

# DEUTSCH



PLUMBING WORKS



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## **1.0 Executive Summary**

The purpose of this business plan is to acquire a \$150,000 revolving credit facility for the development of a plumbing business based in King County, Washington. Deutsch Plumbing Works LLC (“the Company”) was founded this year by Matthew Deutsch with the intention of providing a wide range of plumbing services specific for the needs of both residential properties and commercial properties. Full-scale revenue generating operations will commence in the fourth quarter of this year.

### **Operations**

The primary revenue center for the business will come from ongoing repairs for home plumbing systems for both residential and commercial properties. The Company intends to acquire two vans at the onset of operations in order to provide these services to the King County general public. These operations will produce highly predictable streams of revenue, which will fully support the operations of the business as it expands.

The Company’s second revenue center will come from the ongoing installation of plumbing fixtures and related equipment for new constructions as well as for major renovations. This will be a substantial revenue center for the business which will produce immense profits.

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

### **The Financing**

As noted above, the Company is actively seeking a \$150,000 revolving credit facility in order to commence operations in King County. These funds will be principally used for two van acquisitions, furniture, fixtures, equipment as well as working capital. Matthew Deutsch will contribute \$50,000 towards the development of this plumbing business.

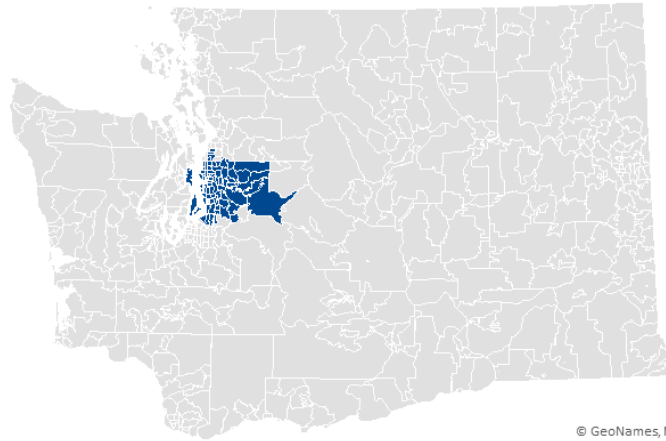
As a Company scales of operations, the business will be a strong candidate for growth focused financing. As the Company takes on larger installation projects for both new construction and renovation, Management could request expansion of its revolving credit facility to facilitate ongoing growth.

### **The Future**

Over the next five years, the Company intends to onboard a number of master plumbers as well as journeyman plumbers that will render services on behalf of the business. This will be the primary way in which the Company scales its operations. Management will also continually acquire new operating assets so the business can expand the scope of its operations throughout Seattle and the greater King County market.

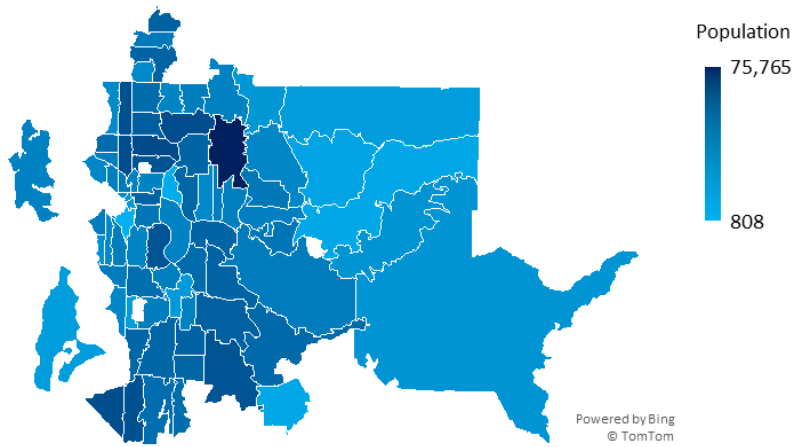
## Market Overview

### Target Market Area



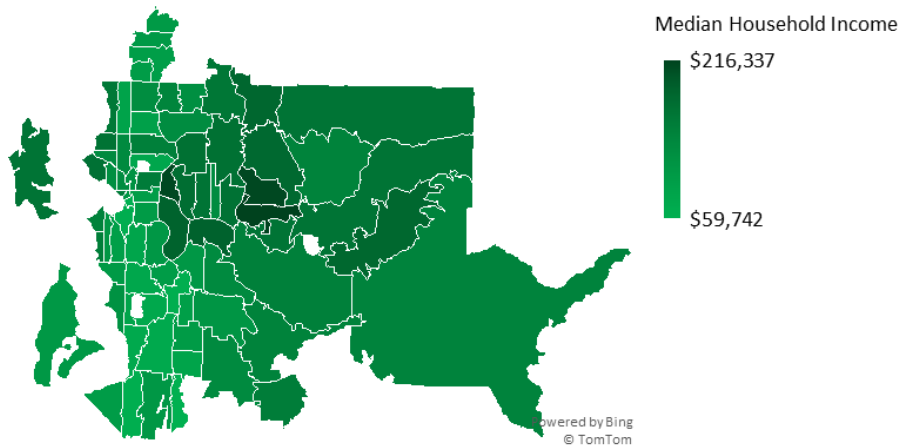
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### Seattle Metropolitan Area Population by Zip Code



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### Seattle Metropolitan Area Median Income

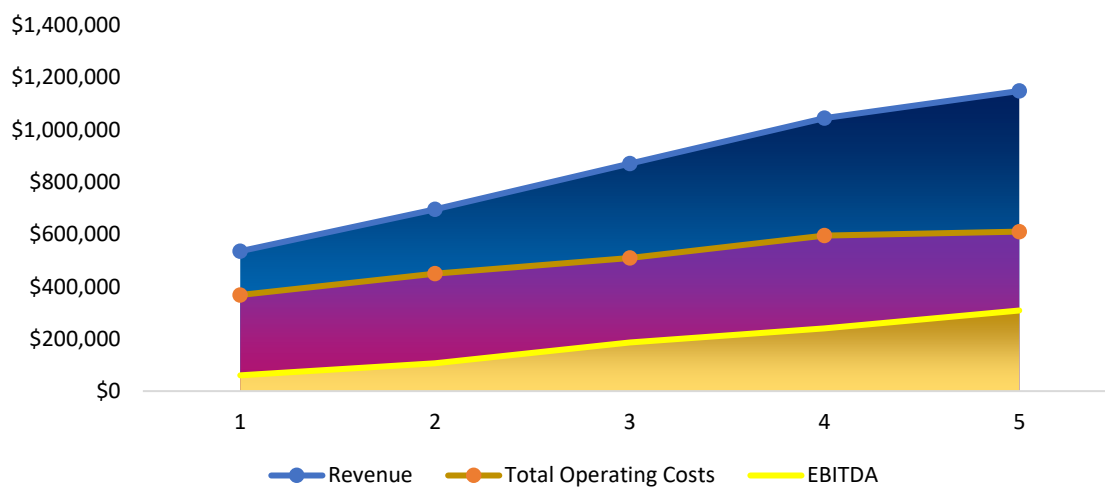


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## Revenue Forecasts

Proforma Profit and Loss					
Year	1	2	3	4	5
<b>Revenue</b>	\$535,500	\$696,150	\$870,188	\$1,044,225	\$1,148,648
Cost of Revenue	\$107,100	\$139,230	\$174,038	\$208,845	\$229,730
<b>Gross Profit</b>	\$428,400	\$556,920	\$696,150	\$835,380	\$918,918
Total Operating Costs	\$367,973	\$449,777	\$509,501	\$594,987	\$610,382
<b>EBITDA</b>	<b>\$60,427</b>	<b>\$107,143</b>	<b>\$186,649</b>	<b>\$240,393</b>	<b>\$308,536</b>

