



DEUTSCH



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## 1.0 Executive Summary

Deutsch Graphic Design Group LLC (“the Company”) was founded by Matthew Deutsch with the intention of providing outstanding graphical design and digital asset development for clients on a nationwide basis. The Company is based in Doylestown, Pennsylvania. Revenue generating operations are expected to commence in the first quarter of next year. At this time, the company is seeking a \$75,000 line of credit in order to launch operations.

### Operations

Through Matthew Deutsch’s expertise and that of the staff of graphic designers that the Founder will hire, the business will provide a wide range of graphic design services specific to meet the needs of any business. The Company will typically generate its revenues on a per project basis. Each engagement is expected to produce \$500 to \$5,000 of revenue.

The Company will have the capability to provide logo design, brochure design, advertising design, as well as digital asset development. Ultimately, Deutsch Graphic Design Group is being poised to operate as an end-to-end solutions provider for any entity’s graphic design needs.

The third section of this graphic design business plan will discuss the operations of the business.

### The Financing

The \$75,000 of capital sought in this document, via a revolving credit facility, will allow the business to properly establish its operations. Matthew Deutsch will contribute \$25,000 towards adventure. The Company will principally use these funds for the following:

- Location development in Doylestown
- Graphic design hardware and software
- General working capital

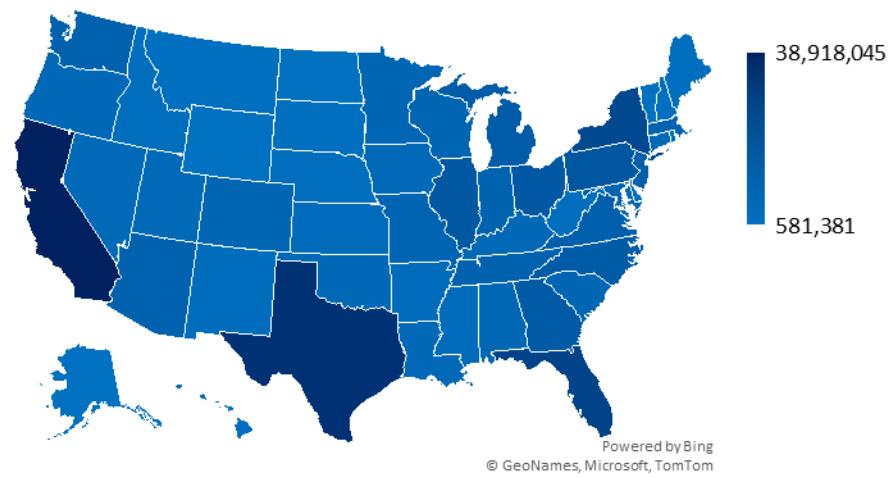
Given the highly predictable streams of revenue that will be produced from graphic design engagements, the Company may seek ongoing expansions of its credit line as it grows. This will allow for a greater degree of expanded marketing while onboarding graphic designers that have specialized expertise.

### The Future

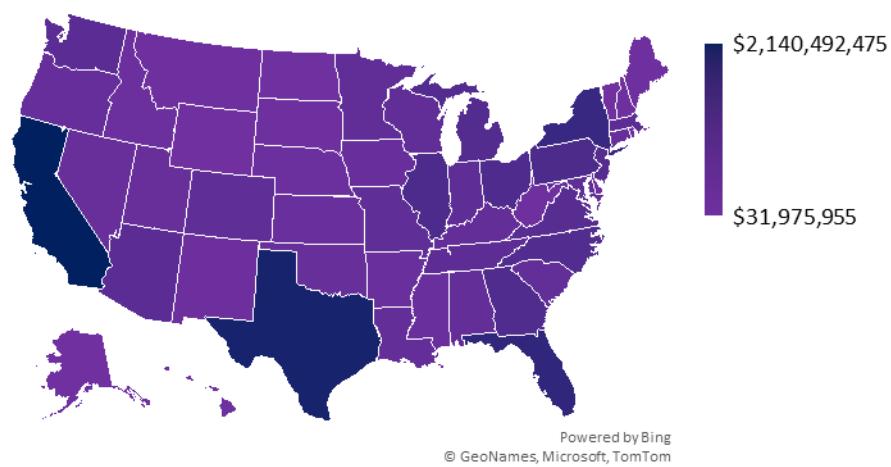
The Company will continually integrate new services into its operations. This will include the integration of video-based services that will be principally developed using Adobe Premiere and Adobe After Effects. This will further ensure that the business can provide comprehensive graphic design solutions to its clients.

## Market Overview

### Market Size



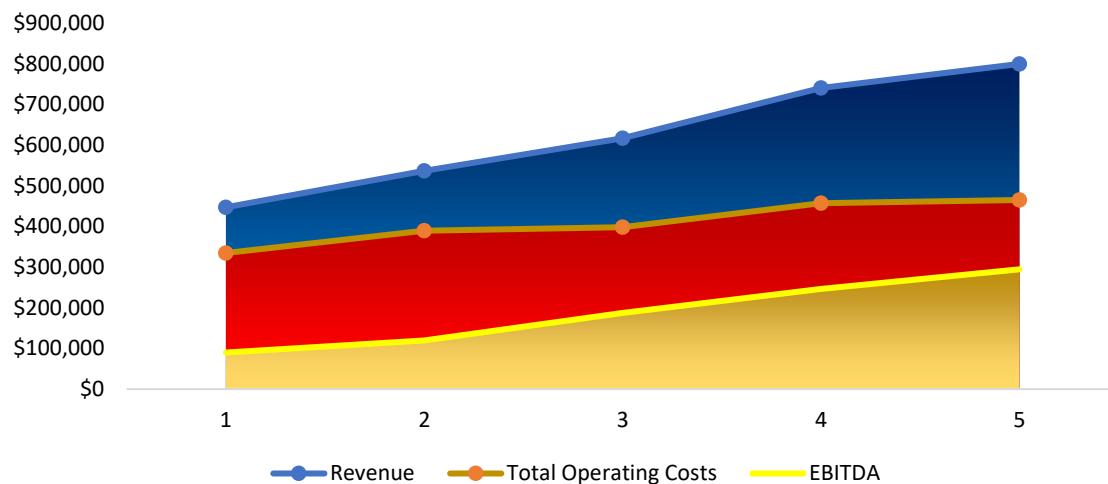
### Graphic Design Demand by State



## Revenue Forecasts

Proforma Profit and Loss		1	2	3	4	5
Year						
<b>Revenue</b>		\$447,300	\$536,760	\$617,274	\$740,729	\$799,987
Cost of Revenue		\$22,365	\$26,838	\$30,864	\$37,036	\$39,999
<b>Gross Profit</b>		\$424,935	\$509,922	\$586,410	\$703,692	\$759,988
Total Operating Costs		\$334,920	\$389,930	\$398,673	\$457,281	\$465,257
<b>EBITDA</b>		<b>\$90,015</b>	<b>\$119,992</b>	<b>\$187,738</b>	<b>\$246,411</b>	<b>\$294,731</b>

Revenue, Operating Costs, EBITDA



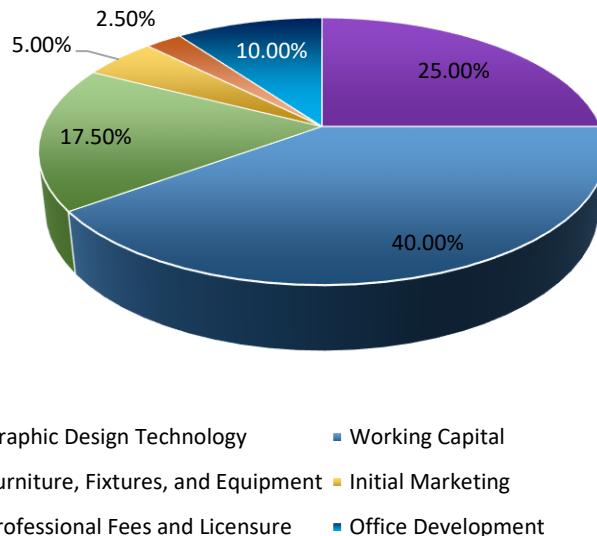
## 2.0 The Financing

### 2.1 Funds Required

The funding discussed in the executive summary will be used for the following:

Use of Funds	
Graphic Design Technology	\$25,000
Working Capital	\$40,000
Furniture, Fixtures, and Equipment	\$17,500
Initial Marketing	\$5,000
Professional Fees and Licensure	\$2,500
Office Development	\$10,000
<b>Total</b>	<b>\$100,000</b>

Use of Funds Overview



### 2.2 Management and Investor Equity

Matthew Deutsch is the 100% owner of Deutsch Graphic Design Group LLC.

