the sale of farm shares to the general public will also receiving significant bulk orders among restaurants and food service businesses.

9.3 Sensitivity Analysis

Organic farms can have certain revenue generation issues during challenging business climate. Organic produce is typically more expensive than its non-organic counterparts. However, Deutsch Heritage Farms is operating in a very wealthy market within Bucks County. Only in a severe sustained economic recession does Management anticipate that consumers would curtail their purchase of organic produce as they consider these products to be a part of a healthy lifestyle. The company will have highly streamlined operations that will ensure that the business can be continued to operate at a profit.

9.4 Source of Funds

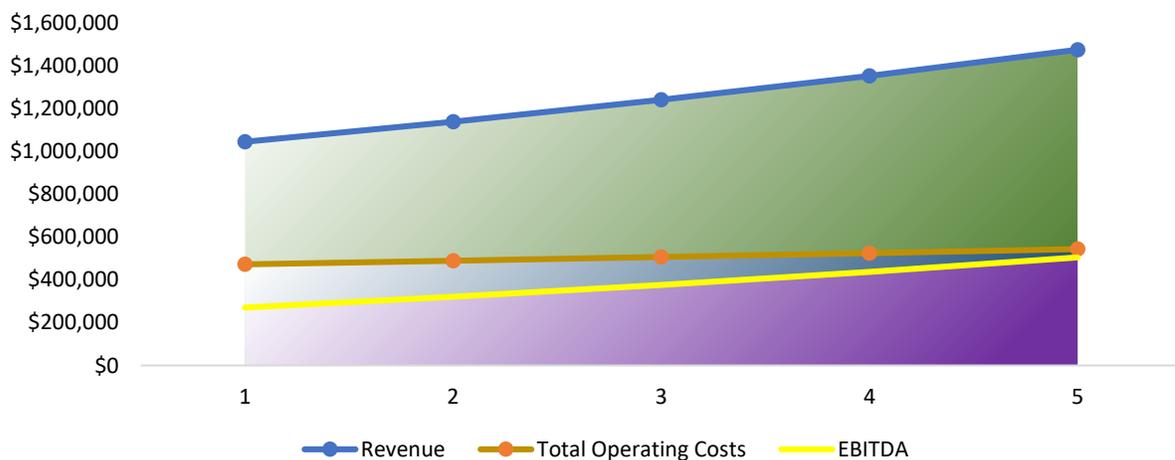
Financing	
Equity	
Equity Capitalization	\$300,000.00
Total Equity Financing	\$300,000.00
Banks and Lenders	
Business Loan	\$2,000,000.00
Total Debt Financing	\$2,000,000.00
Total Financing	\$2,300,000.00

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$1,044,450	\$1,138,451	\$1,240,911	\$1,352,593	\$1,474,326
Cost of Revenue	\$302,258	\$329,461	\$359,112	\$391,432	\$426,661
Gross Margin	71.06%	71.06%	71.06%	71.06%	71.06%
Gross Profit	\$742,193	\$808,990	\$881,799	\$961,161	\$1,047,665
Expenses					
Payroll	\$340,000	\$350,200	\$360,706	\$371,527	\$382,673
General and Administrative	\$15,667	\$17,077	\$18,614	\$20,289	\$22,115
Maintenance	\$7,833	\$8,538	\$9,307	\$10,144	\$11,057
Marketing	\$10,445	\$11,385	\$12,409	\$13,526	\$14,743
Insurance Costs	\$6,000	\$6,300	\$6,615	\$6,946	\$7,293
Professional Fees	\$8,500	\$8,925	\$9,371	\$9,840	\$10,332
Facility Costs	\$55,000	\$56,650	\$58,350	\$60,100	\$61,903
Misc. Costs	\$2,632	\$2,869	\$3,127	\$3,409	\$3,715
Payroll Taxes	\$26,010	\$26,790	\$27,594	\$28,422	\$29,274
Total Operating Costs	\$472,087	\$488,734	\$506,092	\$524,202	\$543,106
EBITDA	\$270,106	\$320,256	\$375,706	\$436,958	\$504,559
Federal Income Tax	\$13,138	\$26,073	\$40,376	\$56,177	\$73,616
State Income Tax	\$2,628	\$5,215	\$8,075	\$11,235	\$14,723
Interest Expense	\$159,054	\$156,881	\$154,527	\$151,978	\$149,218
Depreciation Expenses	\$58,500	\$59,085	\$59,676	\$60,273	\$60,875
Net Profit	\$36,786	\$73,003	\$113,052	\$157,295	\$206,126
Profit Margin	3.52%	6.41%	9.11%	11.63%	13.98%

