Matt's
PIZZA

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1.0 Executive Summary

The purpose of this business plan is to secure $500,000 of investment capital for the development of a wood-fired pizza restaurant that will concurrently provide mobile catering services. Matt's Pizza LLC ("the Company") was founded by Matthew Deutsch. The Company is based in Philadelphia, Pennsylvania. Full scale revenue generating operations are expected to commence in the second quarter of next year.

Operations

Through its inviting atmosphere in Philadelphia, the Company will provide a wide range of wood-fired pizzas from its custom developed oven. The size of the pizzas will be appropriate for personal consumption, although it is fully expected that groups will order multiple types of pizzas to be shared at their table. The Company is currently working with a specialized firm that produces custom wood fire pizza ovens. This will be the signature dish of the business.

To complement these operations, the Company will also operate in a mobile capacity. The businesses is in the process of sourcing a mobile food truck developer that will retrofit the vehicle with a wood fire pizza oven. This will create substantial secondary streams revenue for the business while concurrently increasing brand visibility within the greater Philadelphia area.

The business will maintain a full alcohol alcoholic beverage serving license so that beer, wine, and cocktails can be served.

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

The Financing

As noted above, the company is currently seeking $500,000 of investment capital to commence operations.

Given the scalability of this type of business, the Company could easily secure additional capital in order to establish additional locations within the greater Philadelphia area or within neighboring New Jersey and Delaware.

The Future

The Company will continue to expand the scope of operations, especially as it relates to providing mobile catering services for personal and corporate events. Wood-fired pizzas have become extremely popular within the United States over the past 20 years, and there is an immense opportunity to develop subsequent locations leveraging the established brand name of the business.

Market Overview

Target Market Area

Target Market Population

Philadelphia has a current population of 6.2 million people. As nearly all people enjoy wood-fired pizzas, the Total Addressable Market (TAM) is the entirety of this market area. Based on geographic location, the Service Addressable Market is half of the TAM or 3.1 million people. The Service Obtainable Market is approximately one million people. The median household income is $55,000.

Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$1,181,670	$1,290,384	$1,409,099	$1,538,736	$1,680,300
Cost of Revenue	$330,868	$361,307	$394,548	$430,846	$470,484
Gross Profit	$850,802	$929,076	$1,014,551	$1,107,890	$1,209,816
Total Operating Costs	$665,732	$702,381	$727,755	$754,248	$781,925
EBITDA	**$185,071**	**$226,695**	**$286,797**	**$353,642**	**$427,890**

2.0 The Financing

2.1 Funds Required

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

Use of Funds	
Location Development	$175,000
Furniture, Fixtures, and Equipment	$150,000
Vehicles	$60,000
Working Capital	$82,500
Professional Fees	$10,000
Initial Marketing	$17,500
Misc. and Contingency	$5,000
Total	$500,000

2.2 Management and Investor Equity

Matthew Deutsch currently retains a 100% ownership in the business. This is subject to change based on negotiation.

2.3 Exit Strategies

There are no long ranging plans to sell Matt's Pizza to a third-party. Matthew Deutsch intends to operate this business for a significant period of time while establishing it as one of the preeminent wood-fired pizza restaurants in the greater Philadelphia area. If it is prudent to do so, a formal valuation will be completed prior to marking the sale to a third-party.

3.0 Operations

As noted in the executive summary, Matt's Pizza will provide a broad range of wood-fired pizzas from its custom-built oven. The Company will always use premium ingredients while also employing a unique recipe as it relates to the dough that is used for pizzas. This will provide the company with a major differentiating factor. The business will also serve complementary Italian fare.

Of significant importance of the Company's operations is its mobile catering operations. The demand among event hosts to serve wood fired pizzas has grown substantially in the past ten years. The Company's retro fitted truck will feature a moderate scale brick oven pizza that will allow the business to seamlessly provide this fare on site.

The Company will also provide his patrons with a wide range of beverages, including beer, wine, and cocktails. Numerous bottled in fountain beverages will be available as well. This will be a very high margin profit center for the Company.

4.0 Overview of the Organization

4.1 Registered Name

Matt's Pizza LLC. The business is registered as a limited liability company in the Commonwealth of Pennsylvania.