### 2.3 Exit Strategies

Graphic design businesses enjoy a moderate price of earnings multiple given that they produce substantial contribution margins from each engagement. Generally, these businesses can receive a sales premium of two times the prior year's earnings. In the event that it is financially prudent to do so, Matthew Deutsch will coordinate with a qualified business sales professional to market Deutsch Graphic Design Group to either an existing graphic design firm that is looking to expand through acquisition or to an entrepreneur that is looking to enter this market.

### 3.0 Operations

As noted in the executive summary, the Company will provide end-to-end graphic design solutions for its clients. This will include the following services:

- Brochure Design
- CSS Layouts
- Digital Asset Development
- Logo Design
- Video Introductions

As it relates to project pricing, the company will have a target per hour fee of \$75. In order to ensure that clients are onboarded quickly, the Company will then apply this per hour metric into the anticipated amount of time that will take to complete the project. As clients prefer to understand the total cost upfront rather than on a per hour basis, this will streamline the sales operations of the business.

In order to ensure that the business provides only exceptional graphic design and digital asset development, the business will use computers outfitted with modern graphic processing units. As shown in the second section of the document, a significant portion of the capital required to establish Deutsch Graphic Design Group will be used for the acquisition of graphic design technology assets.

The Company will make ongoing reinvestment into its operations, especially as it integrates video-based services into its operations.

## 4.0 Overview of the Organization

### 4.1 Registered Name

Deutsch Graphic Design Group 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 first quarter of next year.

### 4.3 Mission Statement

To provide comprehensive graphic design solutions on a cost-effective basis for clients throughout the United States.

### 4.4 Vision Statement

To become a highly regarded and well noted graphic design firm.

### 4.5 Organizational Objectives

- Hire highly qualified graphic designers that have a wide range of expertise across a number of technology platforms.
- Conduct extensive direct outreach with marketing firms and advertising firms that outsource graphic design to Deutsch Graphic Design Group.
- Continue to expand the scope of services offered with a major focus on video based graphic design and digital asset development.
- Implement best practices as it relates to all graphic design operations.
- Ensure that proper fiscal policy is in place to ensure that the Company is able to remain profitable in any economic climate.
- Enroll among numerous professional organizations that will assist in naturally elevating the brand visibility of Deutsch Graphic Design Group.

## 5.0 Market and Industry Analysis

### 5.1 External Environmental Analysis

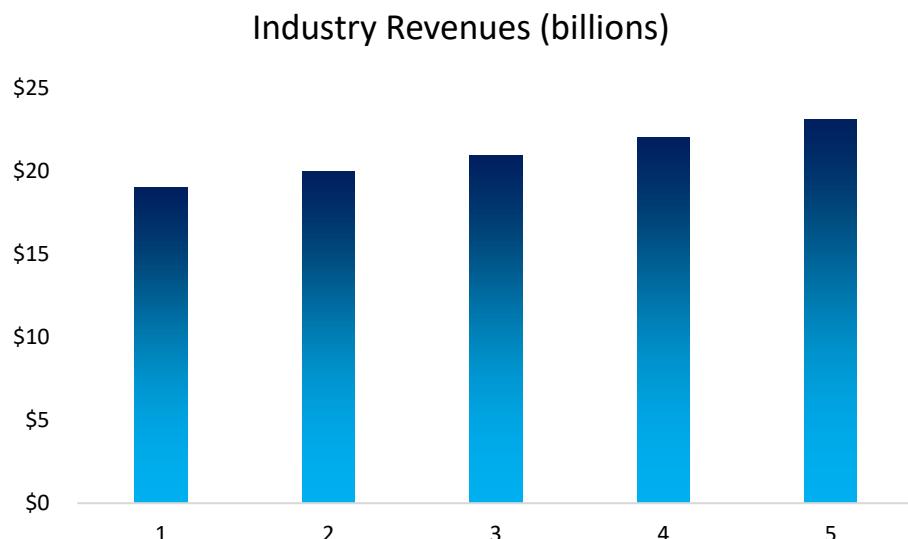
This section of the graphic design business plan will discuss the industry, the current economic climate, the targeted demographic profile, any ongoing competition at the business will face.

The economic climate within the United States at this time is moderate. Due to changing trade policies as well as other fiscal policy changes, there has been a period of higher-than-expected inflation. This has caused the costs for many businesses to increase over the past twelve months. It should be noted that government agencies are taking appropriate measures to abate the risks associated with inflation.

The demand for graphic design services will typically remain stable, even during challenging economic climates. During these periods, businesses are always looking for unique ways to further position their products and services within their respective market. Additionally, Deutsch Graphic Design Group will produce substantial contribution margins for each engagement, which will further contribute to this stability of the business.

### 5.2 Industry Analysis

Within the United States, there are 150,000 companies that provide graphic design services and digital asset development. These businesses generate \$46 billion of revenue and the industry employees 190,000 people.



One of the major trends within this industry is to operate as a full-service solutions provider as it relates to graphic design as well as marketing support services. This has included many graphic design firms in integrating video production as well as search engine optimization

specific for branded digital media assets. Deutsch Graphic Design Group will capitalize on these trends of the life of the business.

### **5.3 Customer Profile**

The Company will target the following demographics:

- Annual revenues ranging from \$250,000 to \$1,000,000+
- Will spend \$500 to \$5,000 per engagement
- Principally operate as a consumer facing business that requires high quality digital assets and graphic design on an ongoing basis

### **5.4 Competitive Analysis**

As there are 150,000 graphic design companies in the United States, the business will face substantial competition as it establishes its operations. Deutsch Graphic Design Group will maintain a major differentiating factor by being able to offer graphic design services across the entire spectrum, including print design and digital media asset development. The business will maintain a highly streamlined operating infrastructure to ensure that the Company is able to remain pricing competitive at all times.

## 6.0 Key Strategic Issues

### 6.1 Sustainable Operations

Deutsch Graphic Design Group will have sustainable operations as a result of the following:

- A highly experienced Founder, Matthew Deutsch, has more than ten years of experience of a professional graphic designer.
- The ability to provide end-to-end solutions, including video based services.
- The Company will conduct extensive direct outreach with marketing firms and advertising firms that will use Deutsch Graphic Design Group on a subcontracted basis.
- The Company can easily scale its operations where they continued hiring of graphic designers that have a wide range of artistic capabilities.

### 6.2 Basis of Growth

The Company will expand via the following methods:

- Continued expansion of the Company's marketing operations as will be discussed in the next section of this document.
- Onboarding of graphic designers that have a specialized expertise, especially as it relates to branded digital media asset development and video production.
- Integration of complementary services related to increasing brand visibility for the Company's clients.

## 7.0 Marketing Plan

### 7.1 Marketing Objectives

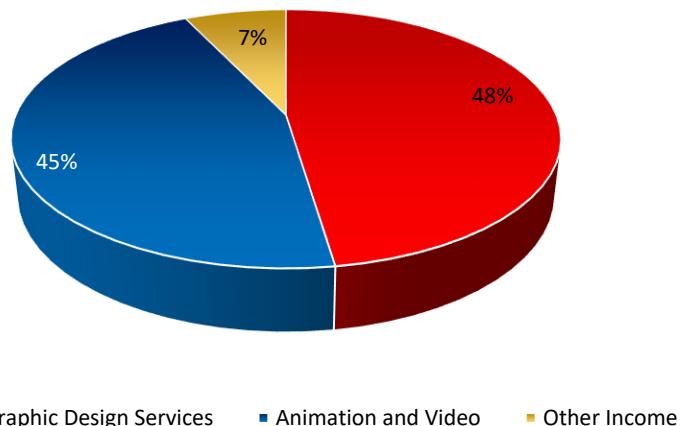
- Maintain an expansive online presence that showcases a prior work of Deutsch Graphic Design Group.
- Develop ongoing relationships with more being an advertising firms that will have Deutsch Graphic Design Group develop digital media assets and graphic designs specific for their client's needs.
- Engage in a wide-ranging public relations firm that will increase brand visibility among the target demographics.