Revenue, Operating Costs, EBITDA



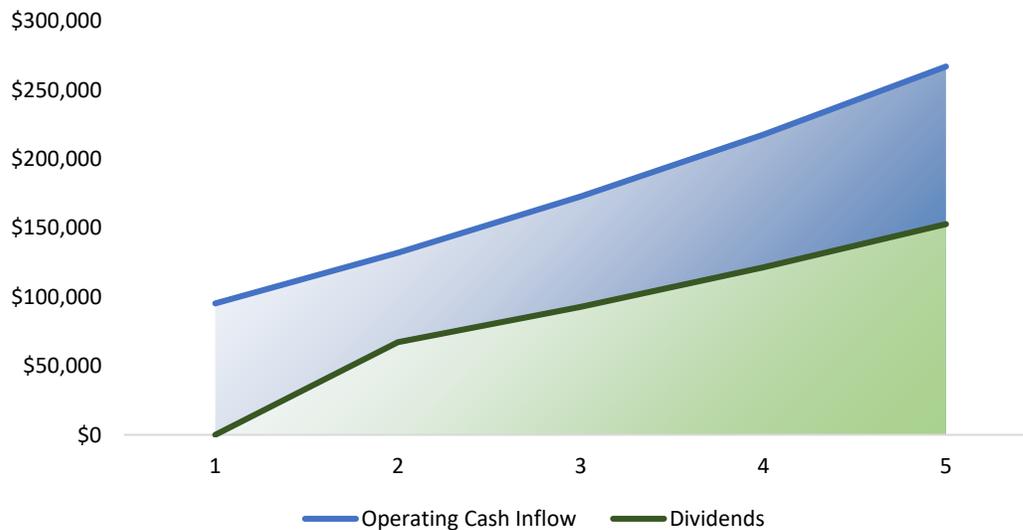
B) Common Size Income Statement

Profit and Loss (Common Size)					
Year	1	2	3	4	5
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Revenue	28.94%	28.94%	28.94%	28.94%	28.94%
Gross Profit	71.06%	71.06%	71.06%	71.06%	71.06%
Expenses					
Payroll	32.55%	30.76%	29.07%	27.47%	25.96%
General and Administrative	1.50%	1.50%	1.50%	1.50%	1.50%
Maintenance	0.75%	0.75%	0.75%	0.75%	0.75%
Marketing	1.00%	1.00%	1.00%	1.00%	1.00%
Insurance Costs	0.57%	0.55%	0.53%	0.51%	0.49%
Professional Fees	0.81%	0.78%	0.76%	0.73%	0.70%
Facility Costs	5.27%	4.98%	4.70%	4.44%	4.20%
Misc. Costs	0.25%	0.25%	0.25%	0.25%	0.25%
Payroll Taxes	2.49%	2.35%	2.22%	2.10%	1.99%
Total Operating Costs	45.20%	42.93%	40.78%	38.76%	36.84%
EBITDA	25.86%	28.13%	30.28%	32.31%	34.22%
Federal Income Tax	1.26%	2.29%	3.25%	4.15%	4.99%
State Income Tax	0.25%	0.46%	0.65%	0.83%	1.00%
Interest Expense	15.23%	13.78%	12.45%	11.24%	10.12%
Depreciation Expenses	5.60%	5.19%	4.81%	4.46%	4.13%
Net Profit	3.52%	6.41%	9.11%	11.63%	13.98%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$95,286	\$132,088	\$172,728	\$217,568	\$267,001
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$95,286	\$132,088	\$172,728	\$217,568	\$267,001
Other Cash Inflows					
Equity Investment	\$300,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$2,000,000	\$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	\$2,301,000	\$1,050	\$1,103	\$1,158	\$1,216
Total Cash Inflow	\$2,396,286	\$133,138	\$173,831	\$218,725	\$268,217
Cash Outflows					
Repayment of Principal	\$26,182	\$28,355	\$30,709	\$33,257	\$36,018
A/P Decreases	\$700	\$735	\$772	\$810	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$2,050,000	\$19,813	\$25,909	\$32,635	\$40,050
Dividends	\$0	\$67,136	\$92,888	\$121,340	\$152,747
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$2,076,882	\$116,039	\$150,278	\$188,043	\$229,665
Net Cash Flow	\$319,404	\$17,099	\$23,553	\$30,682	\$38,551
Cash Balance	\$319,404	\$336,503	\$360,056	\$390,738	\$429,290