4.2 Commencement of Operations

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

4.3 Mission Statement

To provide an outstanding wood-fired oven pizza experience to the greater Philadelphia community.

4.4 Vision Statement

To become the preeminent wood-fired pizza restaurant that serves exceptional fare.

4.5 Organizational Objectives

- Once the capital in this business plan has been secured, properly conduct the build out of the location in Philadelphia.
- Established ongoing relationships with event planners throughout the target market area that will recommend that Matt's Pizza is used when wood-fired pizzas are sought on a catered basis.
- Provide staff with a gainful place of employment that rewards their hard work.
- Implement numerous marketing strategies prior to the launch of the business and through the life of the company to position Matt's Pizza as a premium wood-fired pizza business.
- Continue to source unique ingredients from global purveyors in order to create an immense differentiating factor.
- Potentially implement a franchise system after the fifth year of operation.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

This section of the business plan will discuss the wood-fired pizza, industry, the competition, the demographics, and a current economic climate.

Currently, the economic status of the United States is moderate. As a result of continually changing trade policies, as well as other regulatory changes, there has been a certain degree of volatility introduced to the market. The US Federal Reserve is taking the appropriate steps in order to address the issues associated with high inflation as well as an unemployment.

Matt's Pizza will benefit from the fact that it is operating within a highly population dense area of Southeastern Pennsylvania. The Company will generate substantial contribution margins on all pizza sales. Furthermore, the Company's ability to operate on a mobile basis will further provide a competitive advantage.

5.2 Industry Analysis

There are 75,000 companies that provide wood-fired pizzas to the general public. Each year of these businesses generate $50 billion of revenue while providing jobs to 500,000 people.

One of the major trends within the wood-fired pizza industry is to provide services on a mobile basis. As noted in this document, the Company will heavily expand this aspect of operations as it is not bound by its location in Philadelphia.

5.3 Customer Profile

Management will use the following demographic profile:

- Household income of $55,000+
- Will spend $25 to $35 per visit (per person)
- Lives within 7 miles of the Matt's Pizza location

5.4 Competitive Analysis

This wood-fired pizza restaurant business plan has been developed as a sample only. If this business plan was being completed for a client engagement, then a thorough analysis of all other entities operating in a similar capacity would have been included. This would have addressed the time of they have been in business, estimated annual revenues, their reviews, and other attributes.

6.0 Key Strategic Issues

6.1 Sustainable Operations

Matt's Pizza will have sustainable operations as a result of the following:

- The Company's ability to operate on a mobile basis will increase brand visibility while contributing to economics stability.
- An executive chef, Matthew Deutsch, that has extensive experience operating wood-fired pizza restaurants.
- The premium nature of the Company's ingredients will provide a major differentiating factor.
- The business will maintain a full beverage selling license, which will allow the Company to generate immense profits.

6.2 Basis of Growth

The Company will expand via the following methods:

- Continued direct outreach with event planners are at the greater Philadelphia area.
- Expansion and the Company's take away operations through numerous online platforms.
- Implementation of a franchise program given the premium brand name that the founder is developing.

7.0 Marketing Plan

7.1 Marketing Objectives

- Implement numerous strategies prior to the launch of Matt's Pizza in order to create brand name awareness in Philadelphia.
- Established ongoing relationships with event planners, as well as corporate event planners within Philadelphia.
- Use multiple forms of online marketing to create brand name awareness, including use of delivery application suites.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	**1**	**2**	**3**	**4**	**5**
Restaurant Revenues	$993,000	$1,084,356	$1,184,117	$1,293,055	$1,412,017
Catering Services	$188,670	$206,028	$224,982	$245,681	$268,283
Totals	**$1,181,670**	**$1,290,384**	**$1,409,099**	**$1,538,736**	**$1,680,300**

7.3 Revenue Assumptions

Year 1

- First year revenue will reach $1.18 million.
- Gross profits will reach $850,000.

Year 2

- Total revenue will reach $1.29 million.
- Gross profits will reach $929,000.
- Total income will increase by 9.2%.

Years 3-5

- Revenue will reach $1.68 million by Year 5.
- Gross profits will reach $1.2 million.