### 7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	1	2	3	4	5
Static Graphic Design Services	\$213,000	\$255,600	\$293,940	\$352,728	\$380,946
Animation and Video	\$202,350	\$242,820	\$279,243	\$335,092	\$361,899
Other Income	\$31,950	\$38,340	\$44,091	\$52,909	\$57,142
<b>Total</b>	<b>\$447,300</b>	<b>\$536,760</b>	<b>\$617,274</b>	<b>\$740,729</b>	<b>\$799,987</b>

Gross Profit					
Year	1	2	3	4	5
<b>Total</b>	<b>\$424,935</b>	<b>\$509,922</b>	<b>\$586,410</b>	<b>\$703,692</b>	<b>\$759,988</b>

Revenue Generation



### 7.3 Revenue Assumptions

#### Year 1

- The business will hire its graphic design team and full operations will commence.
- Revenue will reach \$447,000.

#### Year 2

- The business will onboard additional graphic design experts.
- Total revenue will each \$536,000.

#### Years 3-5

- By Year 5, aggregate revenue will reach \$799,000.
- The Company may expand into international markets at this time.

### 7.4 Marketing Strategies

Matthew Deutsch is a highly experienced graphic design expert that has more than a decade of experience in this industry. During this time, he has developed an extensive portfolio of high impact graphic designs that have been used in a number of noted advertising campaigns. Given his extensive notoriety in the industry, he will be able to leverage his existing relationships as the business establishes its initial operations. On the Company's website, the platform will showcase the prior work completed by Matthew Deutsch and his associates.

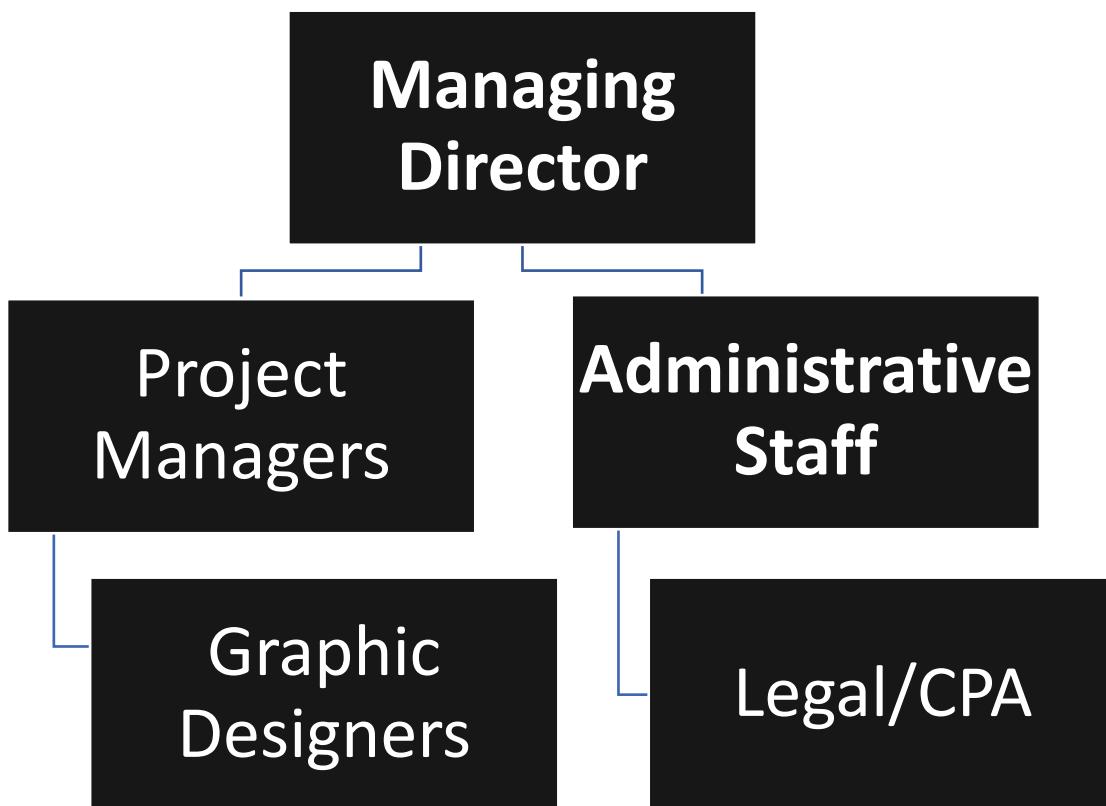
As it relates to the website, this platform will be a visually stunning platform that showcases the graphic design work, digital media assets, and end-to-end graphic design solutions offered by the business. This website will undergo national level search engine optimization so that when specialized graphic design services are sought through search engine queries, the business can be found.

The Company will also maintain an extensive presence on all social media pages. Similar to the Company's website, these social media pages will feature visually stunning elements that showcase the professional work of Deutsch Graphic Design Group. The establishment of the Company's social media pages will also assist in social signaling.

Matthew Deutsch and the Company's staff graphic designers will also participate in numerous industry events in order to further established relationships in this field. Of special importance to these operations, is the direct outreach campaigns that will be undertaken with advertising firms and marketing firms that will outsource specific types of graphic design to Deutsch Graphic Design Group.

## 8.0 Organizational Plan

### 8.1 Organizational Hierarchy

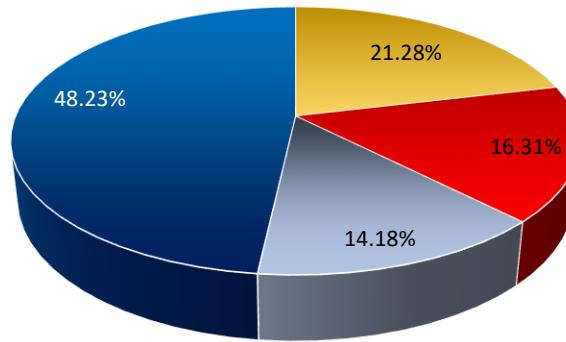


## 8.2 Personnel Costs

Personnel Plan - Yearly		1	2	3	4	5
Year						
Managing Director		\$75,000	\$75,750	\$76,508	\$77,273	\$78,045
Project Managers		\$57,500	\$58,075	\$58,656	\$59,242	\$59,835
Administrative Staff		\$50,000	\$50,500	\$51,005	\$51,515	\$52,030
Graphic Designers		\$85,000	\$128,775	\$130,063	\$175,151	\$176,903
<b>Total</b>		<b>\$267,500</b>	<b>\$313,100</b>	<b>\$316,231</b>	<b>\$363,181</b>	<b>\$366,813</b>

Numbers of Personnel (Year End Headcount)						
Year	1	2	3	4	5	
Managing Director	1	1	1	1	1	1
Project Managers	1	1	1	1	1	1
Administrative Staff	1	1	1	1	1	1
Graphic Designers	2	3	3	4	4	4
<b>Total</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>7</b>	

### Personnel Summary



- Managing Director ■ Project Managers
- Administrative Staff ■ Graphic Designers

## 9.0 Financial Plan

### 9.1 Underlying Assumptions

- The company will acquire a \$75,000 revolving credit facility.
- Management will contribute \$25,000 towards the venture.
- Deutsch Graphic Design Group will have a compounded annual growth rate of 16%.

### 9.2 Financial Highlights

- The business will generate contribution margins of 95%, aggregateley.
- The low operating cost of the business will allow for ongoing reinvestment into the expansion of Deutsch Graphic Design Group.

### 9.3 Sensitivity Analysis

In an incredibly severe economic recession, the demand for new graphic services may decline slightly as there will be less demand among corporate entities. However, many businesses will often expand the scope of their graphic design needs during challenging economic climates in order to have a more wide-ranging marketing campaign. The Company will produce highly recurring revenue from its operation among ongoing clients. This will ensure that the business is able to remain profitable and services underlying obligations.

