Matt's
WASH & FOLD

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1.0 Executive Summary

The purpose of this business plan is to showcase the development of a laundromat based in Bristol County, Massachusetts. Matt's Wash & Fold LLC ("the Company") was founded this year by Matthew Deutsch with the intent to provide a wide range of access to premium washers and dryers while currently offering wash and fold services. The Company is currently seeking a business loan of $190,000 to establish these operations. Full scale revenue generating operations will commence in the third quarter of this year.

Operations

The Company's state-of-the-art facilities will allow individuals with cost-effective access to a wide range of commercial grade washers and dryers. The business will use a specialized system that allows for digital access to these machines rather than the traditional method of using quarters. This will drastically streamline operations, which will ultimately result in higher profits.

In addition to providing access to washers and dryers, Matt's Wash & Fold will also provide clothes cleaning services. These fees will be about twice as much as when an individual uses the machines on their own. An attendant will be on site at all times in order to provide the services. As a value at a benefit, the Company will also provide pick up services from an individual's home. Clothes will then be washed at the facilities and returned later that day. There will be modest additional fees for rendering these services.

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

The Financing

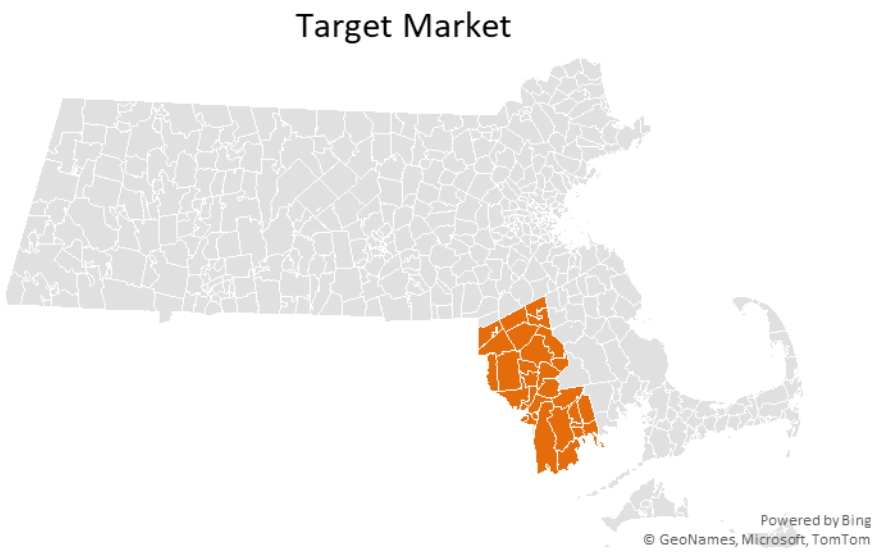
As noted above, the Company is seeking at $190,000 business loan in order to establish operations.

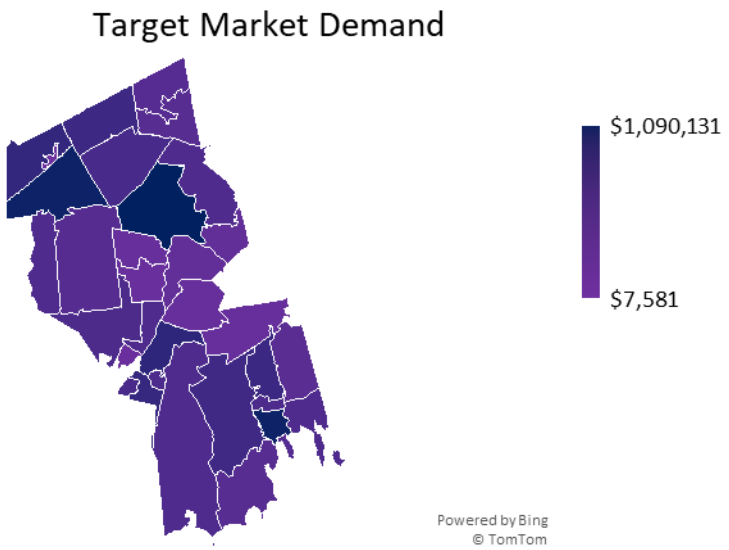
If Management decides to establish additional locations within the Bristol County area, an additional business loan may be acquired which would be primarily used for the acquisition of equipment and the build out of locations.

The Future

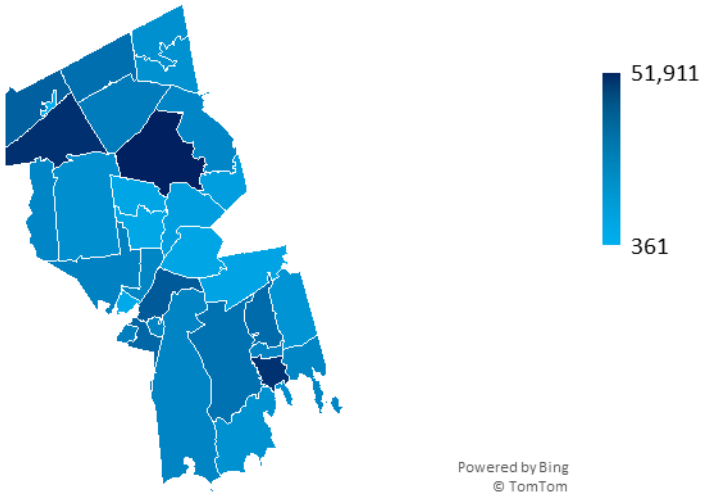
In order to increase revenues on a year-on-year basis, the Company will continue to expand the scope of its pickup and delivery services as this will allow the business to operate within a greater target market radius. The Company will continue to acquire additional pick-up vehicles on an as needed basis. Management may also establish additional locations if it is economically viable to do so within selected markets of Bristol County as well as the Commonwealth of Massachusetts.