7.4 Marketing Strategies

The Company will use a number of marketing strategies in order to position Matt's Pizza as one of the preeminent wood-fired pizza restaurants within the greater Philadelphia metropolitan area. Most importantly, the Company is sourcing a highly visible location in this market that will feature extensive exterior signage that showcases the premium nature of the wood-fired pizzas and Italian fare.

The Company will maintain an expensive online presence that showcases both the sit-down operations as well as the mobile catering operations of the business. This website will undergo substantial for optimization specific for Philadelphia and keywords related to wood-fired pizzas. On all advertisements, the web address will be shown. The Company will also maintain a Google Business Profile so that individuals can leave reviews regarding the exceptional service they have received at Matt's Pizza.

Direct outreach with event planners throughout the greater Philadelphia metropolitan area will be a major aspect of the Company's success. For both personal event planners and corporate event planners, Management will showcase the premium wood-fired pizzas that can be served via mobile catering operations. The exterior of the truck will feature significant signage so that as it travels throughout the greater Philadelphia area, brand-name awareness will naturally increase.

The Company will enroll them on numerous delivery application suites so that wood-fired pizzas can be delivered to homes and businesses throughout the target market area. This will be a major source of secondary revenue.

The Company will also maintain a presence among all social media pages. This will help contribute to the increasing brand name awareness for Matt's Pizza in the coming years. Discounts and specialized offers will be offered on a frequent basis.

8.0 Organizational Plan

8.1 Organizational Hierarchy

8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
General Manager	$57,500	$59,225	$61,002	$62,832	$64,717
Operations Manager	$55,000	$56,650	$58,350	$60,100	$61,903
Restaurant Staff	$208,542	$226,600	$233,398	$240,400	$247,612
Catering Staff	$50,000	$51,500	$53,045	$54,636	$56,275
Administrative Manager	$45,000	$46,350	$47,741	$49,173	$50,648
Total	**$416,042**	**$440,325**	**$453,535**	**$467,141**	**$481,155**

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
General Manager	1	1	1	1	1
Operations Manager	1	1	1	1	1
Restaurant Staff	8	8	8	8	8
Catering Staff	2	2	2	2	2
Administrative Manager	1	1	1	1	1
Total	**13**	**13**	**13**	**13**	**13**

9.0 Financial Plan

9.1 Underlying Assumptions

- Matt's Pizza will acquire $500,000 to commence operations.
- The business will achieve a compounded annual growth rate of 9.2%.
- The Company will not source any death financing during the next five years of business.

9.2 Financial Highlights

- The Company's mobile-based operations will ensure economic stability.
- Immense profits from the sale of beverages as well as wood-fired pizzas.
- Business will have highly predictable revenues as bookings we made months in advance.

9.3 Sensitivity Analysis

In the event of a severe economic recession, the demand for food that is consumed outside the home may decline moderately. However, the Company intends to operate within the greater Philadelphia metropolitan area. The substantial population density this market will contribute to the ongoing economic stability of Matt's Pizza. The Company's mobile operations will also concurrently contribute to immense viability, even during challenging business climates.

9.4 Source of Funds

Financing	
Equity	
Equity Capitalization	$500,000.00
Total Equity Financing	$500,000.00
Banks and Lenders	
Total Debt Financing	$0.00
Total Financing	**$500,000.00**

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$1,181,670	$1,290,384	$1,409,099	$1,538,736	$1,680,300
Cost of Revenue	$330,868	$361,307	$394,548	$430,846	$470,484
Gross Margin	72.00%	72.00%	72.00%	72.00%	72.00%
Gross Profit	$850,802	$929,076	$1,014,551	$1,107,890	$1,209,816
Expenses					
Payroll	$416,042	$440,325	$453,535	$467,141	$481,155
General and Administrative	$23,633	$25,808	$28,182	$30,775	$33,606
Business Development	$8,863	$9,678	$10,568	$11,541	$12,602
Marketing	$14,889	$16,259	$17,755	$19,388	$21,172
Insurance Costs	$25,000	$26,250	$27,563	$28,941	$30,388
Professional Fees	$17,500	$18,375	$19,294	$20,258	$21,271
Facility Costs	$125,000	$128,750	$132,613	$136,591	$140,689
Misc. Costs	$2,978	$3,252	$3,551	$3,878	$4,234
Payroll Taxes	$31,827	$33,685	$34,695	$35,736	$36,808
Total Operating Costs	**$665,732**	**$702,381**	**$727,755**	**$754,248**	**$781,925**
EBITDA	**$185,071**	**$226,695**	**$286,797**	**$353,642**	**$427,890**
Federal Income Tax	$36,643	$46,856	$61,685	$78,196	$96,554
State Income Tax	$7,329	$9,371	$12,337	$15,639	$19,311
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$38,500	$39,270	$40,055	$40,857	$41,674
Net Profit	**$102,600**	**$131,198**	**$172,719**	**$218,950**	**$270,352**
Profit Margin	**8.68%**	**10.17%**	**12.26%**	**14.23%**	**16.09%**