Revenue, Operating Costs, EBITDA





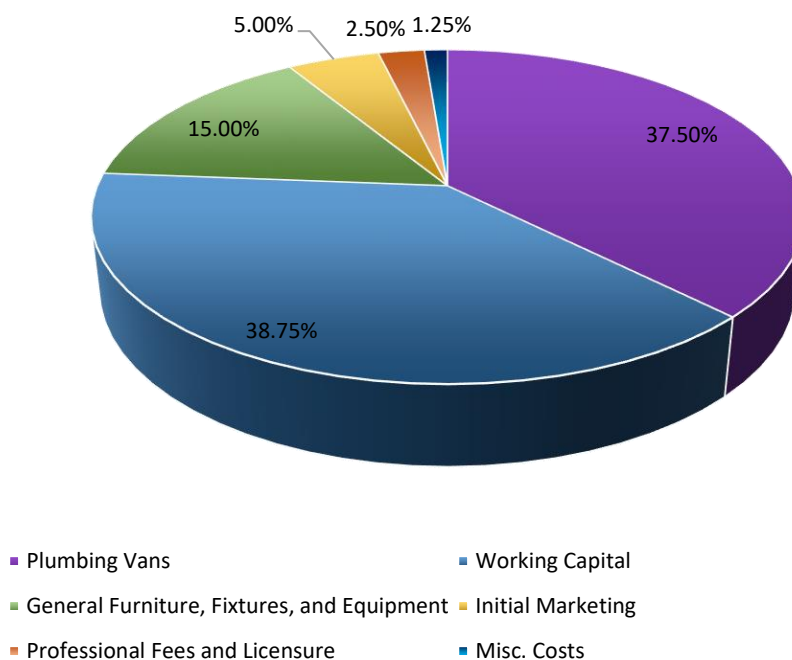
## 2.0 The Financing

### 2.1 Funds Required

The funds discussed in the executive summary will be allocated for the following:

Use of Funds	
Plumbing Vans	\$75,000
Working Capital	\$77,500
General Furniture, Fixtures, and Equipment	\$30,000
Initial Marketing	\$10,000
Professional Fees and Licensure	\$5,000
Misc. Costs	\$2,500
<b>Total</b>	<b>\$200,000</b>

Use of Funds Overview



### 2.2 Management and Investor Equity

Matthew Deutsch is the 100% owner of Deutsch Plumbing Works LLC.

### 2.3 Exit Strategies

As plumbing businesses operate with tremendous degree of economic stability, there is an immense opportunity to sell this business for a significant premium. However, Matthew Deutsch has no intention of selling the business to a third-party contracting enterprise for at least ten years. In this event, a qualified business broker will be hired in order to manage a sale to a qualified third-party.

### 3.0 Operations

As noted in the executive summary, Deutsch Plumbing Works will be actively involved with providing a wide range of plumbing services to the King County market. Most importantly, the highly predictable streams of revenue produced from ongoing plumbing repair repairs will support the operations of the business as it seeks to acquire large scale contracts for major insulation engagements. The Company will typically generate \$100 per hour plus profits on the sales of parts when each repair service is rendered.

In regards to installations, the Company will coordinate with numerous real estate developers as well as property renovators within the King County market. This engagement will typically produce \$10,000 to \$50,000 depending on the types of plumbing fixtures that are required in the property. The services will also extend to commercial properties, which will be a high margin profit center for the Company.

The Company will directly employ its plumbers, which will primarily consist of journeyman level plumbing professionals. These individuals are typically working towards their master's license, and the Company will encourage them to further their profession while working at Deutsch Plumbing Works.



## **4.0 Overview of the Organization**

### **4.1 Registered Name**

Deutsch Plumbing Works LLC. The Company is registered as a limited liability Company in the State of Washington.

### **4.2 Commencement of Operations**

The business will commence full scale operations as a plumbing business in the fourth quarter of this year.

### **4.3 Mission Statement**

To provide comprehensive plumbing services to the King County public.

### **4.4 Vision Statement**

To become a widely respected plumbing enterprise within the King County market that provides repairs and installation on a cost-effective basis.

### **4.5 Organizational Objectives**

- To provide comprehensive plumbing services to the King County public.
- Properly acquire the operating assets discussed earlier in this document to render comprehensive plumbing service services with the King County.
- Onboard journeyman plumbers that will increase the billing of the business on a year-on-year basis.
- Use multiple forms of online advertising to increase brand visibility when searches for plumbers are conducted.
- Maintain ongoing relationships of general contractors that will have Deutsch Plumbing Works operate in a subcontracted capacity.
- Establish relationships with real estate developers that will call on the business to assist with new constructions and renovations.
- Adhere to all safety frameworks regarding providing plumbing services the general public.
- Continue to spend the scope of the Company's operations to include commercial focused plumbing engagements.

## 5.0 Market and Industry Analysis

### 5.1 External Environmental Analysis

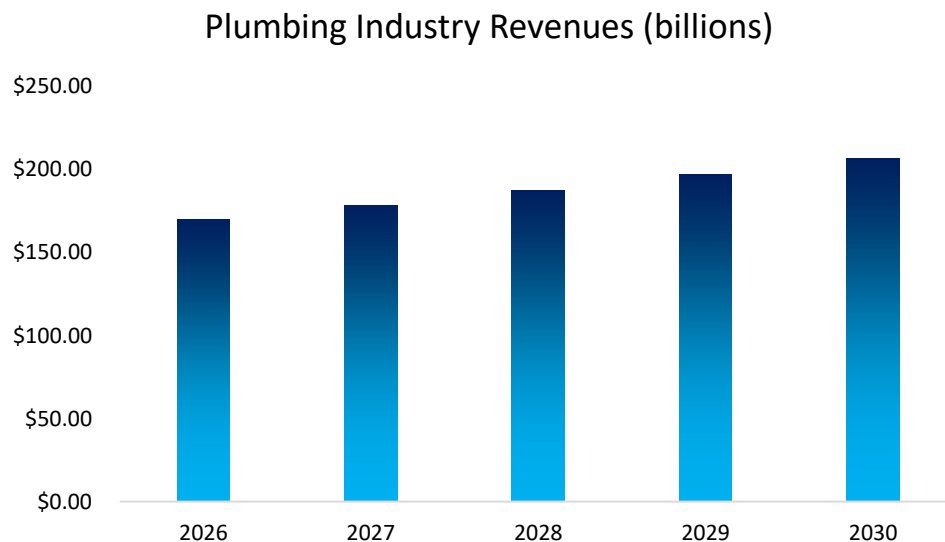
This section of the plumber business plan will focus on the current economic climate, the industry, the demographic profile, and the ongoing competition at the business will face moving forward.

It is no secret that inflation has caused the cost of most products and services to increase within the United States. It should be noted that the Federal Reserve as well as related financially focused government agencies are taking appropriate measures to reduce the rate of inflation through fiscal policy.

Even during very challenging economic climates, the demand for plumbing services remains strong. Properly functioning plumbing systems are an absolute necessity for any residential property or commercial property. Deutsch Plumbing Works will generate highly predictable streams of high margin revenue from its ongoing operations in King County.

### 5.2 Industry Analysis

As of this year, there are 140,000 entities that provide plumbing services to the general public. These businesses aggregately generate \$172 billion a year while providing jobs for 775,000 people.