Market Overview

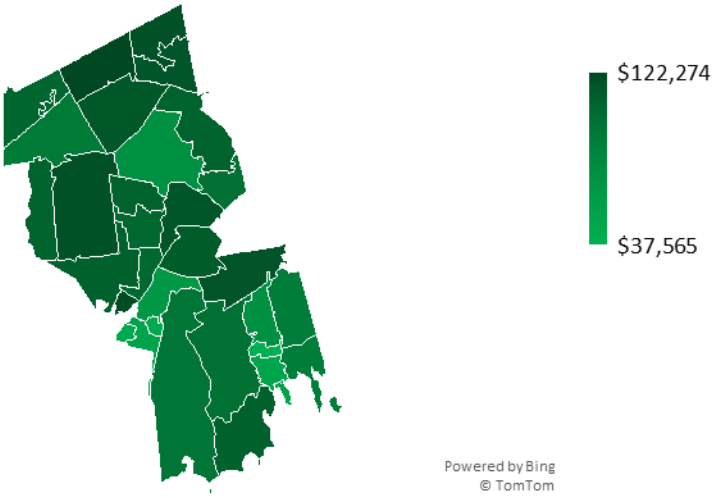




Target Market Population

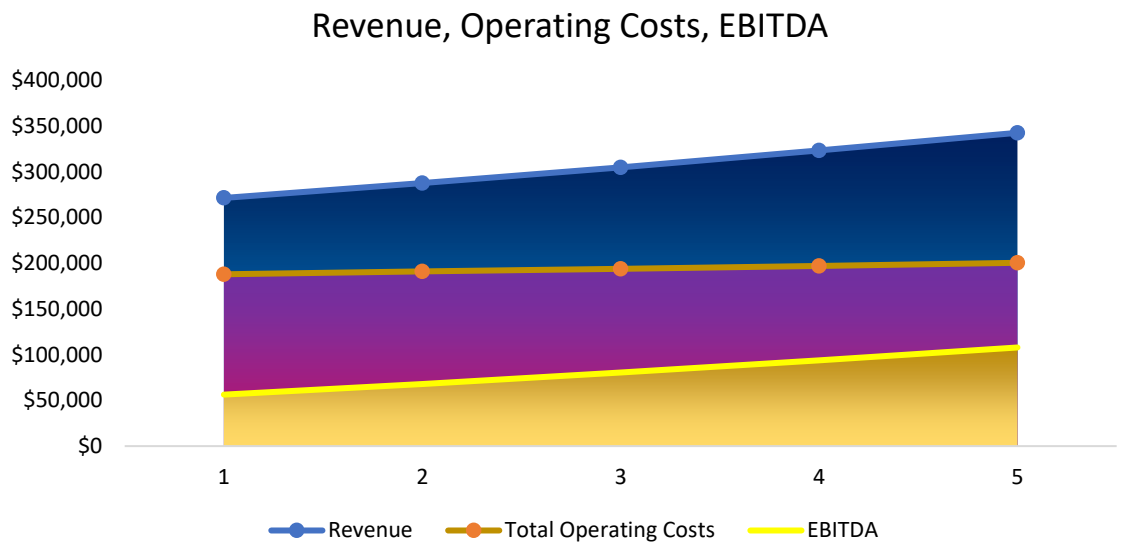


Target Market Household Income



Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$271,350	$287,631	$304,889	$323,182	$342,573
Cost of Revenue	$27,135	$28,763	$30,489	$32,318	$34,257
Gross Profit	$244,215	$258,868	$274,400	$290,864	$308,316
Total Operating Costs	$187,913	$190,897	$193,978	$197,161	$200,449
EBITDA	**$56,302**	**$67,970**	**$80,422**	**$93,703**	**$107,867**

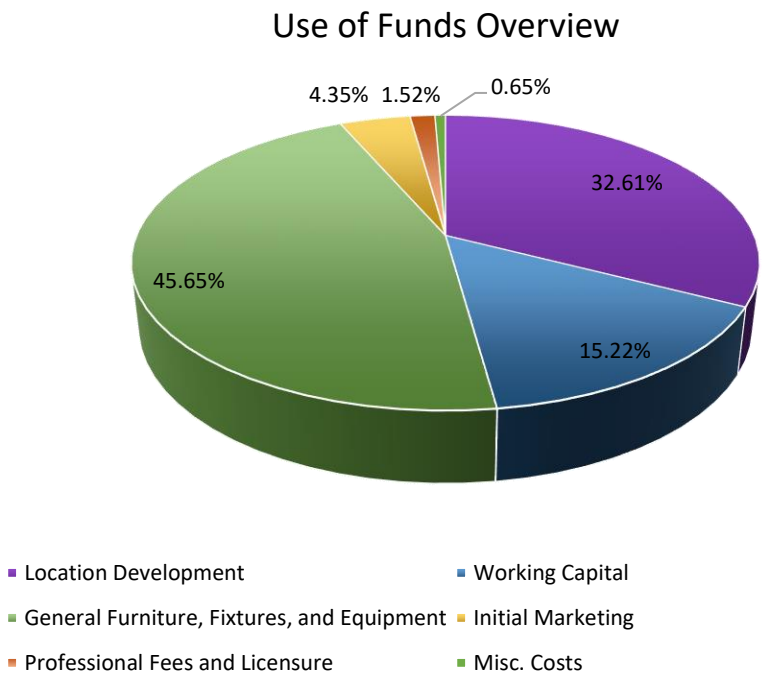


2.0 The Financing

2.1 Funds Required

The $40,000 of capital provided by Matthew Deutsch and $190,000 a debt capital will be allocated towards the following:

Use of Funds	
Location Development	$75,000
Working Capital	$35,000
General Furniture, Fixtures, and Equipment	$105,000
Initial Marketing	$10,000
Professional Fees and Licensure	$3,500
Misc. Costs	$1,500
Total	$230,000



2.2 Management and Investor Equity

Matthew Deutsch is the 100% owner of Matt's Wash & Fold LLC.

2.3 Exit Strategies

As laundromats have highly predictable streams of revenue, there will be an immense demand among entrepreneurs to acquire these types of businesses. They are relatively straightforward to operate and they provide a substantial return on investment. In the event that the business is to be sold, the Company will coordinate these efforts with a business broker in order to source a suitable buyer.

3.0 Operations

As noted in the executive summary, Matt's Wash & Fold will be actively involved with providing access to a wide range of premium washers and dryers that can provide cost-effective cleaning of clothes. In order to make the experience as pleasant as possible, the location will feature a number of large-scale TVs as well as a number of arcade games in order to provide onsite entertainment while an individual waits for their clothes to be cleaned.

To streamline operations, the Company will use state of the art digital technology. This will include having all machines operate on a card-based system, wherein customers can access a kiosk to place value on their cards. This will drastically improve profit margins. Furthermore, the state of the art digital equipment will also allow the Company to know wedding machine needs maintenance.

The Company's wash and fold services will be the centerpiece of the business' operations. The business will maintain a delivery van that will travel throughout Bristol County to pick up client's clothes which we washed at the facilities and returns later in the day. There will be modest additional fees for providing this additional level of convenience. As noted earlier, this is an incredibly important part of the Company's growth plan as it will allow the business to expand the scope of its target market radius.

4.0 Overview of the Organization

4.1 Registered Name

Matt's Wash & Fold LLC. The business is registered as a limited liability company in the Commonwealth of Massachusetts.

4.2 Commencement of Operations

Matt's Wash & Fold will start its operations in the third quarter of this year.

4.3 Mission Statement

To provide cost-effective solutions for clothes cleaning.

4.4 Vision Statement

To become recognized as one of the most cost-effective and convenient locations for laundromat services in Bristol County.

4.5 Organizational Objectives

- Use state-of-the-art machines and digital payment technologies in order to streamline operations and reduce employee expenditures.
- Use multiple forms of marketing to drive substantial interest in the business.
- Conduct direct outreach with residential property management firms that will provide referrals to Matt's Wash & Fold.
- Continue to acquire vehicle assets that will allow the business to engage and pickup and delivery over a wider geographic area.
- After the fifth year of operations, source additional economically viable locations within Massachusetts for secondary locations.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

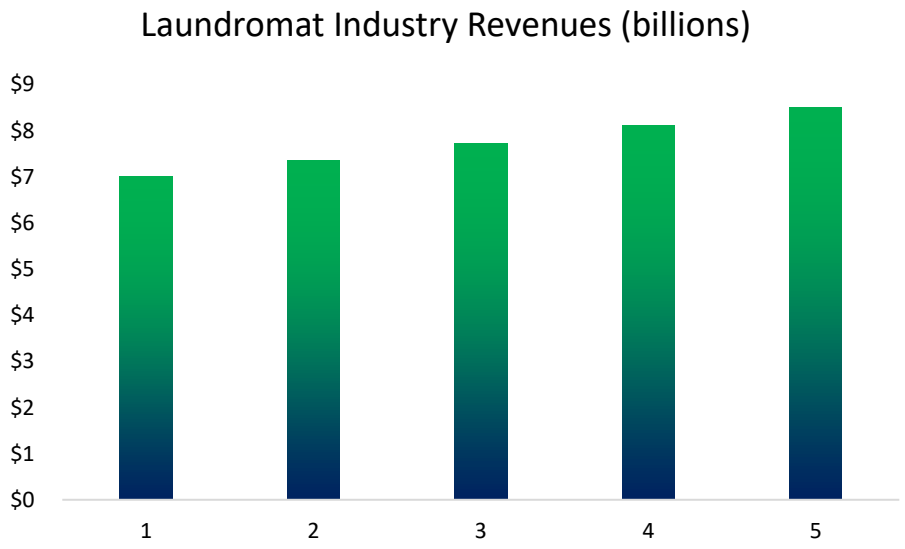
This section of the laundromat business plan will focus on the industry, current economic climate, the demographic of people using the facilities, and the ongoing competition at the business will face.