B) Common Size Income Statement

Profit and Loss (Common Size)					
Year	1	2	3	4	5
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Revenue	28.00%	28.00%	28.00%	28.00%	28.00%
Gross Profit	72.00%	72.00%	72.00%	72.00%	72.00%
Expenses					
Payroll	35.21%	34.12%	32.19%	30.36%	28.64%
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	2.12%	2.03%	1.96%	1.88%	1.81%
Professional Fees	1.48%	1.42%	1.37%	1.32%	1.27%
Facility Costs	10.58%	9.98%	9.41%	8.88%	8.37%
Misc. Costs	0.25%	0.25%	0.25%	0.25%	0.25%
Payroll Taxes	2.69%	2.61%	2.46%	2.32%	2.19%
Total Operating Costs	56.34%	54.43%	51.65%	49.02%	46.53%
EBITDA	15.66%	17.57%	20.35%	22.98%	25.47%
Federal Income Tax	3.10%	3.63%	4.38%	5.08%	5.75%
State Income Tax	0.62%	0.73%	0.88%	1.02%	1.15%
Interest Expense	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation Expenses	3.26%	3.04%	2.84%	2.66%	2.48%
Net Profit	8.68%	10.17%	12.26%	14.23%	16.09%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	$141,100	$170,468	$212,774	$259,806	$312,025
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$141,100**	**$170,468**	**$212,774**	**$259,806**	**$312,025**
Other Cash Inflows					
Equity Investment	$500,000	$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	**$501,000**	**$1,050**	**$1,103**	**$1,158**	**$1,216**
Total Cash Inflow	**$642,100**	**$171,518**	**$213,877**	**$260,964**	**$313,241**
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	$385,000	$8,523	$10,639	$12,990	$15,601
Dividends	$70,550	$85,234	$106,387	$129,903	$156,013
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$456,250**	**$94,492**	**$117,798**	**$143,704**	**$172,465**
Net Cash Flow	**$185,850**	**$77,025**	**$96,079**	**$117,260**	**$140,776**
Cash Balance	**$185,850**	**$262,875**	**$358,954**	**$476,214**	**$616,991**

D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	$185,850	$262,875	$358,954	$476,214	$616,991
Fixed Assets and Inventory	$385,000	$393,523	$404,162	$417,152	$432,754
Accumulated Depreciation	($38,500)	($77,770)	($117,825)	($158,682)	($200,356)
Total Assets	**$532,350**	**$578,629**	**$645,291**	**$734,685**	**$849,389**
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	**$532,050**	**$578,014**	**$644,345**	**$733,392**	**$847,731**
Total Liabilities and Equity	**$532,350**	**$578,629**	**$645,291**	**$734,685**	**$849,389**

9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	$77,052	$81,294	$84,231	$87,297	$90,501
Yearly Revenue	$924,627	$975,529	$1,010,770	$1,047,567	$1,086,007

9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	9.2%	9.2%	9.2%	9.2%
Gross Margin	72.0%	72.0%	72.0%	72.0%	72.0%
Financials					
Profit Margin	8.68%	10.17%	12.26%	14.23%	16.09%
Assets to Liabilities	1774.50	940.86	682.31	568.19	512.39
Equity to Liabilities	1773.50	939.86	681.31	567.19	511.39
Assets to Equity	1.00	1.00	1.00	1.00	1.00
Liquidity					
Acid Test	619.50	427.44	379.54	368.29	372.20
Cash to Assets	0.35	0.45	0.56	0.65	0.73

Appendix A – SWOT Analysis

Strengths

- A Founder, Matthew Deutsch, that has extensive experience developing businesses that specialize in wood-fired pizzas.
- Mobile operations will allow the business to generate significant additional revenue while concurrently in increasing its brand new awareness.
- Limited competition among companies that provide with fire pizzas near the planned location.
- Substantial contribution margins on our revenue centers.