### 9.4 Source of Funds

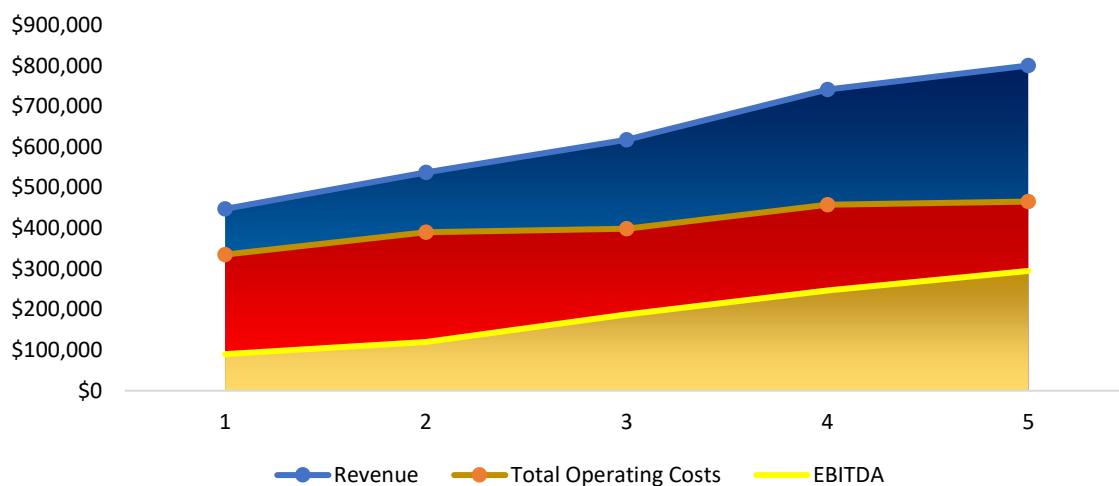
<b>Financing</b>	
<b>Equity</b>	
Equity Capitalization	\$25,000.00
<b>Total Equity Financing</b>	<b>\$25,000.00</b>
<b>Banks and Lenders</b>	
Revolving Credit Facility	\$75,000.00
<b>Total Debt Financing</b>	<b>\$75,000.00</b>
<b>Total Financing</b>	<b>\$100,000.00</b>

## 9.5 Financial Proformas

### A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
<b>Revenue</b>	\$447,300	\$536,760	\$617,274	\$740,729	\$799,987
Cost of Revenue	\$22,365	\$26,838	\$30,864	\$37,036	\$39,999
Gross Margin	95.00%	95.00%	95.00%	95.00%	95.00%
<b>Gross Profit</b>	\$424,935	\$509,922	\$586,410	\$703,692	\$759,988
<b>Expenses</b>					
Payroll	\$267,500	\$313,100	\$316,231	\$363,181	\$366,813
Facility Costs	\$10,000	\$10,100	\$10,201	\$10,303	\$10,406
General and Administrative	\$11,183	\$13,419	\$15,432	\$18,518	\$20,000
Professional Fees and Licensure	\$3,500	\$3,535	\$3,570	\$3,606	\$3,642
Insurance	\$2,000	\$2,020	\$2,040	\$2,061	\$2,081
Marketing	\$13,419	\$16,103	\$18,518	\$22,222	\$24,000
Business Development	\$3,500	\$3,675	\$3,859	\$4,052	\$4,254
Misc. Costs	\$3,355	\$4,026	\$4,630	\$5,555	\$6,000
Payroll Taxes	\$20,464	\$23,952	\$24,192	\$27,783	\$28,061
<b>Total Operating Costs</b>	<b>\$334,920</b>	<b>\$389,930</b>	<b>\$398,673</b>	<b>\$457,281</b>	<b>\$465,257</b>
<b>EBITDA</b>	<b>\$90,015</b>	<b>\$119,992</b>	<b>\$187,738</b>	<b>\$246,411</b>	<b>\$294,731</b>
Federal Income Tax	\$19,388	\$26,821	\$43,694	\$58,297	\$70,309
State Income Tax	\$3,878	\$5,364	\$8,739	\$11,659	\$14,062
Interest Expense	\$5,965	\$5,883	\$5,795	\$5,699	\$5,596
Depreciation Expenses	\$6,500	\$6,825	\$7,166	\$7,525	\$7,901
<b>Net Profit</b>	<b>\$54,285</b>	<b>\$75,099</b>	<b>\$122,344</b>	<b>\$163,231</b>	<b>\$196,864</b>
<b>Profit Margin</b>	<b>12.14%</b>	<b>13.99%</b>	<b>19.82%</b>	<b>22.04%</b>	<b>24.61%</b>

Revenue, Operating Costs, EBITDA



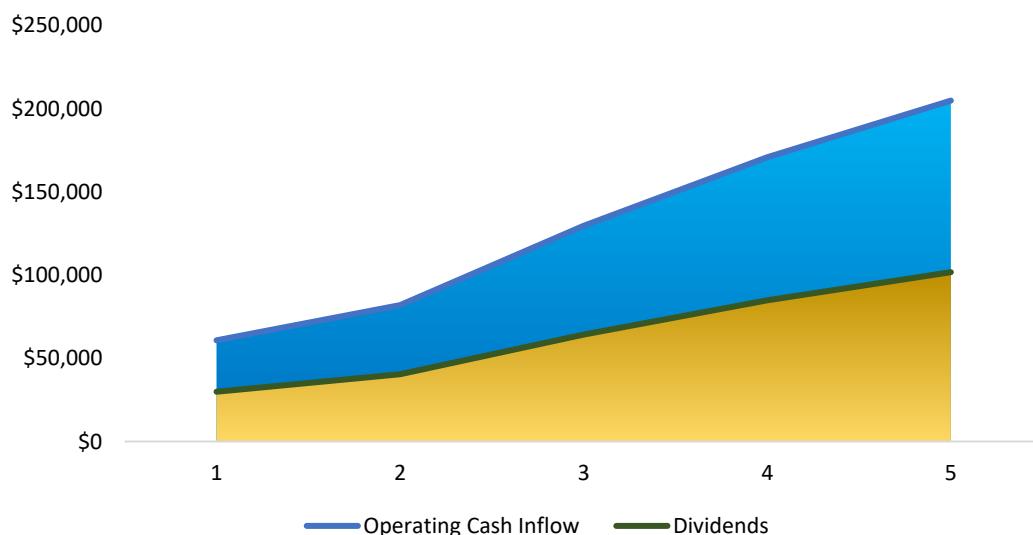
## B) Common Size Income Statement

Proforma Profit and Loss (Common Size)					
Year	1	2	3	4	5
<b>Revenue</b>	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Revenue	5.00%	5.00%	5.00%	5.00%	5.00%
 <b>Gross Profit</b>	 95.00%	 95.00%	 95.00%	 95.00%	 95.00%
 <b>Expenses</b>	 	 	 	 	 
Payroll	59.80%	58.33%	51.23%	49.03%	45.85%
Facility Costs	2.24%	1.88%	1.65%	1.39%	1.30%
General and Administrative	2.50%	2.50%	2.50%	2.50%	2.50%
Professional Fees and Licensure	0.78%	0.66%	0.58%	0.49%	0.46%
Insurance	0.45%	0.38%	0.33%	0.28%	0.26%
Marketing	3.00%	3.00%	3.00%	3.00%	3.00%
Business Development	0.78%	0.68%	0.63%	0.55%	0.53%
Misc. Costs	0.75%	0.75%	0.75%	0.75%	0.75%
Payroll Taxes	4.57%	4.46%	3.92%	3.75%	3.51%
<b>Total Operating Costs</b>	74.88%	72.65%	64.59%	61.73%	58.16%
 <b>EBITDA</b>	 20.12%	 22.35%	 30.41%	 33.27%	 36.84%
Federal Income Tax	4.33%	5.00%	7.08%	7.87%	8.79%
State Income Tax	0.87%	1.00%	1.42%	1.57%	1.76%
Interest Expense	1.33%	1.10%	0.94%	0.77%	0.70%
Depreciation Expenses	1.45%	1.27%	1.16%	1.02%	0.99%
 <b>Net Profit</b>	 12.14%	 13.99%	 19.82%	 22.04%	 24.61%