At this time, the economic climate within the United States is moderate, although there is a certain degree of concern regarding inflation. The Federal Reserve as well as the United States Treasury are implementing appropriate policies to ensure that inflation is abated while also addressing issues with the unemployment rate.

It should be noted that any issues with the economy will only have a negligible impact on the Company's ability to generate revenue. Clean clothes are an absolute necessity, and the business is providing a cost-effective solution for completing the washing process.

5.2 Industry Analysis

As of this year, there are 20,000 companies that provide access to laundry facilities. These companies generate $7 billion per annum aggregately, and the industry employees 55,000 people.



One of the major trends within this industry is to implement digital payment technologies so that individuals do not need to use change in order to use the machines. Furthermore, this is technology extends to understanding when routine maintenance is required.

5.3 Customer Profile

The demographic profile is noted:

- Annual household not exceeding $70,000.
- Will spend $10 per visit (per person)
- Lives within 3 miles of the Matt's Wash & Fold location (for direct services)
- Lives within 15 miles (for pick-up and delivery services)

5.4 Competitive Analysis

The business will face ongoing competition among highly established laundromats within this market. The Company will maintain a differentiating factor by offering pick-up services while also remaining pricing competitive

6.0 Key Strategic Issues

6.1 Sustainable Operations

Matt's Wash & Fold will have sustainable operations as a result of the following:

- Limited competition among laundromats within the Bristol County area that offered the same scope of services as the Company.
- An experienced owner, Matthew Deutsch, that has operated several laundromat and dry-cleaning facilities in the past.
- The business will have very straightforward payroll costs as only one individual will need to be on sale and any given time.
- The ability to provide pickup and delivery services will provide a major competitive advantage and differentiating factor.

6.2 Basis of Growth

The Company will expand via the following methods:

- Development of additional locations within the greater Bristol County market.
- Continued expansion of the Company's pickup and delivery services as this will allow the company to operate within a 15-mile target market radius.
- Continued referral relationship development with apartment complexes and residential property management firms.

7.0 Marketing Plan

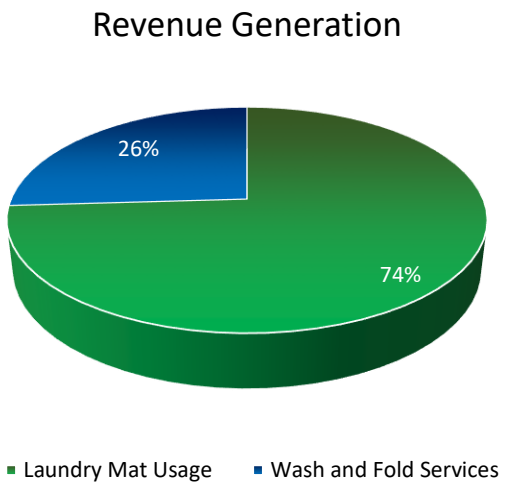
7.1 Marketing Objectives

- Engaged in a number of pre-launch marketing campaigns that will create significant awareness for Matt's Wash & Fold.
- Aggressively market the Company's services among apartment buildings and multifamily units within Bristol County.
- Maintain a moderate scale online presence that the business can be found quickly when relevant searches are conducted.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	**1**	**2**	**3**	**4**	**5**
Laundry Mat Usage	$201,000	$213,060	$225,844	$239,394	$253,758
Wash and Fold Services	$70,350	$74,571	$79,045	$83,788	$88,815
Totals	**$271,350**	**$287,631**	**$304,889**	**$323,182**	**$342,573**

Gross Profit					
Year	1	2	3	4	5
Total	**$244,215**	**$258,868**	**$274,400**	**$290,864**	**$308,316**



7.3 Revenue Assumptions

Year 1

- Matt's Wash & Fold will launch operations in the third quarter.
- Revenue will reach $271,000.

Year 2

- The Company will expand the scope of its pick-up and delivery operations.
- Revenue will reach $287,000.

Years 3-5

- At the end of Year 5, revenue will reach $342,000.
- The business may establish additional laundromat locations.

7.4 Marketing Strategies

Most importantly, Management sourced a highly visible location within Bristol County that will feature substantial exterior signage. This will make it abundantly clear to all passersby that this is a laundromat facility.

To complement this aspect of the Company's general marketing operations, Management will conduct extensive direct outreach with apartment complex complexes and residential property management firms that will provide ongoing referrals to their tenants. The business will exclusively conduct this type of direct outreach with housing facilities that do not maintain their own internal washing and drying machines.

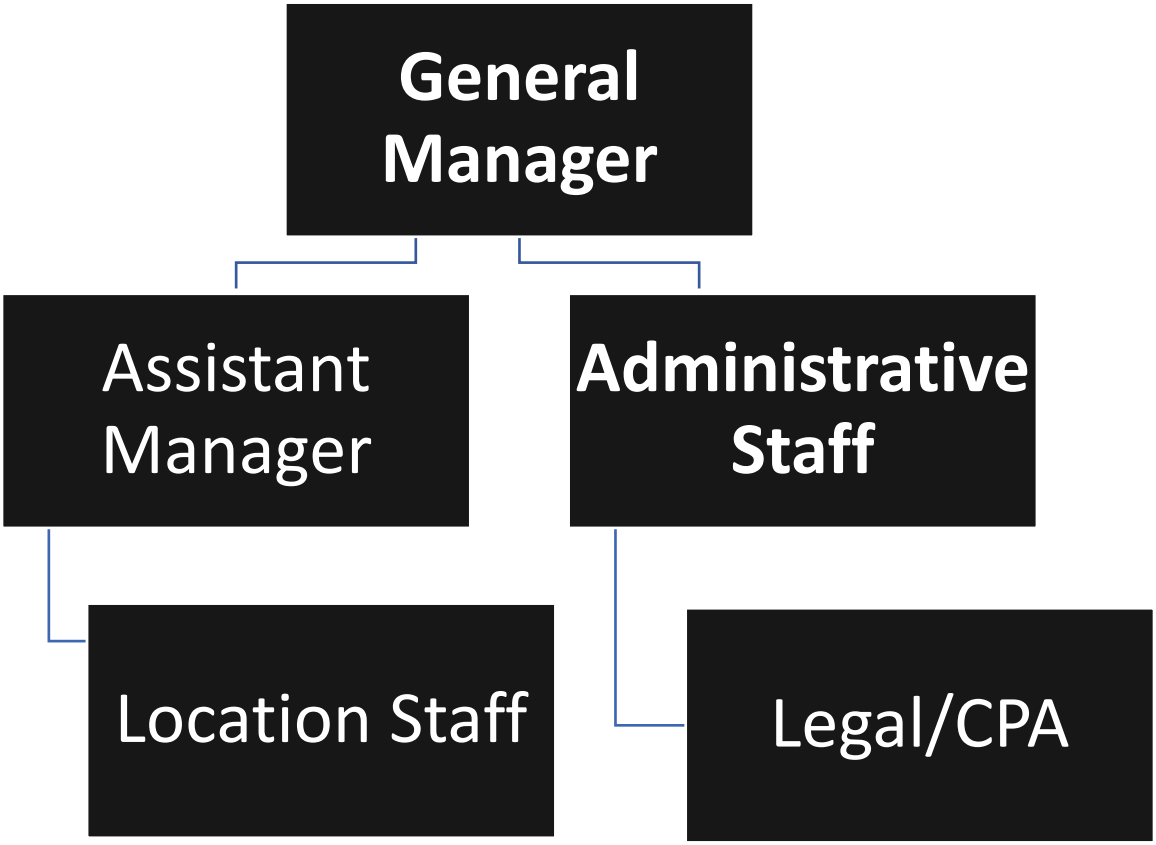
The business will also distribute mailed advertisements within tenants of apartment buildings that are known to not have clothes washing facilities.