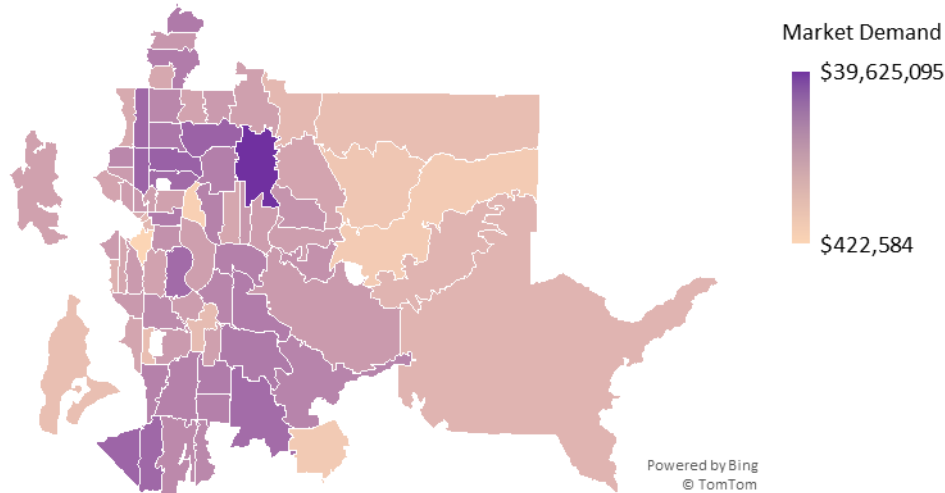


The plumbing industry is mature in the future. The future rate will be in line with half of inflation as well as natural population growth. One of the business trends within this industry is the rollup strategies that are being used by numerous private equity firms.

### 5.3 Customer Profile

Any resident of King County or commercial property owner is a potential customer for Deutsch Plumbing Works. All facilities feature indoor plumbing as well as related systems related to natural gas. As such, it is difficult to quantify the average customer that will use the Company's services as this demand is ubiquitous. The Company will principally focus on households that are generating more than \$100,000 a year and among commercial properties that produce at least \$150,000 of rent roll.

#### Seattle Metropolitan Area Demand



### 5.4 Competitive Analysis

There are going to be numerous plumbers that render their services given the ongoing demand. The Company will maintain a major differentiating factor by being able to provide both general repair services as well as installations of large scale, plumbing fixtures. The Company will also maintain strict cost controls so that the business is able to remain pricing competitive at all times.

## **6.0 Key Strategic Issues**

### **6.1 Sustainable Operations**

Deutsch Plumbing Works will have sustainable operations as a result of the following:

- The Company will be able to thrive in any economic market given that plumbing is an absolute necessity.
- An experienced owner, Matthew Deutsch, that has more than 17 years of experience as a master plumber.
- The Company will be able to scale operations to the ongoing acquisition of additional operating assets as well as the hiring of journeyman plumbers.
- The ability to provide installation of large-scale plumbing systems will further contribute to the economic stability of a business.

### **6.2 Basis of Growth**

The Company will expand via the following methods:

- Hiring of journeyman plumbers as well as apprentices that will naturally increase the volume of business of the Company can handle.
- Potential acquisition of plumbing enterprises within the King County market.
- Expansion of operations to include other economically viable markets in Washington given the wealth and population density of the state.

## 7.0 Marketing Plan

### 7.1 Marketing Objectives

- Conduct extensive direct outreach with general contractors in real estate developers that will have the Company operate and subcontracted capacity
- Use multiple forms of online advertising to drive brand visibility.
- Conduct direct outreach with homeowners' associations so that common areas can be attended to by Deutsch Plumbing Works.

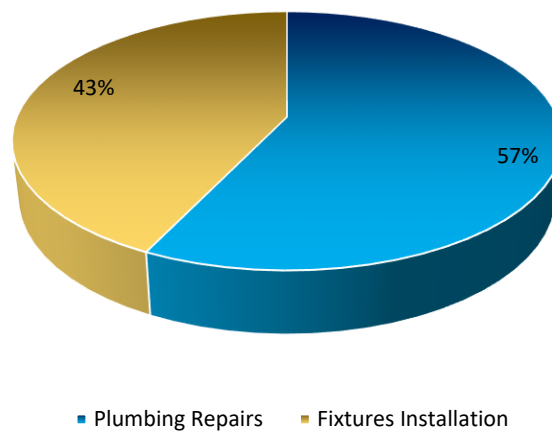
### 7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	1	2	3	4	5
Plumbing Repairs	\$306,000	\$397,800	\$497,250	\$596,700	\$656,370
Fixtures Installation	\$229,500	\$298,350	\$372,938	\$447,525	\$492,278
<b>Totals</b>	<b>\$535,500</b>	<b>\$696,150</b>	<b>\$870,188</b>	<b>\$1,044,225</b>	<b>\$1,148,648</b>

Gross Profit					
Year	1	2	3	4	5
<b>Total</b>	<b>\$428,400</b>	<b>\$556,920</b>	<b>\$696,150</b>	<b>\$835,380</b>	<b>\$918,918</b>

### Revenue Generation



### 7.3 Revenue Assumptions

#### Year 1

- Deutsch Plumbing Works will launch operations in King County.
- Revenue will reach \$535,000.

## Year 2

- Revenues will increase by 30% as journeyman plumbers are hired.
- Top line income will reach \$696,000.

## Years 3-5

- This plumbing business will generate \$1.1 million by Year 5.
- The Company will continue to expand the scope of its operations in each successive year.

## 7.4 Marketing Strategies

The Company will use multiple forms of both traditional and online marketing in order to create a substantial amount of brand-name visibility for the Company. As it relates to the Company's online platform, this website will showcase the end-to-end plumbing solutions that are offered on a cost-effective basis. This website will undergo significant search engine optimization specific for Seattle and the greater King County market.

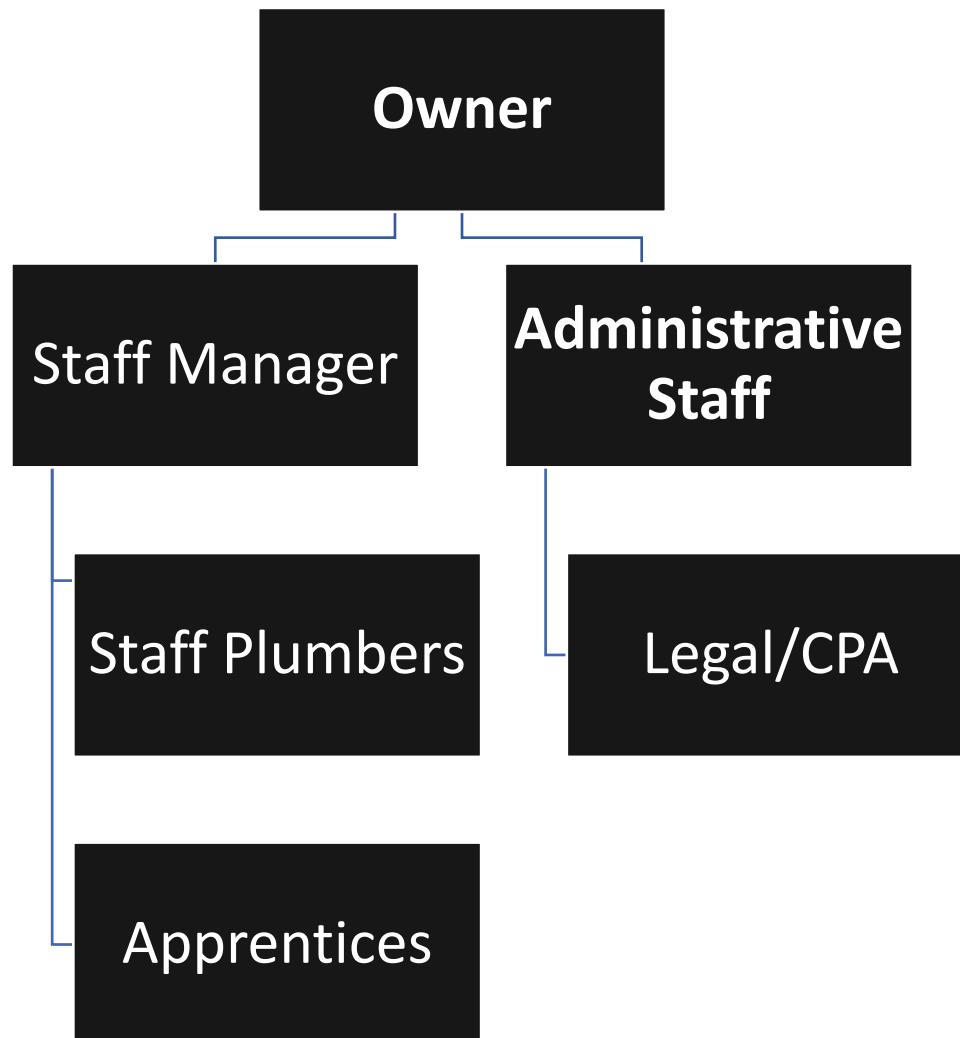
Direct outreach will also be of immense importance of the Company's operations. The Company will work with both real estate developers and general contractors that will call in the business to conduct major installation of plumbing fixtures in new developments as well as property renovations. As this will be a highly lucrative aspect of the Company's work, Management will aggressively pursue this type of marketing throughout the life of the business.