### C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$60,785	\$81,924	\$129,510	\$170,756	\$204,765
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$60,785</b>	<b>\$81,924</b>	<b>\$129,510</b>	<b>\$170,756</b>	<b>\$204,765</b>
<b>Other Cash Inflows</b>					
Equity Investment	\$25,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$75,000	\$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
<b>Total Other Cash Inflows</b>	<b>\$101,000</b>	<b>\$1,050</b>	<b>\$1,103</b>	<b>\$1,158</b>	<b>\$1,216</b>
<b>Total Cash Inflow</b>	<b>\$161,785</b>	<b>\$82,974</b>	<b>\$130,612</b>	<b>\$171,913</b>	<b>\$205,980</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$982	\$1,063	\$1,152	\$1,247	\$1,351
A/P Decreases	\$700	\$735	\$772	\$810	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$52,500	\$6,554	\$10,361	\$13,660	\$16,381
Dividends	\$29,902	\$40,430	\$64,179	\$84,754	\$101,707
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$84,084</b>	<b>\$48,783</b>	<b>\$76,463</b>	<b>\$100,472</b>	<b>\$120,290</b>
<b>Net Cash Flow</b>	<b>\$77,702</b>	<b>\$34,191</b>	<b>\$54,149</b>	<b>\$71,441</b>	<b>\$85,691</b>
<b>Cash Balance</b>	<b>\$77,702</b>	<b>\$111,893</b>	<b>\$166,042</b>	<b>\$237,483</b>	<b>\$323,174</b>

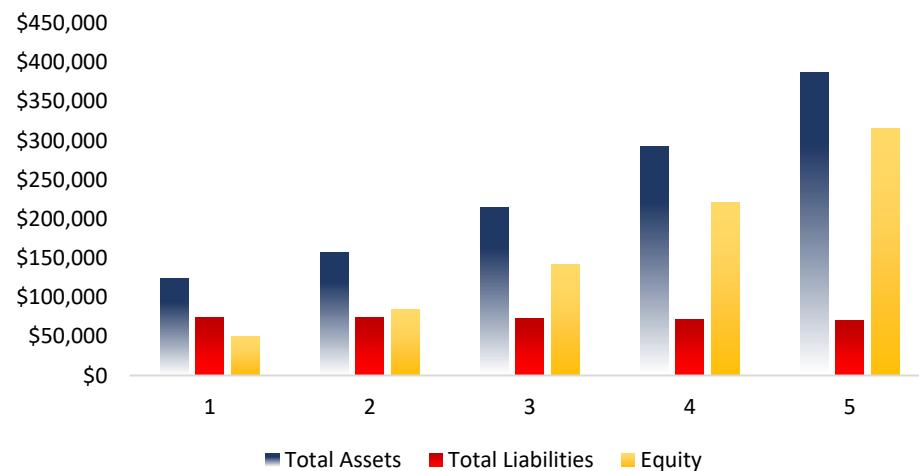
### Cash Flow Analysis



## D) Balance Sheet

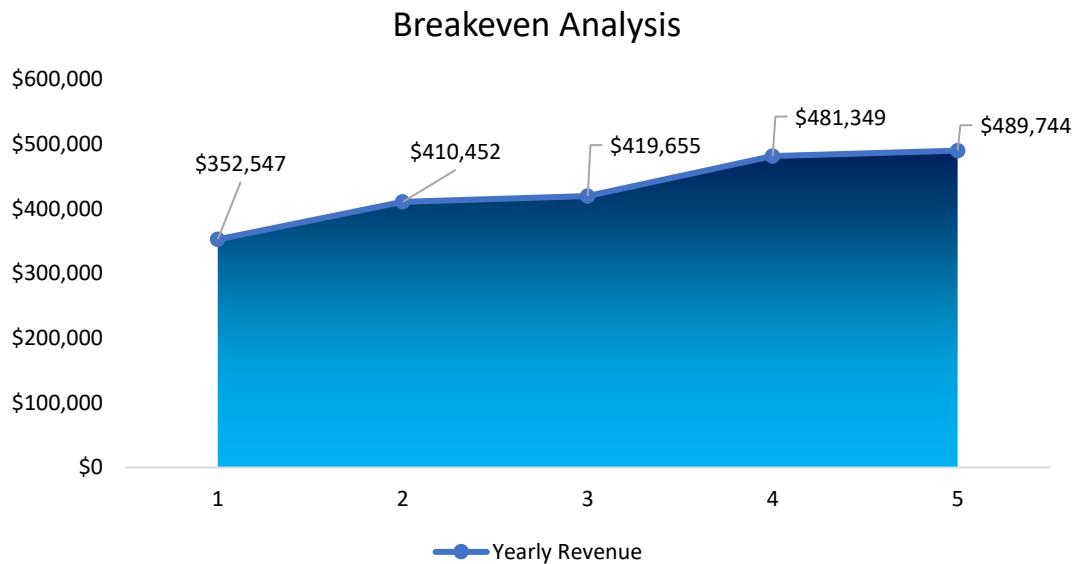
Proforma Balance Sheet - Yearly		1	2	3	4	5
Year						
<b>Assets</b>						
Cash		\$77,702	\$111,893	\$166,042	\$237,483	\$323,174
Fixed Assets		\$52,500	\$59,054	\$69,415	\$83,075	\$99,456
Accumulated Depreciation		(\$6,500)	(\$13,325)	(\$20,491)	(\$28,016)	(\$35,917)
<b>Total Assets</b>		<b>\$123,702</b>	<b>\$157,622</b>	<b>\$214,966</b>	<b>\$292,543</b>	<b>\$386,714</b>
<b>Liabilities and Equity</b>						
Accounts Payable		\$300	\$615	\$946	\$1,293	\$1,658
Long Term Liabilities		\$74,018	\$72,955	\$71,803	\$70,556	\$69,205
Other Liabilities		\$0	\$0	\$0	\$0	\$0
<b>Total Liabilities</b>		<b>\$74,318</b>	<b>\$73,570</b>	<b>\$72,749</b>	<b>\$71,849</b>	<b>\$70,863</b>
<b>Equity</b>		<b>\$49,384</b>	<b>\$84,052</b>	<b>\$142,217</b>	<b>\$220,694</b>	<b>\$315,851</b>
<b>Total Liabilities and Equity</b>		<b>\$123,702</b>	<b>\$157,622</b>	<b>\$214,966</b>	<b>\$292,543</b>	<b>\$386,714</b>

Balance Sheet



## 9.6 Breakeven Analysis

Break Even Analysis		1	2	3	4	5
Year	Monthly Revenue	\$29,379	\$34,204	\$34,971	\$40,112	\$40,812
	Yearly Revenue	\$352,547	\$410,452	\$419,655	\$481,349	\$489,744



## 9.7 Business Ratios

Business Ratios - Yearly		1	2	3	4	5
	Year	1	2	3	4	5
<b>Revenue</b>						
Sales Growth		0.0%	20.0%	15.0%	20.0%	8.0%
Gross Margin		95.0%	95.0%	95.0%	95.0%	95.0%
<b>Financials</b>						
Profit Margin		12.14%	13.99%	19.82%	22.04%	24.61%
Assets to Liabilities		1.66	2.14	2.95	4.07	5.46
Equity to Liabilities		0.66	1.14	1.95	3.07	4.46
Assets to Equity		2.50	1.88	1.51	1.33	1.22
<b>Liquidity</b>						
Acid Test		1.05	1.52	2.28	3.31	4.56
Cash to Assets		0.63	0.71	0.77	0.81	0.84

## Appendix A – SWOT Analysis

### Strengths

- Limited competition and graphic design firms that offer the entire scope of services showcased in this document.
- A Founder, Matthew Deutsch, who will be able to directly render services while managing the day-to-day operations of Deutsch Graphic Design Group.
- The Company's ability to provide video services will provide a major differentiating factor.
- The Company can scale to include other services related to digital asset development and online marketing.

### Weaknesses

- This is a highly competitive industry with numerous established entities in the market.
- Moderately high cost related to payroll as the Company is onboarding exceptional graphic designers.