In regards to the Company's website, this platform will showcase the state-of-the-art washers and dryers that are available at Matt's Wash & Fold. This platform will undergo a modern degree of search engine optimization specific for the Bristol County market so that relevant searches are conducted - the website will be frequently shown in the results. This type of marketing will start to occur during the development.

Beyond providing services for the general public, the Company may also provide commercial clothes cleaning, especially among food service businesses within the Bristol County area. As the business establishes its foothold in this market, this is an outstanding way to expand the Company's revenue base.

8.0 Organizational Plan

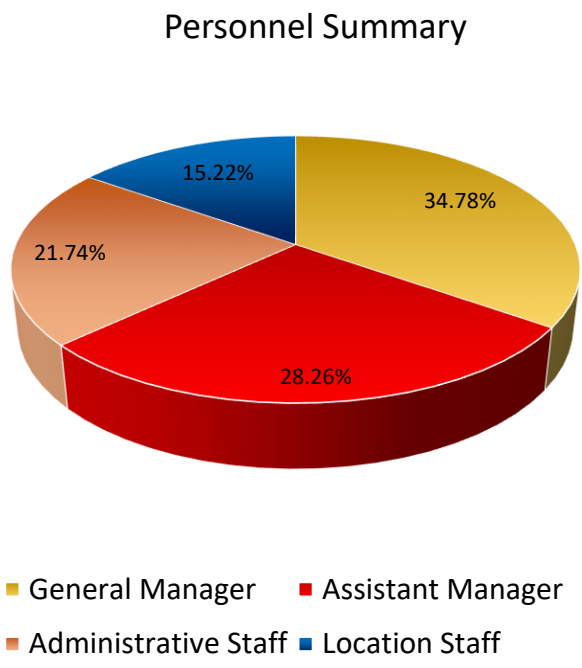
8.1 Organizational Hierarchy



8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
General Manager	$40,000	$40,400	$40,804	$41,212	$41,624
Assistant Manager	$32,500	$32,825	$33,153	$33,485	$33,820
Administrative Staff	$25,000	$25,250	$25,503	$25,758	$26,015
Location Staff	$17,500	$17,675	$17,852	$18,030	$18,211
Total	**$115,000**	**$116,150**	**$117,312**	**$118,485**	**$119,669**

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



9.0 Financial Plan

9.1 Underlying Assumptions

- The Company will acquire $190,000 of debt capital to establish operations.
- Matthew Deutsch will contribute $40,000 to the venture.
- Matt's Wash & Fold will achieve a compounded annual growth rate of 6%.

9.2 Financial Highlights

- The Company will achieve contribution margins of 90% on all cleaning services.
- The business has moderately low operating cost will ensure that profitability will occur quickly.

9.3 Sensitivity Analysis

Even during severe economic recessions, the demand for comprehensive clothes cleaning services remains strong. As this is an absolute necessity, laundromats operate with a substantial degree of economic stability. As shown in this document, the Company will have relatively low operating costs that will ensure that the business is able to remain profitable even during economic recession or high inflation.

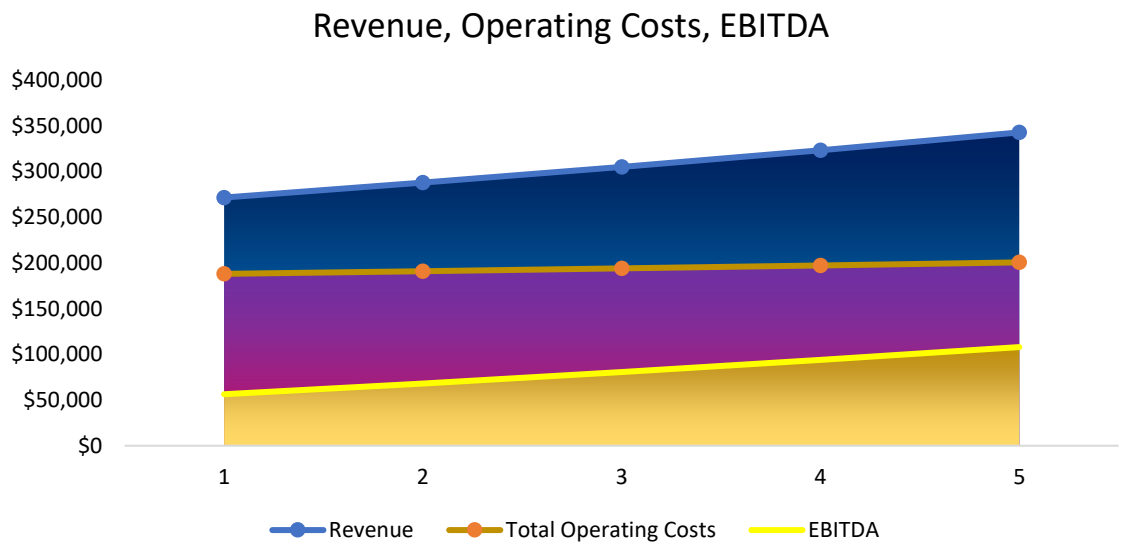
9.4 Source of Funds

Financing	
Equity	
Equity Capitalization	$40,000.00
Total Equity Financing	$40,000.00
Banks and Lenders	
Business Loan	$190,000.00
Total Debt Financing	$190,000.00
Total Financing	**$230,000.00**