The Company will also become a member of numerous trade organizations that operate within the King County market. This will further facilitate the development of strategic partnerships with general contractors, real estate developers, and other entities that are engaged in real estate activities within the target market.

The business will also foster ongoing relationships with property management firms that manage large-scale residential and commercial properties. This will further produce ongoing engagements for plumbing repair.

## 8.0 Organizational Plan

### 8.1 Organizational Hierarchy



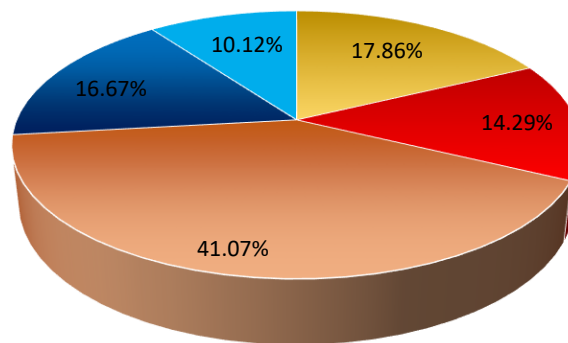


## 8.2 Personnel Costs

Personnel Plan - Yearly					
Year	1	2	3	4	5
Owner	\$75,000	\$75,750	\$76,508	\$77,273	\$78,045
Staff Manager	\$60,000	\$60,600	\$61,206	\$61,818	\$62,436
Staff Plumbers	\$57,500	\$116,150	\$117,312	\$177,727	\$179,504
Apprentices	\$35,000	\$35,350	\$71,407	\$72,121	\$72,842
Administrative Staff	\$42,500	\$42,925	\$43,354	\$43,788	\$44,226
<b>Total</b>	<b>\$270,000</b>	<b>\$330,775</b>	<b>\$369,786</b>	<b>\$432,726</b>	<b>\$437,054</b>

Numbers of Personnel (Year End Headcount)					
Year	1	2	3	4	5
Owner	1	1	1	1	1
Staff Manager	1	1	1	1	1
Staff Plumbers	1	2	2	3	3
Apprentices	1	1	2	2	2
Administrative Staff	1	1	1	1	1
<b>Total</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>8</b>

### Personnel Summary



- Owner
- Staff Manager
- Staff Plumbers
- Apprentices
- Administrative Staff

## 9.0 Financial Plan

### 9.1 Underlying Assumptions

- Deutsch Plumbing Works will achieve a compounded annual growth rate of 21% over the next five years.
- Management will acquire a \$150,000 revolving credit facility to establish operations.
- Matthew Deutsch will contribute \$50,000 toward the development of this plumbing business.

### 9.2 Financial Highlights

- The Company will achieve contribution margins of 95% on all plumbing repair services.
- Services related to installations will produce contribution margins of 60%.

### 9.3 Sensitivity Analysis

As has been noted throughout this document, the demand for plumbing services tends to remain incredibly strong in any economic climate. This is due to the fact that plumbing is an absolute necessity for any residential and commercial property. In any instance that a repair is needed, this must be provided by a professional. The Company will generate substantial contribution margins from all aspects of operations.

### 9.4 Source of Funds

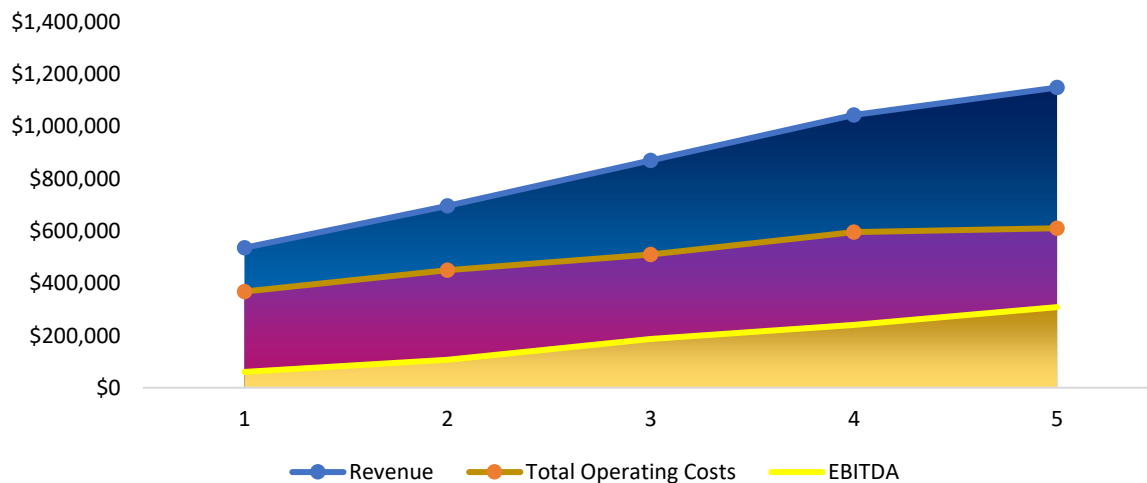
Financing	
<b>Equity</b>	
Equity Capitalization	\$50,000.00
<b>Total Equity Financing</b>	<b>\$50,000.00</b>
<b>Banks and Lenders</b>	
Revolving Credit Facility	\$150,000.00
<b>Total Debt Financing</b>	<b>\$150,000.00</b>
<b>Total Financing</b>	<b>\$200,000.00</b>