Cash Flow Analysis



D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	\$319,404	\$336,503	\$360,056	\$390,738	\$429,290
Fixed Assets	\$2,050,000	\$2,069,813	\$2,095,722	\$2,128,358	\$2,168,408
Accumulated Depreciation	(\$58,500)	(\$117,585)	(\$177,261)	(\$237,533)	(\$298,409)
Total Assets	\$2,310,904	\$2,288,732	\$2,278,518	\$2,281,563	\$2,299,289
Liabilities and Equity					
Accounts Payable	\$300	\$615	\$946	\$1,293	\$1,658
Long Term Liabilities	\$1,973,818	\$1,945,463	\$1,914,754	\$1,881,497	\$1,845,479
Other Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$1,974,118	\$1,946,078	\$1,915,700	\$1,882,790	\$1,847,137
Equity	\$336,786	\$342,654	\$362,818	\$398,773	\$452,152
Total Liabilities and Equity	\$2,310,904	\$2,288,732	\$2,278,518	\$2,281,563	\$2,299,289

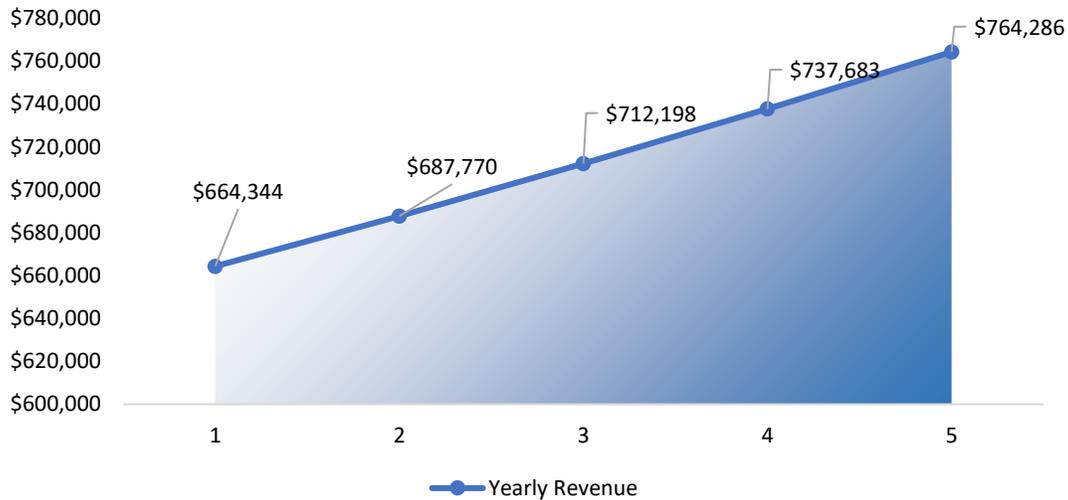
Balance Sheet



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	\$55,362	\$57,314	\$59,350	\$61,474	\$63,690
Yearly Revenue	\$664,344	\$687,770	\$712,198	\$737,683	\$764,286