Weaknesses

- Ongoing competition from traditional pizza restaurants and Italian restaurants in Philadelphia.
- Operational complexity is given as the businesses operating in both a sit down and mobile capacity.

Opportunities

- Development of additional locations.
- Implementation of a franchising program.

Threats

- Ongoing issues with inflation could cause the cost of inventory inputs to increase.
- An extremely severe economic recession could impact revenues.

Appendix B – Critical Risks

Development Risk – **Low**
Management has already sourced the location that will be used to house the operations of Matt's Pizza. The primary issue that needs to be addressed to securing the $500,000 of startup capital.

Financing Risk – **Low/Moderate**
The funding sought in this document will be principally used for the build out of the location as well as its custom would fire pizza oven. As needed throughout this document, Matt's Pizza will enjoy numerous revenue centers that work in tandem with each other.

Marketing Risk **– Moderate**
The Company will use multiple forms of traditional and online marketing in order to create significant branding awareness. The use of a mobile truck for catering engagements will reduce many of the risks associated with these marketing campaigns.

Management Risk – **Low**
Matthew Deutsch is a highly experienced restaurateur and executive chef that created numerous unique recipes that be used during the course of the Company's operations. He intends to focus on making Matt's Pizza a highly lucrative enterprise that is valued by the Philadelphia community.

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

- The Company will operate in both a traditional restaurant and mobile catering capacity.
- Immense demand for wood fired pizzas in Philadelphia.
- Significant profits from beverage sales.

Exit Risk - **Low**
A qualified business broker will be hired in order to market Matt's Pizza for sale in the event that Mr. Deutsch tends to retire or relocate. As earlier, this event is not expected to occur for a substantial period of time and numerous professionals will be onboarded to address this matter in this event.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	**$95,200**	**$95,795**	**$96,390**	**$96,985**	**$97,580**	**$98,175**	**$98,770**
Cost of Revenue	$26,656	$26,823	$26,989	$27,156	$27,322	$27,489	$27,656
Gross Profit	$68,544	$68,972	$69,401	$69,829	$70,258	$70,686	$71,114
Expenses							
Payroll	$35,625	$35,625	$35,625	$35,625	$35,625	$35,625	$24,167
General and Administrative	$1,969	$1,969	$1,969	$1,969	$1,969	$1,969	$1,969
Business Development	$739	$739	$739	$739	$739	$739	$739
Marketing	$1,241	$1,241	$1,241	$1,241	$1,241	$1,241	$1,241
Insurance Costs	$2,083	$2,083	$2,083	$2,083	$2,083	$2,083	$2,083
Professional Fees	$1,458	$1,458	$1,458	$1,458	$1,458	$1,458	$1,458
Facility Costs	$10,417	$10,417	$10,417	$10,417	$10,417	$10,417	$10,417
Misc. Costs	$248	$248	$248	$248	$248	$248	$248
Payroll Taxes	$2,725	$2,725	$2,725	$2,725	$2,725	$2,725	$1,849
Total Operating Costs	$56,506	$56,506	$56,506	$56,506	$56,506	$56,506	$44,171
EBITDA	$12,038	$12,467	$12,895	$13,324	$13,752	$14,180	$26,944
Federal Income Tax	$2,952	$2,971	$2,989	$3,007	$3,026	$3,044	$3,063
State Income Tax	$590	$594	$598	$601	$605	$609	$613
Interest Expense	$0	$0	$0	$0	$0	$0	$0
Depreciation Expenses	$3,208	$3,208	$3,208	$3,208	$3,208	$3,208	$3,208
Net Profit	$5,288	$5,694	$6,100	$6,506	$6,913	$7,319	$20,060