## 9.5 Financial Proformas

### A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
<b>Revenue</b>	\$535,500	\$696,150	\$870,188	\$1,044,225	\$1,148,648
Cost of Revenue	\$107,100	\$139,230	\$174,038	\$208,845	\$229,730
Gross Margin	80.00%	80.00%	80.00%	80.00%	80.00%
<b>Gross Profit</b>	\$428,400	\$556,920	\$696,150	\$835,380	\$918,918
<b>Expenses</b>					
Payroll	\$270,000	\$330,775	\$369,786	\$432,726	\$437,054
Facility Costs	\$10,000	\$10,100	\$10,201	\$10,303	\$10,406
General and Administrative	\$11,781	\$15,315	\$19,144	\$22,973	\$25,270
Professional Fees and Licensure	\$3,500	\$3,535	\$3,570	\$3,606	\$3,642
Insurance	\$10,000	\$10,100	\$10,201	\$10,303	\$10,406
Marketing	\$21,420	\$27,846	\$34,808	\$41,769	\$45,946
Vehicle Costs	\$16,601	\$21,581	\$26,976	\$32,371	\$35,608
Misc. Costs	\$4,016	\$5,221	\$6,526	\$7,832	\$8,615
Payroll Taxes	\$20,655	\$25,304	\$28,289	\$33,104	\$33,435
<b>Total Operating Costs</b>	<b>\$367,973</b>	<b>\$449,777</b>	<b>\$509,501</b>	<b>\$594,987</b>	<b>\$610,382</b>
<b>EBITDA</b>	<b>\$60,427</b>	<b>\$107,143</b>	<b>\$186,649</b>	<b>\$240,393</b>	<b>\$308,536</b>
Federal Income Tax	\$10,198	\$21,893	\$41,741	\$55,130	\$72,076
State Income Tax	\$2,040	\$4,379	\$8,348	\$11,026	\$14,415
Interest Expense	\$12,635	\$12,372	\$12,084	\$11,772	\$11,432
Depreciation Expenses	\$7,000	\$7,200	\$7,600	\$8,100	\$8,800
<b>Net Profit</b>	<b>\$28,554</b>	<b>\$61,300</b>	<b>\$116,875</b>	<b>\$154,365</b>	<b>\$201,813</b>
<b>Profit Margin</b>	<b>5.33%</b>	<b>8.81%</b>	<b>13.43%</b>	<b>14.78%</b>	<b>17.57%</b>

Revenue, Operating Costs, EBITDA



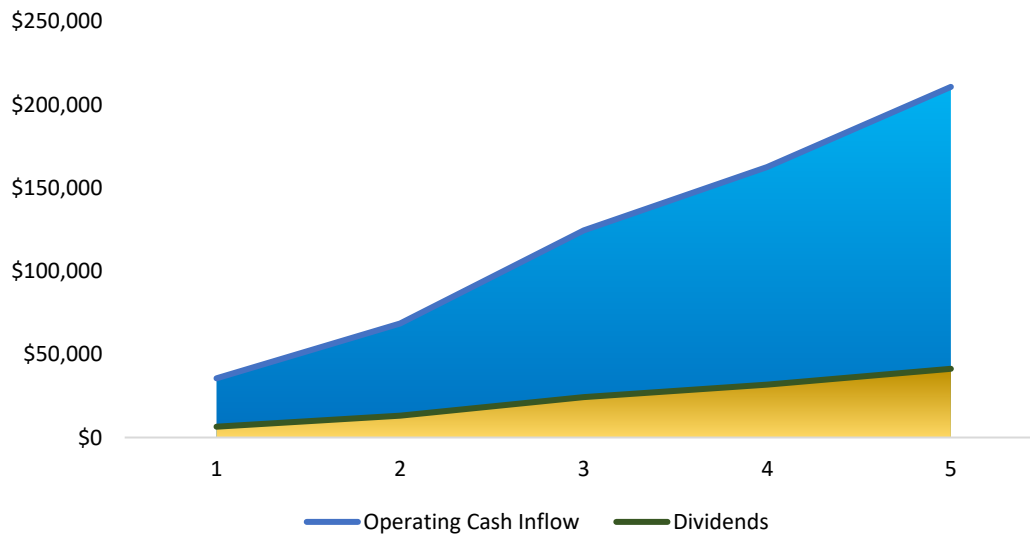
## B) Common Size Income Statement

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	20.00%	20.00%	20.00%	20.00%	20.00%
<b>Gross Profit</b>	80.00%	80.00%	80.00%	80.00%	80.00%
<b>Expenses</b>					
Payroll	50.42%	47.51%	42.50%	41.44%	38.05%
Facility Costs	1.87%	1.45%	1.17%	0.99%	0.91%
General and Administrative	2.20%	2.20%	2.20%	2.20%	2.20%
Professional Fees and Licensure	0.65%	0.51%	0.41%	0.35%	0.32%
Insurance	1.87%	1.45%	1.17%	0.99%	0.91%
Marketing	4.00%	4.00%	4.00%	4.00%	4.00%
Vehicle Costs	3.10%	3.10%	3.10%	3.10%	3.10%
Misc. Costs	0.75%	0.75%	0.75%	0.75%	0.75%
Payroll Taxes	3.86%	3.63%	3.25%	3.17%	2.91%
<b>Total Operating Costs</b>	68.72%	64.61%	58.55%	56.98%	53.14%
<b>EBITDA</b>	11.28%	15.39%	21.45%	23.02%	26.86%
Federal Income Tax	1.90%	3.14%	4.80%	5.28%	6.27%
State Income Tax	0.38%	0.63%	0.96%	1.06%	1.25%
Interest Expense	2.36%	1.78%	1.39%	1.13%	1.00%
Depreciation Expenses	1.31%	1.03%	0.87%	0.78%	0.77%
<b>Net Profit</b>	5.33%	8.81%	13.43%	14.78%	17.57%

## C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$35,554	\$68,500	\$124,475	\$162,465	\$210,613
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$35,554</b>	<b>\$68,500</b>	<b>\$124,475</b>	<b>\$162,465</b>	<b>\$210,613</b>
<b>Other Cash Inflows</b>					
Equity Investment	\$50,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$150,000	\$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>\$201,000</b>	<b>\$1,050</b>	<b>\$1,103</b>	<b>\$1,158</b>	<b>\$1,216</b>
<b>Total Cash Inflow</b>	<b>\$236,554</b>	<b>\$69,550</b>	<b>\$125,578</b>	<b>\$163,623</b>	<b>\$211,829</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$2,985	\$3,249	\$3,536	\$3,849	\$4,189
A/P Decreases	\$700	\$735	\$772	\$810	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$105,000	\$3,425	\$6,224	\$8,123	\$10,531
Dividends	\$6,514	\$13,050	\$24,188	\$31,723	\$41,285
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$115,199</b>	<b>\$20,459</b>	<b>\$34,720</b>	<b>\$44,506</b>	<b>\$56,856</b>
<b>Net Cash Flow</b>	<b>\$121,355</b>	<b>\$49,090</b>	<b>\$90,858</b>	<b>\$119,117</b>	<b>\$154,973</b>
<b>Cash Balance</b>	<b>\$121,355</b>	<b>\$170,446</b>	<b>\$261,304</b>	<b>\$380,420</b>	<b>\$535,394</b>