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	$271,350	$287,631	$304,889	$323,182	$342,573
Cost of Revenue	$27,135	$28,763	$30,489	$32,318	$34,257
Gross Margin	90.00%	90.00%	90.00%	90.00%	90.00%
Gross Profit	$244,215	$258,868	$274,400	$290,864	$308,316
Expenses					
Payroll	$115,000	$116,150	$117,312	$118,485	$119,669
Facility Costs	$36,000	$36,360	$36,724	$37,091	$37,462
General and Administrative	$5,427	$5,753	$6,098	$6,464	$6,851
Professional Fees and Licensure	$2,500	$2,525	$2,550	$2,576	$2,602
Insurance	$3,500	$3,535	$3,570	$3,606	$3,642
Marketing	$5,970	$6,328	$6,708	$7,110	$7,537
Equipment Maintenance	$8,683	$9,204	$9,756	$10,342	$10,962
Misc. Costs	$2,035	$2,157	$2,287	$2,424	$2,569
Payroll Taxes	$8,798	$8,885	$8,974	$9,064	$9,155
Total Operating Costs	**$187,913**	**$190,897**	**$193,978**	**$197,161**	**$200,449**
EBITDA	**$56,302**	**$67,970**	**$80,422**	**$93,703**	**$107,867**
Federal Income Tax	$8,274	$11,185	$14,294	$17,614	$21,159
State Income Tax	$1,655	$2,237	$2,859	$3,523	$4,232
Interest Expense	$16,005	$15,671	$15,307	$14,911	$14,480
Depreciation Expenses	$7,200	$7,560	$7,938	$8,335	$8,752
Net Profit	**$23,168**	**$31,318**	**$40,024**	**$49,320**	**$59,244**
Profit Margin	**8.54%**	**10.89%**	**13.13%**	**15.26%**	**17.29%**

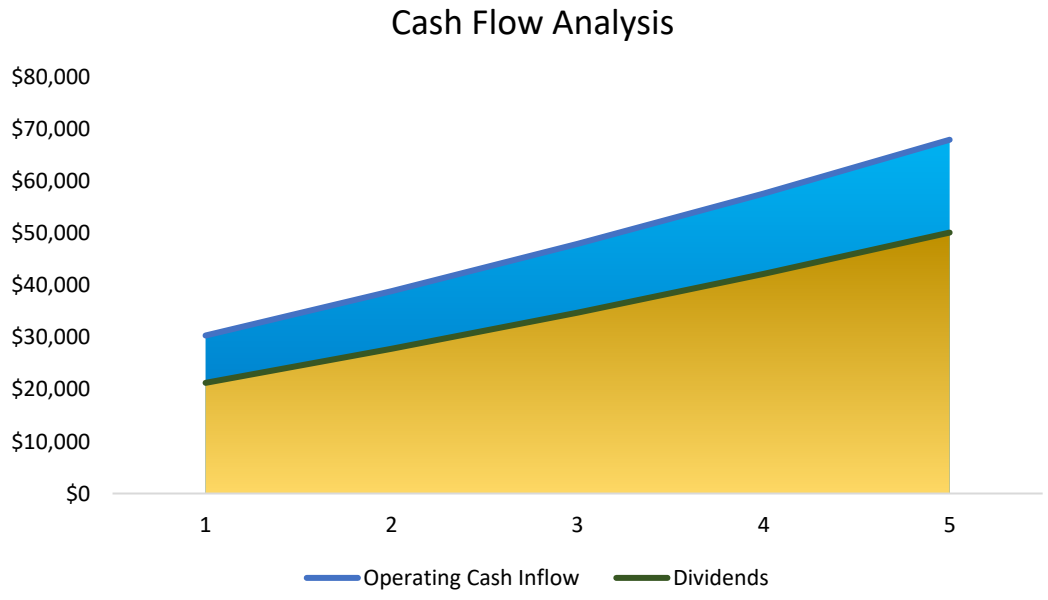


B) Common Size Income Statement

Proforma Profit and Loss (Common Size)					
Year	1	2	3	4	5
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Revenue	10.00%	10.00%	10.00%	10.00%	10.00%
Gross Profit	90.00%	90.00%	90.00%	90.00%	90.00%
Expenses					
Payroll	42.38%	40.38%	38.48%	36.66%	34.93%
Facility Costs	13.27%	12.64%	12.04%	11.48%	10.94%
General and Administrative	2.00%	2.00%	2.00%	2.00%	2.00%
Professional Fees and Licensure	0.92%	0.88%	0.84%	0.80%	0.76%
Insurance	1.29%	1.23%	1.17%	1.12%	1.06%
Marketing	2.20%	2.20%	2.20%	2.20%	2.20%
Equipment Maintenance	3.20%	3.20%	3.20%	3.20%	3.20%
Misc. Costs	0.75%	0.75%	0.75%	0.75%	0.75%
Payroll Taxes	3.24%	3.09%	2.94%	2.80%	2.67%
Total Operating Costs	69.25%	66.37%	63.62%	61.01%	58.51%
EBITDA	20.75%	23.63%	26.38%	28.99%	31.49%
Federal Income Tax	3.05%	3.89%	4.69%	5.45%	6.18%
State Income Tax	0.61%	0.78%	0.94%	1.09%	1.24%
Interest Expense	5.90%	5.45%	5.02%	4.61%	4.23%
Depreciation Expenses	2.65%	2.63%	2.60%	2.58%	2.55%
Net Profit	8.54%	10.89%	13.13%	15.26%	17.29%

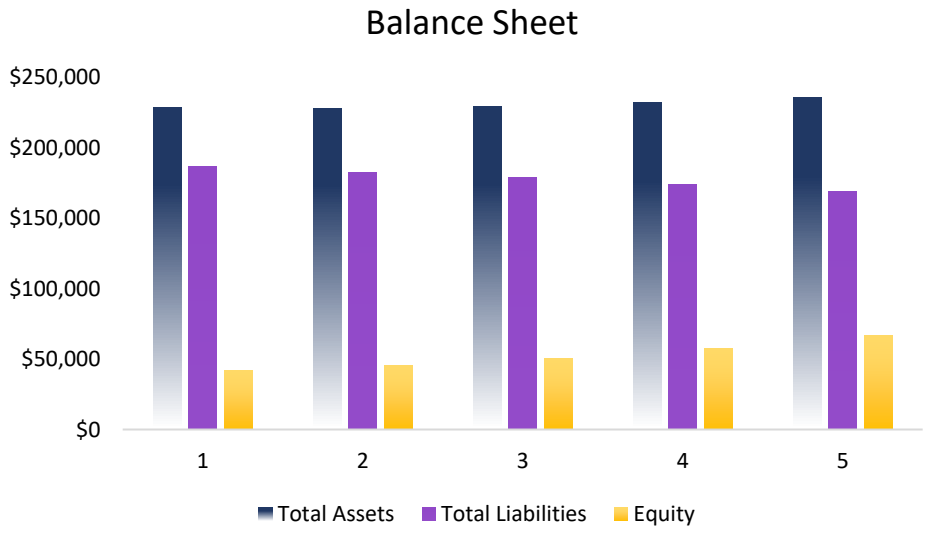
C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	$30,368	$38,878	$47,962	$57,655	$67,996
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$30,368**	**$38,878**	**$47,962**	**$57,655**	**$67,996**
Other Cash Inflows					
Equity Investment	$40,000	$0	$0	$0	$0
Increased Borrowings	$190,000	$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	**$231,000**	**$1,050**	**$1,103**	**$1,158**	**$1,216**
Total Cash Inflow	**$261,368**	**$39,928**	**$49,064**	**$58,813**	**$69,212**
Cash Outflows					
Repayment of Principal	$3,781	$4,116	$4,479	$4,875	$5,306
A/P Decreases	$700	$735	$772	$810	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$180,000	$1,944	$2,398	$2,883	$3,400
Dividends	$21,269	$27,810	$34,786	$42,224	$50,152
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$205,751**	**$34,604**	**$42,435**	**$50,792**	**$59,709**
Net Cash Flow	**$55,617**	**$5,324**	**$6,629**	**$8,020**	**$9,503**
Cash Balance	**$55,617**	**$60,941**	**$67,570**	**$75,590**	**$85,093**