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
Revenue	**$99,365**	**$99,960**	**$100,555**	**$101,150**	**$101,745**	**$1,181,670**
Cost of Revenue	$27,822	$27,989	$28,155	$28,322	$28,489	$330,868
Gross Profit	$71,543	$71,971	$72,400	$72,828	$73,256	$850,802
Expenses						
Payroll	$35,625	$35,625	$35,625	$35,625	$35,625	$416,042
General and Administrative	$1,969	$1,969	$1,969	$1,969	$1,969	$23,633
Business Development	$739	$739	$739	$739	$739	$8,863
Marketing	$1,241	$1,241	$1,241	$1,241	$1,241	$14,889
Insurance Costs	$2,083	$2,083	$2,083	$2,083	$2,083	$25,000
Professional Fees	$1,458	$1,458	$1,458	$1,458	$1,458	$17,500
Facility Costs	$10,417	$10,417	$10,417	$10,417	$10,417	$125,000
Misc. Costs	$248	$248	$248	$248	$248	$2,978
Payroll Taxes	$2,725	$2,725	$2,725	$2,725	$2,725	$31,827
Total Operating Costs	$56,506	$56,506	$56,506	$56,506	$56,506	$665,732
EBITDA	$15,037	$15,466	$15,894	$16,322	$16,751	$185,071
Federal Income Tax	$3,081	$3,100	$3,118	$3,137	$3,155	$36,643
State Income Tax	$616	$620	$624	$627	$631	$7,329
Interest Expense	$0	$0	$0	$0	$0	$0
Depreciation Expenses	$3,208	$3,208	$3,208	$3,208	$3,208	$38,500
Net Profit	$8,131	$8,538	$8,944	$9,350	$9,756	$102,600

Profit and Loss Statement (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Revenue	$312,918	$319,370	$325,822	$332,274	$1,290,384
Cost of Revenue	$87,617	$89,424	$91,230	$93,037	$361,307
Gross Profit	**$225,301**	**$229,946**	**$234,592**	**$239,237**	**$929,076**
Expenses					
Payroll	$110,081	$110,081	$110,081	$110,081	$440,325
General and Administrative	$6,452	$6,452	$6,452	$6,452	$25,808
Business Development	$2,347	$2,395	$2,444	$2,492	$9,678
Marketing	$3,943	$4,024	$4,105	$4,187	$16,259
Insurance Costs	$6,563	$6,563	$6,563	$6,563	$26,250
Professional Fees	$4,456	$4,548	$4,640	$4,732	$18,375
Facility Costs	$32,188	$32,188	$32,188	$32,188	$128,750
Misc. Costs	$789	$805	$821	$837	$3,252
Payroll Taxes	$8,169	$8,337	$8,505	$8,674	$33,685
Total Operating Costs	**$174,986**	**$175,392**	**$175,798**	**$176,205**	**$702,381**
EBITDA	**$50,315**	**$54,554**	**$58,793**	**$63,033**	**$226,695**
Federal Income Tax	$11,363	$11,597	$11,831	$12,065	$46,856
State Income Tax	$2,273	$2,319	$2,366	$2,413	$9,371
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$9,818	$9,818	$9,818	$9,818	$39,270
Net Profit	**$26,862**	**$30,820**	**$34,778**	**$38,736**	**$131,198**

Profit and Loss Statement (Third Year)					
		Year 3			
Quarter	Q1	Q2	Q3	Q4	Year 3
Revenue	$341,706	$348,752	$355,797	$362,843	$1,409,099
Cost of Revenue	$95,678	$97,651	$99,623	$101,596	$394,548
Gross Profit	**$246,029**	**$251,101**	**$256,174**	**$261,247**	**$1,014,551**
Expenses					
Payroll	$113,384	$113,384	$113,384	$113,384	$453,535
General and Administrative	$6,834	$6,975	$7,116	$7,257	$28,182
Business Development	$2,563	$2,616	$2,668	$2,721	$10,568
Marketing	$4,306	$4,394	$4,483	$4,572	$17,755
Insurance Costs	$6,891	$6,891	$6,891	$6,891	$27,563
Professional Fees	$4,679	$4,775	$4,872	$4,968	$19,294
Facility Costs	$33,153	$33,153	$33,153	$33,153	$132,613
Misc. Costs	$861	$879	$897	$914	$3,551
Payroll Taxes	$8,674	$8,674	$8,674	$8,674	$34,695
Total Operating Costs	**$181,344**	**$181,740**	**$182,137**	**$182,534**	**$727,755**
EBITDA	**$64,685**	**$69,361**	**$74,037**	**$78,713**	**$286,797**
Federal Income Tax	$14,959	$15,267	$15,576	$15,884	$61,685
State Income Tax	$2,992	$3,053	$3,115	$3,177	$12,337
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$10,014	$10,014	$10,014	$10,014	$40,055
Net Profit	**$36,721**	**$41,027**	**$45,333**	**$49,639**	**$172,719**