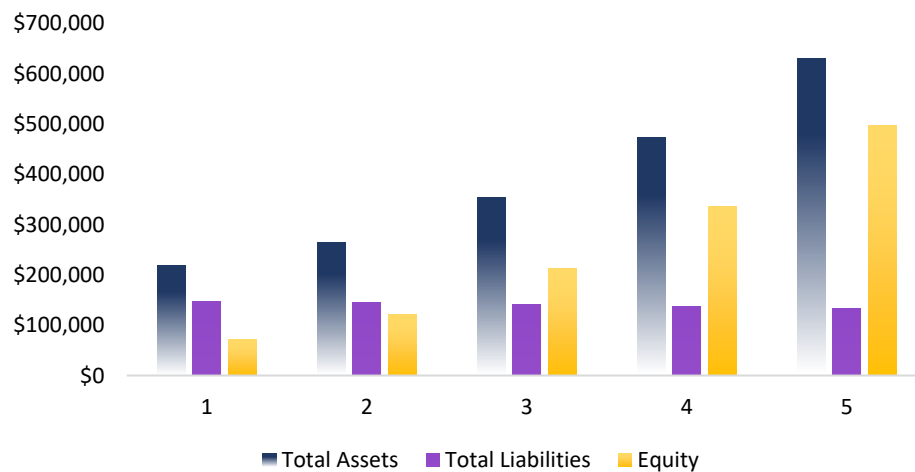
### Cash Flow Analysis



## D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
<b>Assets</b>					
Cash	\$121,355	\$170,446	\$261,304	\$380,420	\$535,394
Fixed Assets	\$105,000	\$108,425	\$114,649	\$122,772	\$133,303
Accumulated Depreciation	(\$7,000)	(\$14,200)	(\$21,800)	(\$29,900)	(\$38,700)
<b>Total Assets</b>	<b>\$219,355</b>	<b>\$264,671</b>	<b>\$354,152</b>	<b>\$473,292</b>	<b>\$629,996</b>
<b>Liabilities and Equity</b>					
Accounts Payable	\$300	\$615	\$946	\$1,293	\$1,658
Long Term Liabilities	\$147,015	\$143,765	\$140,229	\$136,380	\$132,191
Other Liabilities	\$0	\$0	\$0	\$0	\$0
<b>Total Liabilities</b>	<b>\$147,315</b>	<b>\$144,380</b>	<b>\$141,175</b>	<b>\$137,673</b>	<b>\$133,848</b>
<b>Equity</b>	<b>\$72,040</b>	<b>\$120,290</b>	<b>\$212,978</b>	<b>\$335,619</b>	<b>\$496,148</b>
<b>Total Liabilities and Equity</b>	<b>\$219,355</b>	<b>\$264,671</b>	<b>\$354,152</b>	<b>\$473,292</b>	<b>\$629,996</b>

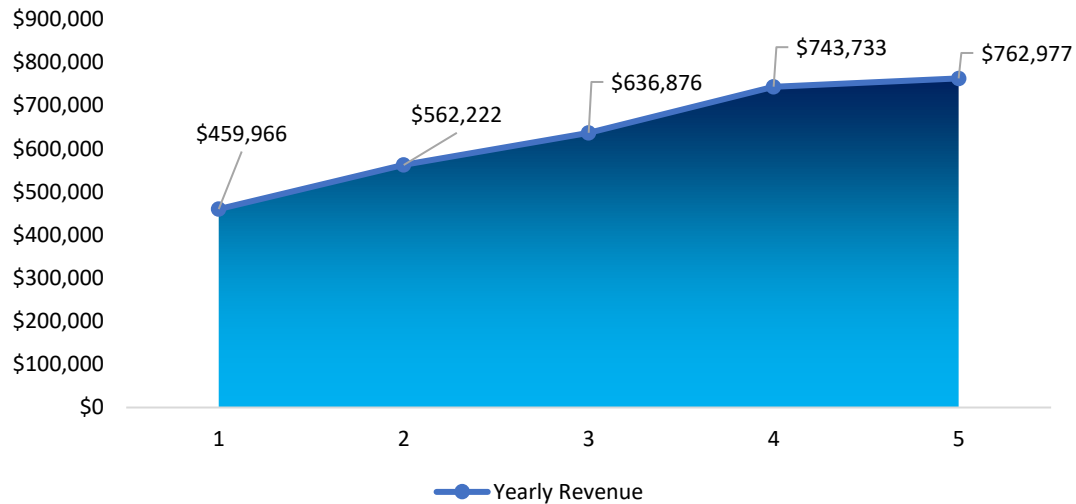
Balance Sheet



## 9.6 Breakeven Analysis

Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	\$38,330	\$46,852	\$53,073	\$61,978	\$63,581
Yearly Revenue	\$459,966	\$562,222	\$636,876	\$743,733	\$762,977

### Breakeven Analysis



## 9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
<b>Revenue</b>					
Sales Growth	0.0%	30.0%	25.0%	20.0%	10.0%
Gross Margin	80.0%	80.0%	80.0%	80.0%	80.0%
<b>Financials</b>					
Profit Margin	5.33%	8.81%	13.43%	14.78%	17.57%
Assets to Liabilities	1.49	1.83	2.51	3.44	4.71
Equity to Liabilities	0.49	0.83	1.51	2.44	3.71
Assets to Equity	3.04	2.20	1.66	1.41	1.27
<b>Liquidity</b>					
Acid Test	0.82	1.18	1.85	2.76	4.00
Cash to Assets	0.55	0.64	0.74	0.80	0.85



## **Appendix A – SWOT Analysis**

### **Strengths**

- Incredible demand within the King County market given the wealth of this area and its proximity to numerous major corporations.
- The Company will be able to quickly find an immense audience of homeowners that will use the Company services.
- The Company can partner with property management firms so that the business is called on to do ongoing repairs and maintenance.
- An experienced owner, Matthew Deutsch, that has nearly two decades experience as a master plumber.

### **Weaknesses**

- Moderately high cost as it relates to travel and vehicle expenses.
- There are a number of established plumbing businesses within the target market.

### **Opportunities**

- Continued expansion of the Company's direct outreach campaigns with contractors in real estate developers in King County.
- Expansion of services rendered to include the installation of natural gas lines.
- Continued hiring of journeyman and apprentice plumbers while also expanding the number of vehicles in the Company's fleet.

### **Threats**

- Ongoing issues related to inflation can further increase the cost of the business.

## **Appendix B – Critical Risks**

### **Development Risk – Low**

The principal matter that needs to be addressed is securing the \$150,000 revolving credit facility in order to establish the Company's plumbing operations in King County. Management has already sourced vans and initial equipment that will be used.

### **Financing Risk – Low/Moderate**

The Company is opting to use a revolving credit facility rather than a business loan so that the business can control its underlying operating costs as it establishes its operations. The risks related to this financing or offset by the fact that these services remain in demand at all times.

### **Marketing Risk – Low**

The multifaceted approach of the Company will take towards its marketing operations will allow the business to quickly onboard clients throughout the King County market. The Company will continue expand on these marketing strategies in each operating year.

### **Management Risk – Low**

Through 17 years of experience, Matthew Deutsch will be able to effectively render a wide range of plumbing services to his clients in tandem with his staff. He is focused on bringing the operations of this business to profitability.

### **Valuation Risk – Low**

The valuation risk is offset by:

- A significant portion of the investment capital will be used for vehicles and equipment.
- Revenues are immune from challenging economic climate.
- The Company can scale operations into multiple markets within Washington.

### **Exit Risk - Low**

There are no long raging plans to sell the business given that the Owner intends to aggressively expand within the King County market over the next five to ten years. As noted earlier, proper steps will be taken in the even that is financially prudent to sell Deutsch Plumbing Works to a third-party.

## Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
<b>Revenue</b>	<b>\$35,000</b>	<b>\$36,750</b>	<b>\$38,500</b>	<b>\$40,250</b>	<b>\$42,000</b>	<b>\$43,750</b>	<b>\$45,500</b>
Cost of Revenue	\$7,000	\$7,350	\$7,700	\$8,050	\$8,400	\$8,750	\$9,100
<b>Gross Profit</b>	<b>\$28,000</b>	<b>\$29,400</b>	<b>\$30,800</b>	<b>\$32,200</b>	<b>\$33,600</b>	<b>\$35,000</b>	<b>\$36,400</b>
<b>Expenses</b>							
Payroll	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500
Facility Costs	\$833	\$833	\$833	\$833	\$833	\$833	\$833
General and Administrative	\$982	\$982	\$982	\$982	\$982	\$982	\$982
Professional Fees and Licensure	\$292	\$292	\$292	\$292	\$292	\$292	\$292
Insurance	\$833	\$833	\$833	\$833	\$833	\$833	\$833
Marketing	\$1,785	\$1,785	\$1,785	\$1,785	\$1,785	\$1,785	\$1,785
Vehicle Costs	\$1,383	\$1,383	\$1,383	\$1,383	\$1,383	\$1,383	\$1,383
Misc. Costs	\$335	\$335	\$335	\$335	\$335	\$335	\$335
Payroll Taxes	\$1,721	\$1,721	\$1,721	\$1,721	\$1,721	\$1,721	\$1,721
<b>Total Operating Costs</b>	<b>\$30,664</b>	<b>\$30,664</b>	<b>\$30,664</b>	<b>\$30,664</b>	<b>\$30,664</b>	<b>\$30,664</b>	<b>\$30,664</b>
<b>EBITDA</b>	<b>-\$2,664</b>	<b>-\$1,264</b>	<b>\$136</b>	<b>\$1,536</b>	<b>\$2,936</b>	<b>\$4,336</b>	<b>\$5,736</b>
Federal Income Tax	\$667	\$700	\$733	\$767	\$800	\$833	\$866
State Income Tax	\$133	\$140	\$147	\$153	\$160	\$167	\$173
Interest Expense	\$1,063	\$1,061	\$1,059	\$1,057	\$1,056	\$1,054	\$1,052
Depreciation Expenses	\$583	\$583	\$583	\$583	\$583	\$583	\$583
<b>Net Profit</b>	<b>-\$5,110</b>	<b>-\$3,748</b>	<b>-\$2,387</b>	<b>-\$1,025</b>	<b>\$337</b>	<b>\$1,699</b>	<b>\$3,060</b>

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
<b>Revenue</b>	<b>\$47,250</b>	<b>\$49,000</b>	<b>\$50,750</b>	<b>\$52,500</b>	<b>\$54,250</b>	<b>\$535,500</b>
Cost of Revenue	\$9,450	\$9,800	\$10,150	\$10,500	\$10,850	\$107,100
<b>Gross Profit</b>	<b>\$37,800</b>	<b>\$39,200</b>	<b>\$40,600</b>	<b>\$42,000</b>	<b>\$43,400</b>	<b>\$428,400</b>
<b>Expenses</b>						
Payroll	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$270,000
Facility Costs	\$833	\$833	\$833	\$833	\$833	\$10,000
General and Administrative	\$982	\$982	\$982	\$982	\$982	\$11,781
Professional Fees and Licensure	\$292	\$292	\$292	\$292	\$292	\$3,500
Insurance	\$833	\$833	\$833	\$833	\$833	\$10,000
Marketing	\$1,785	\$1,785	\$1,785	\$1,785	\$1,785	\$21,420
Vehicle Costs	\$1,383	\$1,383	\$1,383	\$1,383	\$1,383	\$16,601
Misc. Costs	\$335	\$335	\$335	\$335	\$335	\$4,016
Payroll Taxes	\$1,721	\$1,721	\$1,721	\$1,721	\$1,721	\$20,655
<b>Total Operating Costs</b>	<b>\$30,664</b>	<b>\$30,664</b>	<b>\$30,664</b>	<b>\$30,664</b>	<b>\$30,664</b>	<b>\$367,973</b>
<b>EBITDA</b>	<b>\$7,136</b>	<b>\$8,536</b>	<b>\$9,936</b>	<b>\$11,336</b>	<b>\$12,736</b>	<b>\$60,427</b>
Federal Income Tax	\$900	\$933	\$966	\$1,000	\$1,033	\$10,198
State Income Tax	\$180	\$187	\$193	\$200	\$207	\$2,040
Interest Expense	\$1,050	\$1,049	\$1,047	\$1,045	\$1,043	\$12,635
Depreciation Expenses	\$583	\$583	\$583	\$583	\$583	\$7,000
<b>Net Profit</b>	<b>\$4,422</b>	<b>\$5,784</b>	<b>\$7,146</b>	<b>\$8,508</b>	<b>\$9,869</b>	<b>\$28,554</b>

**Profit and Loss Statement (Second Year)**

Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
<b>Revenue</b>	\$168,816	\$172,297	\$175,778	\$179,259	\$696,150
Cost of Revenue	\$33,763	\$34,459	\$35,156	\$35,852	\$139,230
<b>Gross Profit</b>	<b>\$135,053</b>	<b>\$137,838</b>	<b>\$140,622</b>	<b>\$143,407</b>	<b>\$556,920</b>
<b>Expenses</b>					
Payroll	\$82,694	\$82,694	\$82,694	\$82,694	\$330,775
Facility Costs	\$2,525	\$2,525	\$2,525	\$2,525	\$10,100
General and Administrative	\$3,714	\$3,791	\$3,867	\$3,944	\$15,315
Professional Fees and Licensure	\$857	\$875	\$893	\$910	\$3,535
Insurance	\$2,525	\$2,525	\$2,525	\$2,525	\$10,100
Marketing	\$6,753	\$6,892	\$7,031	\$7,170	\$27,846
Vehicle Costs	\$5,395	\$5,395	\$5,395	\$5,395	\$21,581
Misc. Costs	\$1,266	\$1,292	\$1,318	\$1,344	\$5,221
Payroll Taxes	\$6,136	\$6,263	\$6,389	\$6,516	\$25,304
<b>Total Operating Costs</b>	<b>\$111,865</b>	<b>\$112,251</b>	<b>\$112,637</b>	<b>\$113,024</b>	<b>\$449,777</b>
<b>EBITDA</b>	<b>\$23,188</b>	<b>\$25,586</b>	<b>\$27,985</b>	<b>\$30,383</b>	<b>\$107,143</b>
Federal Income Tax	\$5,309	\$5,418	\$5,528	\$5,637	\$21,893
State Income Tax	\$1,062	\$1,084	\$1,106	\$1,127	\$4,379
Interest Expense	\$3,119	\$3,102	\$3,084	\$3,067	\$12,372
Depreciation Expenses	\$1,800	\$1,800	\$1,800	\$1,800	\$7,200
<b>Net Profit</b>	<b>\$11,899</b>	<b>\$14,183</b>	<b>\$16,467</b>	<b>\$18,752</b>	<b>\$61,300</b>

**Profit and Loss Statement (Third Year)**

Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
<b>Revenue</b>	\$211,020	\$215,371	\$219,722	\$224,073	\$870,188
Cost of Revenue	\$42,204	\$43,074	\$43,944	\$44,815	\$174,038
<b>Gross Profit</b>	<b>\$168,816</b>	<b>\$172,297</b>	<b>\$175,778</b>	<b>\$179,259</b>	<b>\$696,150</b>
<b>Expenses</b>					
Payroll	\$92,447	\$92,447	\$92,447	\$92,447	\$369,786
Facility Costs	\$2,550	\$2,550	\$2,550	\$2,550	\$10,201
General and Administrative	\$4,642	\$4,738	\$4,834	\$4,930	\$19,144
Professional Fees and Licensure	\$866	\$884	\$902	\$919	\$3,570
Insurance	\$2,550	\$2,550	\$2,550	\$2,550	\$10,201
Marketing	\$8,441	\$8,615	\$8,789	\$8,963	\$34,808
Vehicle Costs	\$6,744	\$6,744	\$6,744	\$6,744	\$26,976
Misc. Costs	\$1,583	\$1,615	\$1,648	\$1,681	\$6,526
Payroll Taxes	\$7,072	\$7,072	\$7,072	\$7,072	\$28,289
<b>Total Operating Costs</b>	<b>\$126,895</b>	<b>\$127,215</b>	<b>\$127,535</b>	<b>\$127,856</b>	<b>\$509,501</b>
<b>EBITDA</b>	<b>\$41,921</b>	<b>\$45,082</b>	<b>\$48,242</b>	<b>\$51,403</b>	<b>\$186,649</b>
Federal Income Tax	\$10,122	\$10,331	\$10,540	\$10,748	\$41,741
State Income Tax	\$2,024	\$2,066	\$2,108	\$2,150	\$8,348
Interest Expense	\$3,049	\$3,031	\$3,012	\$2,993	\$12,084
Depreciation Expenses	\$1,900	\$1,900	\$1,900	\$1,900	\$7,600
<b>Net Profit</b>	<b>\$24,826</b>	<b>\$27,754</b>	<b>\$30,683</b>	<b>\$33,612</b>	<b>\$116,875</b>