Breakeven Analysis



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	9.0%	9.0%	9.0%	9.0%
Gross Margin	71.1%	71.1%	71.1%	71.1%	71.1%
Financials					
Profit Margin	3.52%	6.41%	9.11%	11.63%	13.98%
Assets to Liabilities	1.17	1.18	1.19	1.21	1.24
Equity to Liabilities	0.17	0.18	0.19	0.21	0.24
Assets to Equity	6.86	6.68	6.28	5.72	5.09
Liquidity					
Acid Test	0.16	0.17	0.19	0.21	0.23
Cash to Assets	0.14	0.15	0.16	0.17	0.19

Appendix A – SWOT Analysis

Strengths

- Significant demand for organic grown produce within Bucks County.
- Ongoing relationships with restaurants and food service businesses will contribute to the ongoing stability of the business.
- The Company’s ability to operate as an educational center will provide a different differentiating factor.
- Microgreens will be produced during the course of the year, which will steady revenue generation.

Weaknesses

- Highly complex operations given the number inputs involved with this organic form.
- Very high costs related to payroll and maintenance.

Opportunities

- Acquisition of additional land within in Bucks County to expand the Company’s organic produce production operations.
- Potential acquisition of organic farms that are already in operation.

Threats

- Severe economic recession could impact the operations of the business.
- There are a number of other farms operating in an organic capacity with Bucks County.

Appendix B – Critical Risks

Development Risk – **Low**

The crops and business model that will be employed during the course of business operations has already been developed. The principal matter that needs to be addressed as Mr. Deutsch's ability to secure the sought in this document.

Financing Risk – **Low**

The \$2 million of funding will be principally use for the acquisition of real estate, build out of farming facilities, and farming equipment. Nearly all borrowed capital will be used for tangible asset purchases. As such, financing risk associated with this business or low.

Marketing Risk – **Low**

The Company will use numerous direct outreach strategies for the general public as well as restaurants in order to establish a well-regarded brand name for Deutsch Heritage Farms. This will be complemented by the educational programs that will be available for academic institutions.

Management Risk – **Low**

Matthew Deutsch is a highly experienced farmer that will be able to properly develop and expand the operations of Deutsch Heritage Farms in the coming years. He will be able to focus heavily on developing crops that remain in demand.

Valuation Risk – **Low**

The valuation risk is offset by:

- A substantial portion of the Company's capital will be for the acquisition of real estate and farming equipment.
- Farm share sales, which are highly predictable, will contribute to the stability of the business.
- The Company, through acquisition of additional parcels of land in Bucks County, can easily expand the scope of its organic farming operations.

Exit Risk - **Low**

As noted earlier, this farm will become a generational farm owned by Matthew Deutsch's family. In the event that their business is to be sold, a real estate broker or a business broker that specializes in organic farming facilities will be hired to be for sale.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	\$82,500	\$83,325	\$84,150	\$84,975	\$85,800	\$86,625	\$87,450
Cost of Revenue	\$23,875	\$24,114	\$24,353	\$24,591	\$24,830	\$25,069	\$25,308
Gross Profit	\$58,625	\$59,211	\$59,798	\$60,384	\$60,970	\$61,556	\$62,143
Expenses							
Payroll	\$28,333	\$28,333	\$28,333	\$28,333	\$28,333	\$28,333	\$28,333
General and Administrative	\$1,306	\$1,306	\$1,306	\$1,306	\$1,306	\$1,306	\$1,306
Maintenance	\$653	\$653	\$653	\$653	\$653	\$653	\$653
Marketing	\$870	\$870	\$870	\$870	\$870	\$870	\$870
Insurance Costs	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Professional Fees	\$708	\$708	\$708	\$708	\$708	\$708	\$708
Facility Costs	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583
Misc. Costs	\$219	\$219	\$219	\$219	\$219	\$219	\$219
Payroll Taxes	\$2,168	\$2,168	\$2,168	\$2,168	\$2,168	\$2,168	\$2,168
Total Operating Costs	\$39,341						
EBITDA	\$19,284	\$19,871	\$20,457	\$21,043	\$21,629	\$22,216	\$22,802
Federal Income Tax	\$1,038	\$1,048	\$1,059	\$1,069	\$1,079	\$1,090	\$1,100
State Income Tax	\$208	\$210	\$212	\$214	\$216	\$218	\$220
Interest Expense	\$13,333	\$13,319	\$13,305	\$13,291	\$13,277	\$13,262	\$13,248
Depreciation Expenses	\$4,875	\$4,875	\$4,875	\$4,875	\$4,875	\$4,875	\$4,875
Net Profit	-\$169	\$419	\$1,007	\$1,595	\$2,183	\$2,771	\$3,359