Profit and Loss Statement (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Revenue	$373,143	$380,837	$388,531	$396,225	$1,538,736
Cost of Revenue	$104,480	$106,634	$108,789	$110,943	$430,846
Gross Profit	**$268,663**	**$274,203**	**$279,742**	**$285,282**	**$1,107,890**
Expenses					
Payroll	$116,785	$116,785	$116,785	$116,785	$467,141
General and Administrative	$7,463	$7,617	$7,771	$7,924	$30,775
Business Development	$2,799	$2,856	$2,914	$2,972	$11,541
Marketing	$4,702	$4,799	$4,895	$4,992	$19,388
Insurance Costs	$7,235	$7,235	$7,235	$7,235	$28,941
Professional Fees	$4,913	$5,014	$5,115	$5,217	$20,258
Facility Costs	$34,148	$34,148	$34,148	$34,148	$136,591
Misc. Costs	$940	$960	$979	$998	$3,878
Payroll Taxes	$8,934	$8,934	$8,934	$8,934	$35,736
Total Operating Costs	**$187,918**	**$188,347**	**$188,777**	**$189,206**	**$754,248**
EBITDA	**$80,745**	**$85,855**	**$90,966**	**$96,076**	**$353,642**
Federal Income Tax	$18,963	$19,354	$19,745	$20,136	$78,196
State Income Tax	$3,793	$3,871	$3,949	$4,027	$15,639
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$10,214	$10,214	$10,214	$10,214	$40,857
Net Profit	**$47,776**	**$52,417**	**$57,058**	**$61,699**	**$218,950**

Profit and Loss Statement (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Revenue	$407,473	$415,874	$424,276	$432,677	$1,680,300
Cost of Revenue	$114,092	$116,445	$118,797	$121,150	$470,484
Gross Profit	**$293,380**	**$299,429**	**$305,478**	**$311,528**	**$1,209,816**
Expenses					
Payroll	$120,289	$120,289	$120,289	$120,289	$481,155
General and Administrative	$8,149	$8,317	$8,486	$8,654	$33,606
Business Development	$3,056	$3,119	$3,182	$3,245	$12,602
Marketing	$5,134	$5,240	$5,346	$5,452	$21,172
Insurance Costs	$7,597	$7,597	$7,597	$7,597	$30,388
Professional Fees	$5,158	$5,265	$5,371	$5,477	$21,271
Facility Costs	$35,172	$35,172	$35,172	$35,172	$140,689
Misc. Costs	$1,027	$1,048	$1,069	$1,090	$4,234
Payroll Taxes	$9,202	$9,202	$9,202	$9,202	$36,808
Total Operating Costs	**$194,785**	**$195,249**	**$195,714**	**$196,178**	**$781,925**
EBITDA	**$98,596**	**$104,180**	**$109,765**	**$115,350**	**$427,890**
Federal Income Tax	$23,414	$23,897	$24,380	$24,863	$96,554
State Income Tax	$4,683	$4,779	$4,876	$4,973	$19,311
Interest Expense	$0	$0	$0	$0	$0
Depreciation Expenses	$10,418	$10,418	$10,418	$10,418	$41,674
Net Profit	**$60,080**	**$65,085**	**$70,091**	**$75,096**	**$270,352**