### Opportunities

- Integration of advertising focused services, especially as it relates to digital asset development.
- Continued expansion of the Company's hiring of graphic design, specialists and video production specialists.
- Expansion of the types of services that can be offered through Deutsch Graphic Design Group's established architecture.

### Threats

- Severe economic recessions could impact the demand for graphic design purposes.
- The ongoing issues with inflation could cause the operating cost of the business to increase, especially as it relates to its proprietary marketing campaigns.

## Appendix B – Critical Risks

### Development Risk – Low

The services that will be offered have already been developed by Matthew Deutsch. The primary matter that needs to be addressed to securing the revolving credit facility discussed this document.

### Financing Risk – Low/Moderate

The \$75,000 working capital line of credit will allow the business to properly establish its operations to profitability. The risk related to his financing or baited by the margin nature of rendering graphic design services.

### Marketing Risk – Low

The Company will use an expand upon the marketing strategies discussed earlier in this document. Most importantly, the Company will leverage Matthew Deutsch's existing relationships within this industry while concurrently engaging in a wide ranging online focus marketing campaign.

### Management Risk – Low

Matthew Deutsch is a highly experience, graphic design, professional that has a complete understanding of all aspects of creating graphic design and digital media assets.

### Valuation Risk – Low

The valuation risk is offset by:

- End-to-end graphic design services will allow for the rapid growth of the business.
- The Company can provide its services domestically and internationally.
- Deutsch Graphic Design Group can easily expand revenue through hiring additional graphic designers while concurrently integrating additional services.

### Exit Risk - Low

In the event that is necessary to do so, the company will work with numerous business sales professionals in order to sell Deutsch Graphic Design Group to a third-party. This event is not expected to occur for a significant period of time, period based on the financial modeling showcase in this business plan, the business could have a valuation of \$700,000 by the fifth year of operation.

## Appendix C – Expanded Profit and Loss Statements

<b>Profit and Loss Statement (First Year)</b>							
Months	1	2	3	4	5	6	7
<b>Revenue</b>	<b>\$31,500</b>	<b>\$32,550</b>	<b>\$33,600</b>	<b>\$34,650</b>	<b>\$35,700</b>	<b>\$36,750</b>	<b>\$37,800</b>
Cost of Revenue	\$1,575	\$1,628	\$1,680	\$1,733	\$1,785	\$1,838	\$1,890
<b>Gross Profit</b>	<b>\$29,925</b>	<b>\$30,923</b>	<b>\$31,920</b>	<b>\$32,918</b>	<b>\$33,915</b>	<b>\$34,913</b>	<b>\$35,910</b>
<b>Expenses</b>							
Payroll	\$22,292	\$22,292	\$22,292	\$22,292	\$22,292	\$22,292	\$22,292
Facility Costs	\$833	\$833	\$833	\$833	\$833	\$833	\$833
General and Administrative	\$932	\$932	\$932	\$932	\$932	\$932	\$932
Professional Fees and Licensure	\$292	\$292	\$292	\$292	\$292	\$292	\$292
Insurance	\$167	\$167	\$167	\$167	\$167	\$167	\$167
Marketing	\$1,118	\$1,118	\$1,118	\$1,118	\$1,118	\$1,118	\$1,118
Business Development	\$292	\$292	\$292	\$292	\$292	\$292	\$292
Misc. Costs	\$280	\$280	\$280	\$280	\$280	\$280	\$280
Payroll Taxes	\$1,705	\$1,705	\$1,705	\$1,705	\$1,705	\$1,705	\$1,705
<b>Total Operating Costs</b>	<b>\$27,910</b>						
<b>EBITDA</b>	<b>\$2,015</b>	<b>\$3,013</b>	<b>\$4,010</b>	<b>\$5,008</b>	<b>\$6,005</b>	<b>\$7,003</b>	<b>\$8,000</b>
Federal Income Tax	\$1,365	\$1,411	\$1,456	\$1,502	\$1,547	\$1,593	\$1,638
State Income Tax	\$273	\$282	\$291	\$300	\$309	\$319	\$328
Interest Expense	\$500	\$499	\$499	\$498	\$498	\$497	\$497
Depreciation Expenses	\$542	\$542	\$542	\$542	\$542	\$542	\$542
<b>Net Profit</b>	<b>-\$665</b>	<b>\$278</b>	<b>\$1,222</b>	<b>\$2,165</b>	<b>\$3,109</b>	<b>\$4,052</b>	<b>\$4,995</b>

<b>Profit and Loss Statement (First Year Cont.)</b>						
Month	8	9	10	11	12	Year 1
<b>Revenue</b>	<b>\$38,850</b>	<b>\$39,900</b>	<b>\$40,950</b>	<b>\$42,000</b>	<b>\$43,050</b>	<b>\$447,300</b>
Cost of Revenue	\$1,943	\$1,995	\$2,048	\$2,100	\$2,153	\$22,365
<b>Gross Profit</b>	<b>\$36,908</b>	<b>\$37,905</b>	<b>\$38,903</b>	<b>\$39,900</b>	<b>\$40,898</b>	<b>\$424,935</b>
<b>Expenses</b>						
Payroll	\$22,292	\$22,292	\$22,292	\$22,292	\$22,292	\$267,500
Facility Costs	\$833	\$833	\$833	\$833	\$833	\$10,000
General and Administrative	\$932	\$932	\$932	\$932	\$932	\$11,183
Professional Fees and Licensure	\$292	\$292	\$292	\$292	\$292	\$3,500
Insurance	\$167	\$167	\$167	\$167	\$167	\$2,000
Marketing	\$1,118	\$1,118	\$1,118	\$1,118	\$1,118	\$13,419
Business Development	\$292	\$292	\$292	\$292	\$292	\$3,500
Misc. Costs	\$280	\$280	\$280	\$280	\$280	\$3,355
Payroll Taxes	\$1,705	\$1,705	\$1,705	\$1,705	\$1,705	\$20,464
<b>Total Operating Costs</b>	<b>\$27,910</b>	<b>\$27,910</b>	<b>\$27,910</b>	<b>\$27,910</b>	<b>\$27,910</b>	<b>\$334,920</b>
<b>EBITDA</b>	<b>\$8,998</b>	<b>\$9,995</b>	<b>\$10,993</b>	<b>\$11,990</b>	<b>\$12,988</b>	<b>\$90,015</b>
Federal Income Tax	\$1,684	\$1,729	\$1,775	\$1,820	\$1,866	\$19,388
State Income Tax	\$337	\$346	\$355	\$364	\$373	\$3,878
Interest Expense	\$496	\$496	\$495	\$495	\$494	\$5,965
Depreciation Expenses	\$542	\$542	\$542	\$542	\$542	\$6,500
<b>Net Profit</b>	<b>\$5,939</b>	<b>\$6,882</b>	<b>\$7,826</b>	<b>\$8,769</b>	<b>\$9,713</b>	<b>\$54,285</b>

Profit and Loss Statement (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
<b>Revenue</b>	\$130,164	\$132,848	\$135,532	\$138,216	\$536,760
Cost of Revenue	\$6,508	\$6,642	\$6,777	\$6,911	\$26,838
<b>Gross Profit</b>	<b>\$123,656</b>	<b>\$126,206</b>	<b>\$128,755</b>	<b>\$131,305</b>	<b>\$509,922</b>
<b>Expenses</b>					
Payroll	\$78,275	\$78,275	\$78,275	\$78,275	\$313,100
Facility Costs	\$2,525	\$2,525	\$2,525	\$2,525	\$10,100
General and Administrative	\$3,254	\$3,321	\$3,388	\$3,455	\$13,419
Professional Fees and Licensure	\$857	\$875	\$893	\$910	\$3,535
Insurance	\$505	\$505	\$505	\$505	\$2,020
Marketing	\$3,905	\$3,985	\$4,066	\$4,146	\$16,103
Business Development	\$919	\$919	\$919	\$919	\$3,675
Misc. Costs	\$976	\$996	\$1,016	\$1,037	\$4,026
Payroll Taxes	\$5,808	\$5,928	\$6,048	\$6,168	\$23,952
<b>Total Operating Costs</b>	<b>\$97,025</b>	<b>\$97,330</b>	<b>\$97,635</b>	<b>\$97,940</b>	<b>\$389,930</b>
<b>EBITDA</b>	<b>\$26,631</b>	<b>\$28,876</b>	<b>\$31,120</b>	<b>\$33,365</b>	<b>\$119,992</b>
Federal Income Tax	\$6,504	\$6,638	\$6,772	\$6,906	\$26,821
State Income Tax	\$1,301	\$1,328	\$1,354	\$1,381	\$5,364
Interest Expense	\$1,479	\$1,473	\$1,468	\$1,463	\$5,883
Depreciation Expenses	\$1,706	\$1,706	\$1,706	\$1,706	\$6,825
<b>Net Profit</b>	<b>\$15,642</b>	<b>\$17,730</b>	<b>\$19,819</b>	<b>\$21,908</b>	<b>\$75,099</b>