Profit and Loss Statement (First Year Cont.)

Month	8	9	10	11	12	Year 1
Revenue	\$88,275	\$89,100	\$89,925	\$90,750	\$91,575	\$1,044,450
Cost of Revenue	\$25,546	\$25,785	\$26,024	\$26,263	\$26,501	\$302,258
Gross Profit	\$62,729	\$63,315	\$63,901	\$64,488	\$65,074	\$742,193
Expenses						
Payroll	\$28,333	\$28,333	\$28,333	\$28,333	\$28,333	\$340,000
General and Administrative	\$1,306	\$1,306	\$1,306	\$1,306	\$1,306	\$15,667
Maintenance	\$653	\$653	\$653	\$653	\$653	\$7,833
Marketing	\$870	\$870	\$870	\$870	\$870	\$10,445
Insurance Costs	\$500	\$500	\$500	\$500	\$500	\$6,000
Professional Fees	\$708	\$708	\$708	\$708	\$708	\$8,500
Facility Costs	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$55,000
Misc. Costs	\$219	\$219	\$219	\$219	\$219	\$2,632
Payroll Taxes	\$2,168	\$2,168	\$2,168	\$2,168	\$2,168	\$26,010
Total Operating Costs	\$39,341	\$39,341	\$39,341	\$39,341	\$39,341	\$472,087
EBITDA	\$23,388	\$23,974	\$24,561	\$25,147	\$25,733	\$270,106
Federal Income Tax	\$1,110	\$1,121	\$1,131	\$1,142	\$1,152	\$13,138
State Income Tax	\$222	\$224	\$226	\$228	\$230	\$2,628
Interest Expense	\$13,233	\$13,219	\$13,204	\$13,189	\$13,174	\$159,054
Depreciation Expenses	\$4,875	\$4,875	\$4,875	\$4,875	\$4,875	\$58,500
Net Profit	\$3,948	\$4,536	\$5,125	\$5,713	\$6,302	\$36,786

Profit and Loss Statement (Second Year)

Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Revenue	\$276,074	\$281,766	\$287,459	\$293,151	\$1,138,451
Cost of Revenue	\$79,894	\$81,542	\$83,189	\$84,836	\$329,461
Gross Profit	\$196,180	\$200,225	\$204,270	\$208,315	\$808,990
Expenses					
Payroll	\$87,550	\$87,550	\$87,550	\$87,550	\$350,200
General and Administrative	\$4,269	\$4,269	\$4,269	\$4,269	\$17,077
Maintenance	\$2,071	\$2,113	\$2,156	\$2,199	\$8,538
Marketing	\$2,761	\$2,818	\$2,875	\$2,932	\$11,385
Insurance Costs	\$1,575	\$1,575	\$1,575	\$1,575	\$6,300
Professional Fees	\$2,164	\$2,209	\$2,254	\$2,298	\$8,925
Facility Costs	\$14,163	\$14,163	\$14,163	\$14,163	\$56,650
Misc. Costs	\$696	\$710	\$724	\$739	\$2,869
Payroll Taxes	\$6,497	\$6,631	\$6,765	\$6,899	\$26,790
Total Operating Costs	\$121,745	\$122,037	\$122,330	\$122,622	\$488,734
EBITDA	\$74,435	\$78,188	\$81,940	\$85,693	\$320,256
Federal Income Tax	\$6,323	\$6,453	\$6,583	\$6,714	\$26,073
State Income Tax	\$1,265	\$1,291	\$1,317	\$1,343	\$5,215
Interest Expense	\$39,431	\$39,292	\$39,151	\$39,007	\$156,881
Depreciation Expenses	\$14,771	\$14,771	\$14,771	\$14,771	\$59,085
Net Profit	\$12,646	\$16,381	\$20,118	\$23,858	\$73,003