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	$8,496	$8,902	$9,308	$9,715	$10,121	$10,527	$23,268	$11,340
Cash From Receivables	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cash Inflow	$8,496	$8,902	$9,308	$9,715	$10,121	$10,527	$23,268	$11,340
Other Cash Inflows								
Equity Investment	$500,000	$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	**$500,083**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**
Total Cash Inflow	**$508,579**	**$8,986**	**$9,392**	**$9,798**	**$10,204**	**$10,611**	**$23,352**	**$11,423**
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	$385,000	$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	**$385,058**	**$58**	**$58**	**$58**	**$58**	**$58**	**$58**	**$58**
Net Cash Flow	**$123,521**	**$8,927**	**$9,333**	**$9,740**	**$10,146**	**$10,552**	**$23,293**	**$11,365**
Cash Balance	**$123,521**	**$132,448**	**$141,782**	**$151,521**	**$161,667**	**$172,220**	**$195,513**	**$206,878**

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	$11,746	$12,152	$12,559	$12,965	$141,100
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$11,746**	**$12,152**	**$12,559**	**$12,965**	**$141,100**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$500,000
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	$501,000
Total Cash Inflow	**$11,829**	**$12,236**	**$12,642**	**$13,048**	**$642,100**
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	$385,000
Dividends	$0	$0	$0	$70,550	$70,550
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$58**	**$58**	**$58**	**$70,608**	**$456,250**
Net Cash Flow	**$11,771**	**$12,177**	**$12,584**	**-$57,560**	**$185,850**
Cash Balance	**$218,649**	**$230,826**	**$243,410**	**$185,850**	**$185,850**

Cash Flow Analysis (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	$36,680	$40,638	$44,596	$48,554	$170,468
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$36,680**	**$40,638**	**$44,596**	**$48,554**	**$170,468**
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	**$36,935**	**$40,898**	**$44,861**	**$48,824**	**$171,518**
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	$8,523	$0	$0	$0	$8,523
Dividends	$0	$0	$0	$85,234	$85,234
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$8,702**	**$182**	**$186**	**$85,423**	**$94,492**
Net Cash Flow	**$28,233**	**$40,716**	**$44,675**	**-$36,599**	**$77,025**
Cash Balance	**$214,083**	**$254,799**	**$299,474**	**$262,875**	**$262,875**

Cash Flow Analysis (Third Year)					
		Year 3			
Quarter	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	$46,735	$51,041	$55,346	$59,652	$212,774
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$46,735**	**$51,041**	**$55,346**	**$59,652**	**$212,774**
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	**$47,002**	**$51,313**	**$55,625**	**$59,936**	**$213,877**
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	$10,639	$0	$0	$0	$10,639
Dividends	$0	$0	$0	$106,387	$106,387
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$10,826**	**$191**	**$195**	**$106,586**	**$117,798**
Net Cash Flow	**$36,176**	**$51,122**	**$55,430**	**-$46,650**	**$96,079**
Cash Balance	**$299,051**	**$350,174**	**$405,604**	**$358,954**	**$358,954**

Cash Flow Analysis (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	$57,990	$62,631	$67,272	$71,913	$259,806
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$57,990**	**$62,631**	**$67,272**	**$71,913**	**$259,806**
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	**$58,271**	**$62,918**	**$67,564**	**$72,211**	**$260,964**
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	$6,495	$6,495	$0	$0	$12,990
Dividends	$0	$0	$0	$129,903	$129,903
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$6,692**	**$6,696**	**$205**	**$130,112**	**$143,704**
Net Cash Flow	**$51,579**	**$56,222**	**$67,360**	**-$57,901**	**$117,260**
Cash Balance	**$410,533**	**$466,755**	**$534,115**	**$476,214**	**$476,214**

Cash Flow Analysis (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	$70,498	$75,504	$80,509	$85,514	$312,025
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$70,498**	**$75,504**	**$80,509**	**$85,514**	**$312,025**
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	**$70,793**	**$75,805**	**$80,816**	**$85,827**	**$313,241**
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	$7,801	$7,801	$0	$0	$15,601
Dividends	$0	$0	$0	$156,013	$156,013
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$8,007**	**$8,011**	**$215**	**$156,232**	**$172,465**
Net Cash Flow	**$62,786**	**$67,793**	**$80,601**	**-$70,404**	**$140,776**
Cash Balance	**$539,001**	**$606,794**	**$687,395**	**$616,991**	**$616,991**