Profit and Loss Statement (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
<b>Revenue</b>	\$149,689	\$152,775	\$155,862	\$158,948	\$617,274
Cost of Revenue	\$7,484	\$7,639	\$7,793	\$7,947	\$30,864
<b>Gross Profit</b>	<b>\$142,204</b>	<b>\$145,137</b>	<b>\$148,069</b>	<b>\$151,001</b>	<b>\$586,410</b>
<b>Expenses</b>					
Payroll	\$79,058	\$79,058	\$79,058	\$79,058	\$316,231
Facility Costs	\$2,550	\$2,550	\$2,550	\$2,550	\$10,201
General and Administrative	\$3,742	\$3,819	\$3,897	\$3,974	\$15,432
Professional Fees and Licensure	\$866	\$884	\$902	\$919	\$3,570
Insurance	\$510	\$510	\$510	\$510	\$2,040
Marketing	\$4,491	\$4,583	\$4,676	\$4,768	\$18,518
Business Development	\$965	\$965	\$965	\$965	\$3,859
Misc. Costs	\$1,123	\$1,146	\$1,169	\$1,192	\$4,630
Payroll Taxes	\$6,048	\$6,048	\$6,048	\$6,048	\$24,192
<b>Total Operating Costs</b>	<b>\$99,352</b>	<b>\$99,563</b>	<b>\$99,774</b>	<b>\$99,984</b>	<b>\$398,673</b>
<b>EBITDA</b>	<b>\$42,852</b>	<b>\$45,574</b>	<b>\$48,295</b>	<b>\$51,016</b>	<b>\$187,738</b>
Federal Income Tax	\$10,596	\$10,814	\$11,033	\$11,251	\$43,694
State Income Tax	\$2,119	\$2,163	\$2,207	\$2,250	\$8,739
Interest Expense	\$1,457	\$1,452	\$1,446	\$1,440	\$5,795
Depreciation Expenses	\$1,792	\$1,792	\$1,792	\$1,792	\$7,166
<b>Net Profit</b>	<b>\$26,889</b>	<b>\$29,353</b>	<b>\$31,818</b>	<b>\$34,283</b>	<b>\$122,344</b>

Profit and Loss Statement (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
<b>Revenue</b>	\$179,627	\$183,330	\$187,034	\$190,738	\$740,729
Cost of Revenue	\$8,981	\$9,167	\$9,352	\$9,537	\$37,036
<b>Gross Profit</b>	<b>\$170,645</b>	<b>\$174,164</b>	<b>\$177,682</b>	<b>\$181,201</b>	<b>\$703,692</b>
<b>Expenses</b>					
Payroll	\$90,795	\$90,795	\$90,795	\$90,795	\$363,181
Facility Costs	\$2,576	\$2,576	\$2,576	\$2,576	\$10,303
General and Administrative	\$4,491	\$4,583	\$4,676	\$4,768	\$18,518
Professional Fees and Licensure	\$874	\$892	\$911	\$929	\$3,606
Insurance	\$515	\$515	\$515	\$515	\$2,061
Marketing	\$5,389	\$5,500	\$5,611	\$5,722	\$22,222
Business Development	\$1,013	\$1,013	\$1,013	\$1,013	\$4,052
Misc. Costs	\$1,347	\$1,375	\$1,403	\$1,431	\$5,555
Payroll Taxes	\$6,946	\$6,946	\$6,946	\$6,946	\$27,783
<b>Total Operating Costs</b>	<b>\$113,946</b>	<b>\$114,196</b>	<b>\$114,445</b>	<b>\$114,695</b>	<b>\$457,281</b>
<b>EBITDA</b>	<b>\$56,699</b>	<b>\$59,968</b>	<b>\$63,237</b>	<b>\$66,506</b>	<b>\$246,411</b>
Federal Income Tax	\$14,137	\$14,428	\$14,720	\$15,011	\$58,297
State Income Tax	\$2,827	\$2,886	\$2,944	\$3,002	\$11,659
Interest Expense	\$1,434	\$1,428	\$1,422	\$1,415	\$5,699
Depreciation Expenses	\$1,881	\$1,881	\$1,881	\$1,881	\$7,525
<b>Net Profit</b>	<b>\$36,420</b>	<b>\$39,345</b>	<b>\$42,270</b>	<b>\$45,196</b>	<b>\$163,231</b>

Profit and Loss Statement (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
<b>Revenue</b>	\$193,997	\$197,997	\$201,997	\$205,997	\$799,987
Cost of Revenue	\$9,700	\$9,900	\$10,100	\$10,300	\$39,999
<b>Gross Profit</b>	<b>\$184,297</b>	<b>\$188,097</b>	<b>\$191,897</b>	<b>\$195,697</b>	<b>\$759,988</b>
<b>Expenses</b>					
Payroll	\$91,703	\$91,703	\$91,703	\$91,703	\$366,813
Facility Costs	\$2,602	\$2,602	\$2,602	\$2,602	\$10,406
General and Administrative	\$4,850	\$4,950	\$5,050	\$5,150	\$20,000
Professional Fees and Licensure	\$883	\$901	\$920	\$938	\$3,642
Insurance	\$520	\$520	\$520	\$520	\$2,081
Marketing	\$5,820	\$5,940	\$6,060	\$6,180	\$24,000
Business Development	\$1,064	\$1,064	\$1,064	\$1,064	\$4,254
Misc. Costs	\$1,455	\$1,485	\$1,515	\$1,545	\$6,000
Payroll Taxes	\$7,015	\$7,015	\$7,015	\$7,015	\$28,061
<b>Total Operating Costs</b>	<b>\$115,912</b>	<b>\$116,180</b>	<b>\$116,448</b>	<b>\$116,717</b>	<b>\$465,257</b>
<b>EBITDA</b>	<b>\$68,385</b>	<b>\$71,917</b>	<b>\$75,449</b>	<b>\$78,980</b>	<b>\$294,731</b>
Federal Income Tax	\$17,050	\$17,401	\$17,753	\$18,104	\$70,309
State Income Tax	\$3,410	\$3,480	\$3,551	\$3,621	\$14,062
Interest Expense	\$1,409	\$1,402	\$1,396	\$1,389	\$5,596
Depreciation Expenses	\$1,975	\$1,975	\$1,975	\$1,975	\$7,901
<b>Net Profit</b>	<b>\$44,541</b>	<b>\$47,658</b>	<b>\$50,774</b>	<b>\$53,891</b>	<b>\$196,864</b>