Profit and Loss Statement (Third Year)

Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Revenue	\$300,921	\$307,125	\$313,330	\$319,535	\$1,240,911
Cost of Revenue	\$87,085	\$88,880	\$90,676	\$92,471	\$359,112
Gross Profit	\$213,836	\$218,245	\$222,654	\$227,063	\$881,799
Expenses					
Payroll	\$90,177	\$90,177	\$90,177	\$90,177	\$360,706
General and Administrative	\$4,514	\$4,607	\$4,700	\$4,793	\$18,614
Maintenance	\$2,257	\$2,303	\$2,350	\$2,397	\$9,307
Marketing	\$3,009	\$3,071	\$3,133	\$3,195	\$12,409
Insurance Costs	\$1,654	\$1,654	\$1,654	\$1,654	\$6,615
Professional Fees	\$2,273	\$2,319	\$2,366	\$2,413	\$9,371
Facility Costs	\$14,587	\$14,587	\$14,587	\$14,587	\$58,350
Misc. Costs	\$758	\$774	\$790	\$805	\$3,127
Payroll Taxes	\$6,899	\$6,899	\$6,899	\$6,899	\$27,594
Total Operating Costs	\$126,127	\$126,391	\$126,655	\$126,919	\$506,092
EBITDA	\$87,709	\$91,854	\$95,999	\$100,144	\$375,706
Federal Income Tax	\$9,791	\$9,993	\$10,195	\$10,397	\$40,376
State Income Tax	\$1,958	\$1,999	\$2,039	\$2,079	\$8,075
Interest Expense	\$38,860	\$38,710	\$38,557	\$38,401	\$154,527
Depreciation Expenses	\$14,919	\$14,919	\$14,919	\$14,919	\$59,676
Net Profit	\$22,181	\$26,234	\$30,289	\$34,348	\$113,052

Profit and Loss Statement (Fourth Year)

Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Revenue	\$328,004	\$334,767	\$341,530	\$348,293	\$1,352,593
Cost of Revenue	\$94,922	\$96,879	\$98,837	\$100,794	\$391,432
Gross Profit	\$233,081	\$237,887	\$242,693	\$247,499	\$961,161
Expenses					
Payroll	\$92,882	\$92,882	\$92,882	\$92,882	\$371,527
General and Administrative	\$4,920	\$5,022	\$5,123	\$5,224	\$20,289
Maintenance	\$2,460	\$2,511	\$2,561	\$2,612	\$10,144
Marketing	\$3,280	\$3,348	\$3,415	\$3,483	\$13,526
Insurance Costs	\$1,736	\$1,736	\$1,736	\$1,736	\$6,946
Professional Fees	\$2,386	\$2,435	\$2,485	\$2,534	\$9,840
Facility Costs	\$15,025	\$15,025	\$15,025	\$15,025	\$60,100
Misc. Costs	\$827	\$844	\$861	\$878	\$3,409
Payroll Taxes	\$7,105	\$7,105	\$7,105	\$7,105	\$28,422
Total Operating Costs	\$130,622	\$130,908	\$131,194	\$131,480	\$524,202
EBITDA	\$102,460	\$106,980	\$111,499	\$116,019	\$436,958
Federal Income Tax	\$13,623	\$13,904	\$14,185	\$14,466	\$56,177
State Income Tax	\$2,725	\$2,781	\$2,837	\$2,893	\$11,235
Interest Expense	\$38,242	\$38,079	\$37,913	\$37,744	\$151,978
Depreciation Expenses	\$15,068	\$15,068	\$15,068	\$15,068	\$60,273
Net Profit	\$32,803	\$37,148	\$41,496	\$45,848	\$157,295