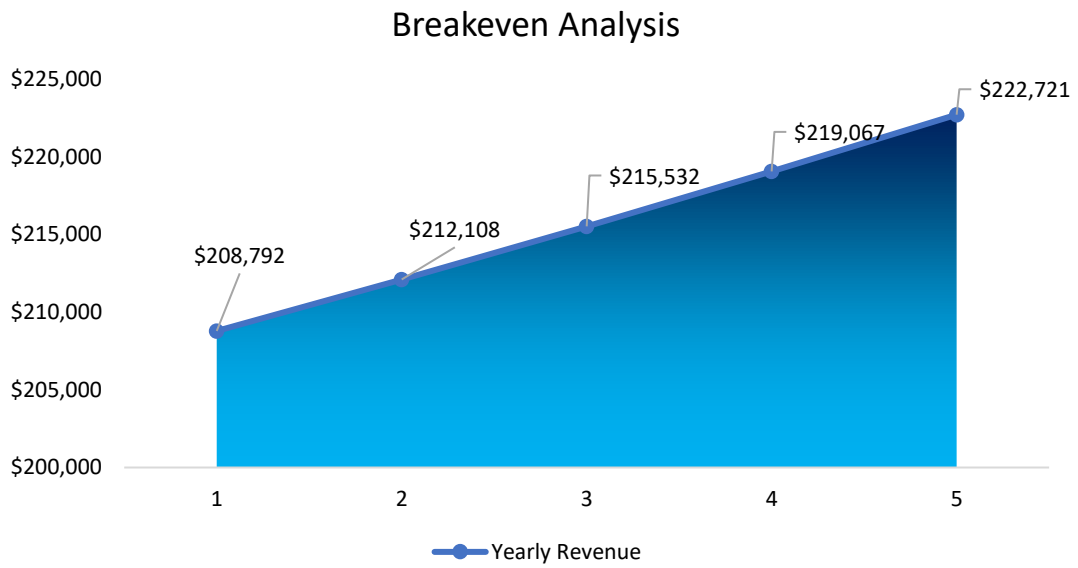
D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	$55,617	$60,941	$67,570	$75,590	$85,093
Fixed Assets	$180,000	$181,944	$184,342	$187,225	$190,625
Accumulated Depreciation	($7,200)	($14,760)	($22,698)	($31,033)	($39,785)
Total Assets	**$228,417**	**$228,125**	**$229,214**	**$231,782**	**$235,933**
Liabilities and Equity					
Accounts Payable	$300	$615	$946	$1,293	$1,658
Long Term Liabilities	$186,219	$182,103	$177,623	$172,748	$167,442
Other Liabilities	$0	$0	$0	$0	$0
Total Liabilities	**$186,519**	**$182,718**	**$178,569**	**$174,041**	**$169,099**
Equity	**$41,899**	**$45,407**	**$50,645**	**$57,741**	**$66,834**
Total Liabilities and Equity	**$228,417**	**$228,125**	**$229,214**	**$231,782**	**$235,933**



9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	$17,399	$17,676	$17,961	$18,256	$18,560
Yearly Revenue	$208,792	$212,108	$215,532	$219,067	$222,721



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Revenue					
Sales Growth	0.0%	6.0%	6.0%	6.0%	6.0%
Gross Margin	90.0%	90.0%	90.0%	90.0%	90.0%
Financials					
Profit Margin	8.54%	10.89%	13.13%	15.26%	17.29%
Assets to Liabilities	1.22	1.25	1.28	1.33	1.40
Equity to Liabilities	0.22	0.25	0.28	0.33	0.40
Assets to Equity	5.45	5.02	4.53	4.01	3.53
Liquidity					
Acid Test	0.30	0.33	0.38	0.43	0.50
Cash to Assets	0.24	0.27	0.29	0.33	0.36

Appendix A – SWOT Analysis

Strengths

- The ability to provide wash and full services with integrated delivery capabilities will lead to rapid onboarding of customers.
- Low operating cost when ensure that profitability is reached quickly, especially as the business concurrently uses streamlined technologies to manage operations.
- Limited competition that is directly within the Company's target market radius.
- The operations of laundromat businesses are highly stable.

Weaknesses

- These businesses have low barriers to entry, and a competitor could establish a similar location within the target market radius.
- Changes in utility cost can impact profitability given that this is an energy intensive business.

Opportunities

- Establishment of additional locations within Bristol County or other areas of Massachusetts.
- Continued acquisition of vans that can facilitate a greater number of wash and fold engagements through pick-up and delivery.
- Expansion of operations to include commercial uniform cleaning.

Threats

- Continued and unexpected increases in inflation could impact the probability of the business.

Appendix B – Critical Risks

Development Risk – **Low**
Matthew Deutsch has already sourced the appropriate location for Matt's Wash & Fold. The primary matter that needs to be addressed to securing the funding sought in this document in order to commence operations in the third quarter of this year.

Financing Risk – **Low/Moderate**
The vast majority of the $190,000 a capital discussed in this document will allow the business will be secured by washing machines, dryers, and other operational assets. The highly predictable nature of the Company's revenue will reduce financing risks.

Marketing Risk **– Low**
The company will continue to expand on its direct outreach initiatives with apartment complex owners and residential property managers to drive traffic to the location. This will be complimented with the online marketing campaigns and mailed advertisements.

Management Risk – **Low**
Matthew Deutsch is a highly experienced entrepreneur that has extensive experiencing operating laundromats and dry-cleaning businesses. He will be able to properly complete the build out of the location while showcasing the services to the general public.

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

- The Company will produce income on a continuous basis from ongoing usage of the laundromat.
- The business will have the ability to expand its target market radius through pick up and delivery services.
- The business can expand its operations to provide commercial laundry services.

Exit Risk **- Low**
Laundromat businesses carry a moderate price to earnings premium given their relatively low risk as well as their substantial profit margins. As noted earlier, in the event that the business is to be sold, the Company will coordinate these efforts with several business sales professionals in order to have a seamless transition. This event is not expected to occur for at least eight years.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	**$18,900**	**$19,575**	**$20,250**	**$20,925**	**$21,600**	**$22,275**	**$22,950**
Cost of Revenue	$1,890	$1,958	$2,025	$2,093	$2,160	$2,228	$2,295
Gross Profit	$17,010	$17,618	$18,225	$18,833	$19,440	$20,048	$20,655
Expenses							
Payroll	$9,583	$9,583	$9,583	$9,583	$9,583	$9,583	$9,583
Facility Costs	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
General and Administrative	$452	$452	$452	$452	$452	$452	$452
Professional Fees and Licensure	$208	$208	$208	$208	$208	$208	$208
Insurance	$292	$292	$292	$292	$292	$292	$292
Marketing	$497	$497	$497	$497	$497	$497	$497
Equipment Maintenance	$724	$724	$724	$724	$724	$724	$724
Misc. Costs	$170	$170	$170	$170	$170	$170	$170
Payroll Taxes	$733	$733	$733	$733	$733	$733	$733
Total Operating Costs	$15,659	$15,659	$15,659	$15,659	$15,659	$15,659	$15,659
EBITDA	$1,351	$1,958	$2,566	$3,173	$3,781	$4,388	$4,996
Federal Income Tax	$576	$597	$617	$638	$659	$679	$700
State Income Tax	$115	$119	$123	$128	$132	$136	$140
Interest Expense	$1,346	$1,344	$1,342	$1,339	$1,337	$1,335	$1,333
Depreciation Expenses	$600	$600	$600	$600	$600	$600	$600
Net Profit	-$1,287	-$702	-$117	$468	$1,053	$1,638	$2,223