## Appendix D – Expanded Cash Flow Analysis

<b>Cash Flow Analysis (First Year)</b>								
Month	1	2	3	4	5	6	7	8
Cash From Operations	-\$123	\$820	\$1,763	\$2,707	\$3,650	\$4,594	\$5,537	\$6,481
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>-\$123</b>	<b>\$820</b>	<b>\$1,763</b>	<b>\$2,707</b>	<b>\$3,650</b>	<b>\$4,594</b>	<b>\$5,537</b>	<b>\$6,481</b>
<b>Other Cash Inflows</b>								
Equity Investment	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$75,000	\$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
<b>Total Other Cash Inflows</b>	<b>\$100,083</b>	<b>\$83</b>						
<b>Total Cash Inflow</b>	<b>\$99,960</b>	<b>\$903</b>	<b>\$1,847</b>	<b>\$2,790</b>	<b>\$3,734</b>	<b>\$4,677</b>	<b>\$5,620</b>	<b>\$6,564</b>
<b>Cash Outflows</b>								
Repayment of Principal	\$79	\$79	\$80	\$80	\$81	\$82	\$82	\$83
A/P Decreases	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$52,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$52,637</b>	<b>\$138</b>	<b>\$138</b>	<b>\$139</b>	<b>\$139</b>	<b>\$140</b>	<b>\$140</b>	<b>\$141</b>
<b>Net Cash Flow</b>	<b>\$47,323</b>	<b>\$766</b>	<b>\$1,709</b>	<b>\$2,651</b>	<b>\$3,594</b>	<b>\$4,537</b>	<b>\$5,480</b>	<b>\$6,423</b>
<b>Cash Balance</b>	<b>\$47,323</b>	<b>\$48,088</b>	<b>\$49,797</b>	<b>\$52,448</b>	<b>\$56,043</b>	<b>\$60,580</b>	<b>\$66,060</b>	<b>\$72,483</b>

<b>Cash Flow Analysis (First Year Cont.)</b>					
Month	9	10	11	12	Year 1
Cash From Operations	\$7,424	\$8,367	\$9,311	\$10,254	\$60,785
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$7,424</b>	<b>\$8,367</b>	<b>\$9,311</b>	<b>\$10,254</b>	<b>\$60,785</b>
<b>Other Cash Inflows</b>					
Equity Investment	\$0	\$0	\$0	\$0	\$25,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$75,000
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$83	\$83	\$83	\$83	\$1,000
<b>Total Other Cash Inflows</b>	<b>\$83</b>	<b>\$83</b>	<b>\$83</b>	<b>\$83</b>	<b>\$101,000</b>
<b>Total Cash Inflow</b>	<b>\$7,507</b>	<b>\$8,451</b>	<b>\$9,394</b>	<b>\$10,338</b>	<b>\$161,785</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$83	\$84	\$84	\$85	\$982
A/P Decreases	\$58	\$58	\$58	\$58	\$700
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$52,500
Dividends	\$0	\$0	\$0	\$29,902	\$29,902
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$142</b>	<b>\$142</b>	<b>\$143</b>	<b>\$30,045</b>	<b>\$84,084</b>
<b>Net Cash Flow</b>	<b>\$7,366</b>	<b>\$8,309</b>	<b>\$9,252</b>	<b>-\$19,707</b>	<b>\$77,702</b>
<b>Cash Balance</b>	<b>\$79,849</b>	<b>\$88,157</b>	<b>\$97,409</b>	<b>\$77,702</b>	<b>\$77,702</b>

Cash Flow Analysis (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	\$17,348	\$19,437	\$21,525	\$23,614	\$81,924
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$17,348</b>	<b>\$19,437</b>	<b>\$21,525</b>	<b>\$23,614</b>	<b>\$81,924</b>
<b>Other Cash Inflows</b>					
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
<b>Total Other Cash Inflows</b>	<b>\$255</b>	<b>\$260</b>	<b>\$265</b>	<b>\$270</b>	<b>\$1,050</b>
<b>Total Cash Inflow</b>	<b>\$17,602</b>	<b>\$19,696</b>	<b>\$21,790</b>	<b>\$23,885</b>	<b>\$82,974</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$258	\$263	\$268	\$274	\$1,063
A/P Decreases	\$178	\$182	\$186	\$189	\$735
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$6,554	\$0	\$0	\$0	\$6,554
Dividends	\$0	\$0	\$0	\$40,430	\$40,430
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$6,990</b>	<b>\$445</b>	<b>\$454</b>	<b>\$40,893</b>	<b>\$48,783</b>
<b>Net Cash Flow</b>	<b>\$10,612</b>	<b>\$19,251</b>	<b>\$21,336</b>	<b>-\$17,009</b>	<b>\$34,191</b>
<b>Cash Balance</b>	<b>\$88,314</b>	<b>\$107,566</b>	<b>\$128,902</b>	<b>\$111,893</b>	<b>\$111,893</b>

Cash Flow Analysis (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	\$28,680	\$31,145	\$33,610	\$36,075	\$129,510
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$28,680</b>	<b>\$31,145</b>	<b>\$33,610</b>	<b>\$36,075</b>	<b>\$129,510</b>
<b>Other Cash Inflows</b>					
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
<b>Total Other Cash Inflows</b>	<b>\$267</b>	<b>\$273</b>	<b>\$278</b>	<b>\$284</b>	<b>\$1,103</b>
<b>Total Cash Inflow</b>	<b>\$28,948</b>	<b>\$31,418</b>	<b>\$33,888</b>	<b>\$36,359</b>	<b>\$130,612</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$279	\$285	\$291	\$297	\$1,152
A/P Decreases	\$187	\$191	\$195	\$199	\$772
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$10,361	\$0	\$0	\$0	\$10,361
Dividends	\$0	\$0	\$0	\$64,179	\$64,179
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$10,827</b>	<b>\$476</b>	<b>\$486</b>	<b>\$64,674</b>	<b>\$76,463</b>
<b>Net Cash Flow</b>	<b>\$18,120</b>	<b>\$30,942</b>	<b>\$33,403</b>	<b>-\$28,316</b>	<b>\$54,149</b>
<b>Cash Balance</b>	<b>\$130,013</b>	<b>\$160,955</b>	<b>\$194,358</b>	<b>\$166,042</b>	<b>\$166,042</b>

Cash Flow Analysis (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	\$38,301	\$41,226	\$44,152	\$47,077	\$170,756
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$38,301</b>	<b>\$41,226</b>	<b>\$44,152</b>	<b>\$47,077</b>	<b>\$170,756</b>
<b>Other Cash Inflows</b>					
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
<b>Total Other Cash Inflows</b>	<b>\$281</b>	<b>\$287</b>	<b>\$292</b>	<b>\$298</b>	<b>\$1,158</b>
<b>Total Cash Inflow</b>	<b>\$38,582</b>	<b>\$41,513</b>	<b>\$44,444</b>	<b>\$47,375</b>	<b>\$171,913</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$303	\$309	\$315	\$321	\$1,247
A/P Decreases	\$197	\$201	\$205	\$209	\$810
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$13,660	\$0	\$0	\$0	\$13,660
Dividends	\$0	\$0	\$0	\$84,754	\$84,754
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$14,159</b>	<b>\$509</b>	<b>\$519</b>	<b>\$85,284</b>	<b>\$100,472</b>
<b>Net Cash Flow</b>	<b>\$24,422</b>	<b>\$41,003</b>	<b>\$43,924</b>	<b>-\$37,909</b>	<b>\$71,441</b>
<b>Cash Balance</b>	<b>\$190,464</b>	<b>\$231,468</b>	<b>\$275,392</b>	<b>\$237,483</b>	<b>\$237,483</b>

Cash Flow Analysis (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	\$46,516	\$49,633	\$52,749	\$55,866	\$204,765
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$46,516</b>	<b>\$49,633</b>	<b>\$52,749</b>	<b>\$55,866</b>	<b>\$204,765</b>
<b>Other Cash Inflows</b>					
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
<b>Total Other Cash Inflows</b>	<b>\$295</b>	<b>\$301</b>	<b>\$307</b>	<b>\$313</b>	<b>\$1,216</b>
<b>Total Cash Inflow</b>	<b>\$46,811</b>	<b>\$49,934</b>	<b>\$53,056</b>	<b>\$56,179</b>	<b>\$205,980</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$328	\$334	\$341	\$348	\$1,351
A/P Decreases	\$206	\$211	\$215	\$219	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$16,381	\$0	\$0	\$0	\$16,381
Dividends	\$0	\$0	\$0	\$101,707	\$101,707
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$16,915</b>	<b>\$545</b>	<b>\$556</b>	<b>\$102,274</b>	<b>\$120,290</b>
<b>Net Cash Flow</b>	<b>\$29,896</b>	<b>\$49,389</b>	<b>\$52,501</b>	<b>-\$46,095</b>	<b>\$85,691</b>
<b>Cash Balance</b>	<b>\$267,379</b>	<b>\$316,768</b>	<b>\$369,269</b>	<b>\$323,174</b>	<b>\$323,174</b>