Profit and Loss Statement (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Revenue	\$357,524	\$364,896	\$372,267	\$379,639	\$1,474,326
Cost of Revenue	\$103,465	\$105,599	\$107,732	\$109,865	\$426,661
Gross Profit	\$254,059	\$259,297	\$264,535	\$269,774	\$1,047,665
Expenses					
Payroll	\$95,668	\$95,668	\$95,668	\$95,668	\$382,673
General and Administrative	\$5,363	\$5,473	\$5,584	\$5,695	\$22,115
Maintenance	\$2,681	\$2,737	\$2,792	\$2,847	\$11,057
Marketing	\$3,575	\$3,649	\$3,723	\$3,796	\$14,743
Insurance Costs	\$1,823	\$1,823	\$1,823	\$1,823	\$7,293
Professional Fees	\$2,505	\$2,557	\$2,609	\$2,660	\$10,332
Facility Costs	\$15,476	\$15,476	\$15,476	\$15,476	\$61,903
Misc. Costs	\$901	\$920	\$938	\$957	\$3,715
Payroll Taxes	\$7,319	\$7,319	\$7,319	\$7,319	\$29,274
Total Operating Costs	\$135,312	\$135,622	\$135,931	\$136,241	\$543,106
EBITDA	\$118,747	\$123,676	\$128,604	\$133,533	\$504,559
Federal Income Tax	\$17,852	\$18,220	\$18,588	\$18,956	\$73,616
State Income Tax	\$3,570	\$3,644	\$3,718	\$3,791	\$14,723
Interest Expense	\$37,572	\$37,396	\$37,217	\$37,034	\$149,218
Depreciation Expenses	\$15,219	\$15,219	\$15,219	\$15,219	\$60,875
Net Profit	\$44,534	\$49,197	\$53,863	\$58,533	\$206,126

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	\$4,706	\$5,294	\$5,882	\$6,470	\$7,058	\$7,646	\$8,234	\$8,823
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$4,706	\$5,294	\$5,882	\$6,470	\$7,058	\$7,646	\$8,234	\$8,823
Other Cash Inflows								
Equity Investment	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$2,000,000	\$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	\$2,300,083	\$83						
Total Cash Inflow	\$2,304,789	\$5,377	\$5,965	\$6,553	\$7,141	\$7,729	\$8,317	\$8,906
Cash Outflows								
Repayment of Principal	\$2,103	\$2,117	\$2,131	\$2,145	\$2,160	\$2,174	\$2,189	\$2,203
A/P Decreases	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$2,050,000	\$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	\$2,052,161	\$2,175	\$2,189	\$2,204	\$2,218	\$2,232	\$2,247	\$2,261
Net Cash Flow	\$252,628	\$3,202	\$3,775	\$4,349	\$4,923	\$5,497	\$6,071	\$6,644
Cash Balance	\$252,628	\$255,829	\$259,605	\$263,954	\$268,877	\$274,374	\$280,444	\$287,089