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
Revenue	**$23,625**	**$24,300**	**$24,975**	**$25,650**	**$26,325**	**$271,350**
Cost of Revenue	$2,363	$2,430	$2,498	$2,565	$2,633	$27,135
Gross Profit	$21,263	$21,870	$22,478	$23,085	$23,693	$244,215
Expenses						
Payroll	$9,583	$9,583	$9,583	$9,583	$9,583	$115,000
Facility Costs	$3,000	$3,000	$3,000	$3,000	$3,000	$36,000
General and Administrative	$452	$452	$452	$452	$452	$5,427
Professional Fees and Licensure	$208	$208	$208	$208	$208	$2,500
Insurance	$292	$292	$292	$292	$292	$3,500
Marketing	$497	$497	$497	$497	$497	$5,970
Equipment Maintenance	$724	$724	$724	$724	$724	$8,683
Misc. Costs	$170	$170	$170	$170	$170	$2,035
Payroll Taxes	$733	$733	$733	$733	$733	$8,798
Total Operating Costs	$15,659	$15,659	$15,659	$15,659	$15,659	$187,913
EBITDA	$5,603	$6,211	$6,818	$7,426	$8,033	$56,302
Federal Income Tax	$720	$741	$762	$782	$803	$8,274
State Income Tax	$144	$148	$152	$156	$161	$1,655
Interest Expense	$1,330	$1,328	$1,326	$1,324	$1,321	$16,005
Depreciation Expenses	$600	$600	$600	$600	$600	$7,200
Net Profit	$2,808	$3,393	$3,978	$4,563	$5,148	$23,168

Profit and Loss Statement (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Revenue	$69,751	$71,189	$72,627	$74,065	$287,631
Cost of Revenue	$6,975	$7,119	$7,263	$7,406	$28,763
Gross Profit	**$62,775**	**$64,070**	**$65,364**	**$66,658**	**$258,868**
Expenses					
Payroll	$29,038	$29,038	$29,038	$29,038	$116,150
Facility Costs	$9,090	$9,090	$9,090	$9,090	$36,360
General and Administrative	$1,395	$1,424	$1,453	$1,481	$5,753
Professional Fees and Licensure	$612	$625	$638	$650	$2,525
Insurance	$884	$884	$884	$884	$3,535
Marketing	$1,535	$1,566	$1,598	$1,629	$6,328
Equipment Maintenance	$2,301	$2,301	$2,301	$2,301	$9,204
Misc. Costs	$523	$534	$545	$555	$2,157
Payroll Taxes	$2,155	$2,199	$2,244	$2,288	$8,885
Total Operating Costs	**$47,532**	**$47,660**	**$47,788**	**$47,917**	**$190,897**
EBITDA	**$15,243**	**$16,410**	**$17,576**	**$18,742**	**$67,970**
Federal Income Tax	$2,712	$2,768	$2,824	$2,880	$11,185
State Income Tax	$542	$554	$565	$576	$2,237
Interest Expense	$3,950	$3,929	$3,907	$3,885	$15,671
Depreciation Expenses	$1,890	$1,890	$1,890	$1,890	$7,560
Net Profit	**$6,149**	**$7,269**	**$8,390**	**$9,511**	**$31,318**

Profit and Loss Statement (Third Year)					
		Year 3			
Quarter	Q1	Q2	Q3	Q4	Year 3
Revenue	$73,936	$75,460	$76,984	$78,509	$304,889
Cost of Revenue	$7,394	$7,546	$7,698	$7,851	$30,489
Gross Profit	**$66,542**	**$67,914**	**$69,286**	**$70,658**	**$274,400**
Expenses					
Payroll	$29,328	$29,328	$29,328	$29,328	$117,312
Facility Costs	$9,181	$9,181	$9,181	$9,181	$36,724
General and Administrative	$1,479	$1,509	$1,540	$1,570	$6,098
Professional Fees and Licensure	$618	$631	$644	$657	$2,550
Insurance	$893	$893	$893	$893	$3,570
Marketing	$1,627	$1,660	$1,694	$1,727	$6,708
Equipment Maintenance	$2,439	$2,439	$2,439	$2,439	$9,756
Misc. Costs	$555	$566	$577	$589	$2,287
Payroll Taxes	$2,244	$2,244	$2,244	$2,244	$8,974
Total Operating Costs	**$48,362**	**$48,451**	**$48,539**	**$48,627**	**$193,978**
EBITDA	**$18,180**	**$19,463**	**$20,747**	**$22,031**	**$80,422**
Federal Income Tax	$3,466	$3,538	$3,609	$3,681	$14,294
State Income Tax	$693	$708	$722	$736	$2,859
Interest Expense	$3,862	$3,839	$3,815	$3,791	$15,307
Depreciation Expenses	$1,985	$1,985	$1,985	$1,985	$7,938
Net Profit	**$8,174**	**$9,395**	**$10,617**	**$11,839**	**$40,024**

Profit and Loss Statement (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Revenue	$78,372	$79,988	$81,604	$83,219	$323,182
Cost of Revenue	$7,837	$7,999	$8,160	$8,322	$32,318
Gross Profit	**$70,535**	**$71,989**	**$73,443**	**$74,897**	**$290,864**
Expenses					
Payroll	$29,621	$29,621	$29,621	$29,621	$118,485
Facility Costs	$9,273	$9,273	$9,273	$9,273	$37,091
General and Administrative	$1,567	$1,600	$1,632	$1,664	$6,464
Professional Fees and Licensure	$625	$637	$650	$663	$2,576
Insurance	$902	$902	$902	$902	$3,606
Marketing	$1,724	$1,760	$1,795	$1,831	$7,110
Equipment Maintenance	$2,585	$2,585	$2,585	$2,585	$10,342
Misc. Costs	$588	$600	$612	$624	$2,424
Payroll Taxes	$2,266	$2,266	$2,266	$2,266	$9,064
Total Operating Costs	**$49,151**	**$49,244**	**$49,337**	**$49,429**	**$197,161**
EBITDA	**$21,384**	**$22,745**	**$24,107**	**$25,468**	**$93,703**
Federal Income Tax	$4,271	$4,360	$4,448	$4,536	$17,614
State Income Tax	$854	$872	$890	$907	$3,523
Interest Expense	$3,766	$3,741	$3,715	$3,689	$14,911
Depreciation Expenses	$2,084	$2,084	$2,084	$2,084	$8,335
Net Profit	**$10,408**	**$11,689**	**$12,971**	**$14,253**	**$49,320**

Profit and Loss Statement (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Revenue	$83,074	$84,787	$86,500	$88,213	$342,573
Cost of Revenue	$8,307	$8,479	$8,650	$8,821	$34,257
Gross Profit	**$74,767**	**$76,308**	**$77,850**	**$79,391**	**$308,316**
Expenses					
Payroll	$29,917	$29,917	$29,917	$29,917	$119,669
Facility Costs	$9,365	$9,365	$9,365	$9,365	$37,462
General and Administrative	$1,661	$1,696	$1,730	$1,764	$6,851
Professional Fees and Licensure	$631	$644	$657	$670	$2,602
Insurance	$911	$911	$911	$911	$3,642
Marketing	$1,828	$1,865	$1,903	$1,941	$7,537
Equipment Maintenance	$2,741	$2,741	$2,741	$2,741	$10,962
Misc. Costs	$623	$636	$649	$662	$2,569
Payroll Taxes	$2,289	$2,289	$2,289	$2,289	$9,155
Total Operating Costs	**$49,966**	**$50,063**	**$50,161**	**$50,259**	**$200,449**
EBITDA	**$24,801**	**$26,245**	**$27,689**	**$29,132**	**$107,867**
Federal Income Tax	$5,131	$5,237	$5,343	$5,448	$21,159
State Income Tax	$1,026	$1,047	$1,069	$1,090	$4,232
Interest Expense	$3,662	$3,634	$3,606	$3,578	$14,480
Depreciation Expenses	$2,188	$2,188	$2,188	$2,188	$8,752
Net Profit	**$12,794**	**$14,138**	**$15,483**	**$16,829**	**$59,244**

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	-$687	-$102	$483	$1,068	$1,653	$2,238	$2,823	$3,408
Cash From Receivables	$0	$0	$0	$0	$0	$0	$0	$0
Operating Cash Inflow	-$687	-$102	$483	$1,068	$1,653	$2,238	$2,823	$3,408
Other Cash Inflows								
Equity Investment	$40,000	$0	$0	$0	$0	$0	$0	$0
Increased Borrowings	$190,000	$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	**$230,083**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**	**$83**
Total Cash Inflow	**$229,397**	**-$19**	**$566**	**$1,151**	**$1,736**	**$2,321**	**$2,906**	**$3,491**
Cash Outflows								
Repayment of Principal	$303	$305	$307	$310	$312	$314	$316	$318
A/P Decreases	$58	$58	$58	$58	$58	$58	$58	$58
A/R Increases	$0	$0	$0	$0	$0	$0	$0	$0
Asset Purchases	$180,000	$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	**$180,361**	**$364**	**$366**	**$368**	**$370**	**$372**	**$374**	**$377**
Net Cash Flow	**$49,035**	**-$382**	**$201**	**$784**	**$1,366**	**$1,949**	**$2,532**	**$3,115**
Cash Balance	**$49,035**	**$48,653**	**$48,854**	**$49,637**	**$51,004**	**$52,953**	**$55,485**	**$58,600**

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	$3,993	$4,578	$5,163	$5,748	$30,368
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$3,993**	**$4,578**	**$5,163**	**$5,748**	**$30,368**
Other Cash Inflows					
Equity Investment	$0	$0	$0	$0	$40,000
Increased Borrowings	$0	$0	$0	$0	$190,000
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	$231,000
Total Cash Inflow	**$4,077**	**$4,662**	**$5,247**	**$5,832**	**$261,368**
Cash Outflows					
Repayment of Principal	$321	$323	$325	$327	$3,781
A/P Decreases	$58	$58	$58	$58	$700
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$0	$0	$0	$0	$180,000
Dividends	$0	$0	$0	$21,269	$21,269
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$379**	**$381**	**$384**	**$21,655**	**$205,751**
Net Cash Flow	**$3,698**	**$4,280**	**$4,863**	**-$15,824**	**$55,617**
Cash Balance	**$62,297**	**$66,578**	**$71,441**	**$55,617**	**$55,617**

Cash Flow Analysis (Second Year)					
		Year 2			
Quarter	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	$8,039	$9,159	$10,280	$11,401	$38,878
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$8,039**	**$9,159**	**$10,280**	**$11,401**	**$38,878**
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	**$8,293**	**$9,419**	**$10,545**	**$11,671**	**$39,928**
Cash Outflows					
Repayment of Principal	$996	$1,018	$1,040	$1,062	$4,116
A/P Decreases	$178	$182	$186	$189	$735
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$1,944	$0	$0	$0	$1,944
Dividends	$0	$0	$0	$27,810	$27,810
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$3,119**	**$1,200**	**$1,225**	**$29,061**	**$34,604**
Net Cash Flow	**$5,175**	**$8,219**	**$9,320**	**-$17,390**	**$5,324**
Cash Balance	**$60,792**	**$69,011**	**$78,331**	**$60,941**	**$60,941**

Cash Flow Analysis (Third Year)					
		Year 3			
Quarter	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	$10,158	$11,379	$12,601	$13,823	$47,962
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$10,158**	**$11,379**	**$12,601**	**$13,823**	**$47,962**
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	**$10,425**	**$11,652**	**$12,879**	**$14,107**	**$49,064**
Cash Outflows					
Repayment of Principal	$1,085	$1,108	$1,131	$1,156	$4,479
A/P Decreases	$187	$191	$195	$199	$772
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$2,398	$0	$0	$0	$2,398
Dividends	$0	$0	$0	$34,786	$34,786
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$3,670**	**$1,299**	**$1,326**	**$36,140**	**$42,435**
Net Cash Flow	**$6,756**	**$10,353**	**$11,553**	**-$22,033**	**$6,629**
Cash Balance	**$67,697**	**$78,050**	**$89,603**	**$67,570**	**$67,570**

Cash Flow Analysis (Fourth Year)					
		Year 4			
Quarter	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	$12,492	$13,773	$15,054	$16,336	$57,655
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$12,492**	**$13,773**	**$15,054**	**$16,336**	**$57,655**
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	**$12,772**	**$14,059**	**$15,347**	**$16,634**	**$58,813**
Cash Outflows					
Repayment of Principal	$1,180	$1,206	$1,231	$1,258	$4,875
A/P Decreases	$197	$201	$205	$209	$810
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$2,883	$0	$0	$0	$2,883
Dividends	$0	$0	$0	$42,224	$42,224
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$4,260**	**$1,406**	**$1,436**	**$43,690**	**$50,792**
Net Cash Flow	**$8,513**	**$12,653**	**$13,910**	**-$27,056**	**$8,020**
Cash Balance	**$76,083**	**$88,736**	**$102,646**	**$75,590**	**$75,590**

Cash Flow Analysis (Fifth Year)					
		Year 5			
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	$14,982	$16,326	$17,671	$19,017	$67,996
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$14,982**	**$16,326**	**$17,671**	**$19,017**	**$67,996**
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	**$15,277**	**$16,627**	**$17,978**	**$19,330**	**$69,212**
Cash Outflows					
Repayment of Principal	$1,285	$1,312	$1,340	$1,369	$5,306
A/P Decreases	$206	$211	$215	$219	$851
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$3,400	$0	$0	$0	$3,400
Dividends	$0	$0	$0	$50,152	$50,152
Preferred Equity Payment	$0	$0	$0	$0	$0
Total Cash Outflows	**$4,891**	**$1,523**	**$1,555**	**$51,740**	**$59,709**
Net Cash Flow	**$10,386**	**$15,104**	**$16,423**	**-$32,410**	**$9,503**
Cash Balance	**$85,976**	**$101,081**	**$117,503**	**$85,093**	**$85,093**