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	\$9,411	\$10,000	\$10,588	\$11,177	\$95,286
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$9,411	\$10,000	\$10,588	\$11,177	\$95,286
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$300,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$2,000,000
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	\$2,301,000
Total Cash Inflow	\$9,494	\$10,083	\$10,672	\$11,260	\$2,396,286
Cash Outflows					
Repayment of Principal	\$2,218	\$2,233	\$2,247	\$2,262	\$26,182
A/P Decreases	\$58	\$58	\$58	\$58	\$700
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$2,050,000
Dividends	\$0	\$0	\$0	\$0	\$0
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$2,276	\$2,291	\$2,306	\$2,321	\$2,076,882
Net Cash Flow	\$7,218	\$7,792	\$8,366	\$8,940	\$319,404
Cash Balance	\$294,307	\$302,099	\$310,465	\$319,404	\$319,404

Cash Flow Analysis (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	\$27,418	\$31,152	\$34,889	\$38,629	\$132,088
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$27,418	\$31,152	\$34,889	\$38,629	\$132,088
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	\$27,672	\$31,412	\$35,154	\$38,900	\$133,138
Cash Outflows					
Repayment of Principal	\$6,878	\$7,017	\$7,158	\$7,302	\$28,355
A/P Decreases	\$178	\$182	\$186	\$189	\$735
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$19,813	\$0	\$0	\$0	\$19,813
Dividends	\$0	\$0	\$0	\$67,136	\$67,136
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$26,870	\$7,199	\$7,344	\$74,627	\$116,039
Net Cash Flow	\$802	\$24,213	\$27,811	-\$35,727	\$17,099
Cash Balance	\$320,207	\$344,420	\$372,231	\$336,503	\$336,503

Cash Flow Analysis (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	\$37,100	\$41,153	\$45,208	\$49,267	\$172,728
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$37,100	\$41,153	\$45,208	\$49,267	\$172,728
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	\$37,368	\$41,426	\$45,487	\$49,551	\$173,831
Cash Outflows					
Repayment of Principal	\$7,449	\$7,599	\$7,752	\$7,908	\$30,709
A/P Decreases	\$187	\$191	\$195	\$199	\$772
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$12,955	\$12,955	\$0	\$0	\$25,909
Dividends	\$0	\$0	\$0	\$92,888	\$92,888
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$20,591	\$20,745	\$7,947	\$100,995	\$150,278
Net Cash Flow	\$16,777	\$20,681	\$37,540	-\$51,444	\$23,553
Cash Balance	\$353,280	\$373,961	\$411,500	\$360,056	\$360,056

Cash Flow Analysis (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	\$47,871	\$52,216	\$56,564	\$60,916	\$217,568
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$47,871	\$52,216	\$56,564	\$60,916	\$217,568
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	\$48,152	\$52,503	\$56,857	\$61,214	\$218,725
Cash Outflows					
Repayment of Principal	\$8,067	\$8,230	\$8,396	\$8,565	\$33,257
A/P Decreases	\$197	\$201	\$205	\$209	\$810
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$16,318	\$16,318	\$0	\$0	\$32,635
Dividends	\$0	\$0	\$0	\$121,340	\$121,340
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$24,582	\$24,748	\$8,600	\$130,113	\$188,043
Net Cash Flow	\$23,570	\$27,755	\$48,257	-\$68,899	\$30,682
Cash Balance	\$383,626	\$411,381	\$459,638	\$390,738	\$390,738

Cash Flow Analysis (Fifth Year)					
	Year 5				
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	\$59,753	\$64,415	\$69,082	\$73,752	\$267,001
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$59,753	\$64,415	\$69,082	\$73,752	\$267,001
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	\$60,047	\$64,716	\$69,389	\$74,065	\$268,217
Cash Outflows					
Repayment of Principal	\$8,737	\$8,913	\$9,092	\$9,275	\$36,018
A/P Decreases	\$206	\$211	\$215	\$219	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$20,025	\$20,025	\$0	\$0	\$40,050
Dividends	\$0	\$0	\$0	\$152,747	\$152,747
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$28,968	\$29,149	\$9,307	\$162,241	\$229,665
Net Cash Flow	\$31,079	\$35,568	\$60,081	-\$88,177	\$38,551
Cash Balance	\$421,817	\$457,385	\$517,466	\$429,290	\$429,290