Profit and Loss Statement (Fourth Year)					
	Year 4				
Quarter	Q1	Q2	Q3	Q4	Year 4
<b>Revenue</b>	\$253,225	\$258,446	\$263,667	\$268,888	\$1,044,225
Cost of Revenue	\$50,645	\$51,689	\$52,733	\$53,778	\$208,845
<b>Gross Profit</b>	<b>\$202,580</b>	<b>\$206,757</b>	<b>\$210,933</b>	<b>\$215,110</b>	<b>\$835,380</b>
<b>Expenses</b>					
Payroll	\$108,182	\$108,182	\$108,182	\$108,182	\$432,726
Facility Costs	\$2,576	\$2,576	\$2,576	\$2,576	\$10,303
General and Administrative	\$5,571	\$5,686	\$5,801	\$5,916	\$22,973
Professional Fees and Licensure	\$874	\$892	\$911	\$929	\$3,606
Insurance	\$2,576	\$2,576	\$2,576	\$2,576	\$10,303
Marketing	\$10,129	\$10,338	\$10,547	\$10,756	\$41,769
Vehicle Costs	\$8,093	\$8,093	\$8,093	\$8,093	\$32,371
Misc. Costs	\$1,899	\$1,938	\$1,978	\$2,017	\$7,832
Payroll Taxes	\$8,276	\$8,276	\$8,276	\$8,276	\$33,104
<b>Total Operating Costs</b>	<b>\$148,175</b>	<b>\$148,556</b>	<b>\$148,937</b>	<b>\$149,318</b>	<b>\$594,987</b>
<b>EBITDA</b>	<b>\$54,404</b>	<b>\$58,200</b>	<b>\$61,996</b>	<b>\$65,792</b>	<b>\$240,393</b>
Federal Income Tax	\$13,369	\$13,645	\$13,920	\$14,196	\$55,130
State Income Tax	\$2,674	\$2,729	\$2,784	\$2,839	\$11,026
Interest Expense	\$2,973	\$2,953	\$2,933	\$2,912	\$11,772
Depreciation Expenses	\$2,025	\$2,025	\$2,025	\$2,025	\$8,100
<b>Net Profit</b>	<b>\$33,363</b>	<b>\$36,848</b>	<b>\$40,334</b>	<b>\$43,820</b>	<b>\$154,365</b>



**Profit and Loss Statement (Fifth Year)**

Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
<b>Revenue</b>	\$278,547	\$284,290	\$290,033	\$295,777	\$1,148,648
Cost of Revenue	\$55,709	\$56,858	\$58,007	\$59,155	\$229,730
<b>Gross Profit</b>	<b>\$222,838</b>	<b>\$227,432</b>	<b>\$232,027</b>	<b>\$236,621</b>	<b>\$918,918</b>
<b>Expenses</b>					
Payroll	\$109,263	\$109,263	\$109,263	\$109,263	\$437,054
Facility Costs	\$2,602	\$2,602	\$2,602	\$2,602	\$10,406
General and Administrative	\$6,128	\$6,254	\$6,381	\$6,507	\$25,270
Professional Fees and Licensure	\$883	\$901	\$920	\$938	\$3,642
Insurance	\$2,602	\$2,602	\$2,602	\$2,602	\$10,406
Marketing	\$11,142	\$11,372	\$11,601	\$11,831	\$45,946
Vehicle Costs	\$8,902	\$8,902	\$8,902	\$8,902	\$35,608
Misc. Costs	\$2,089	\$2,132	\$2,175	\$2,218	\$8,615
Payroll Taxes	\$8,359	\$8,359	\$8,359	\$8,359	\$33,435
<b>Total Operating Costs</b>	<b>\$151,969</b>	<b>\$152,387</b>	<b>\$152,804</b>	<b>\$153,221</b>	<b>\$610,382</b>
<b>EBITDA</b>	<b>\$70,868</b>	<b>\$75,045</b>	<b>\$79,223</b>	<b>\$83,400</b>	<b>\$308,536</b>
Federal Income Tax	\$17,478	\$17,839	\$18,199	\$18,560	\$72,076
State Income Tax	\$3,496	\$3,568	\$3,640	\$3,712	\$14,415
Interest Expense	\$2,891	\$2,869	\$2,847	\$2,824	\$11,432
Depreciation Expenses	\$2,200	\$2,200	\$2,200	\$2,200	\$8,800
<b>Net Profit</b>	<b>\$44,803</b>	<b>\$48,570</b>	<b>\$52,337</b>	<b>\$56,104</b>	<b>\$201,813</b>

## Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	-\$4,527	-\$3,165	-\$1,803	-\$442	\$920	\$2,282	\$3,644	\$5,005
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>-\$4,527</b>	<b>-\$3,165</b>	<b>-\$1,803</b>	<b>-\$442</b>	<b>\$920</b>	<b>\$2,282</b>	<b>\$3,644</b>	<b>\$5,005</b>
<b>Other Cash Inflows</b>								
Equity Investment	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$150,000	\$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>\$200,083</b>	<b>\$83</b>	<b>\$83</b>	<b>\$83</b>	<b>\$83</b>	<b>\$83</b>	<b>\$83</b>	<b>\$83</b>
<b>Total Cash Inflow</b>	<b>\$195,557</b>	<b>-\$3,082</b>	<b>-\$1,720</b>	<b>-\$358</b>	<b>\$1,003</b>	<b>\$2,365</b>	<b>\$3,727</b>	<b>\$5,089</b>
<b>Cash Outflows</b>								
Repayment of Principal	\$239	\$241	\$243	\$244	\$246	\$248	\$250	\$251
A/P Decreases	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$105,000	\$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
<b>Total Cash Outflows</b>	<b>\$105,298</b>	<b>\$299</b>	<b>\$301</b>	<b>\$303</b>	<b>\$304</b>	<b>\$306</b>	<b>\$308</b>	<b>\$310</b>
<b>Net Cash Flow</b>	<b>\$90,259</b>	<b>-\$3,381</b>	<b>-\$2,021</b>	<b>-\$661</b>	<b>\$699</b>	<b>\$2,059</b>	<b>\$3,419</b>	<b>\$4,779</b>
<b>Cash Balance</b>	<b>\$90,259</b>	<b>\$86,878</b>	<b>\$84,857</b>	<b>\$84,196</b>	<b>\$84,895</b>	<b>\$86,954</b>	<b>\$90,373</b>	<b>\$95,152</b>

<b>Cash Flow Analysis (First Year Cont.)</b>					
Month	9	10	11	12	Year 1
Cash From Operations	\$6,367	\$7,729	\$9,091	\$10,453	\$35,554
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$6,367</b>	<b>\$7,729</b>	<b>\$9,091</b>	<b>\$10,453</b>	<b>\$35,554</b>
<b>Other Cash Inflows</b>					
Equity Investment	\$0	\$0	\$0	\$0	\$50,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$150,000
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>\$201,000</b>
<b>Total Cash Inflow</b>	<b>\$6,451</b>	<b>\$7,812</b>	<b>\$9,174</b>	<b>\$10,536</b>	<b>\$236,554</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$253	\$255	\$257	\$259	\$2,985
A/P Decreases	\$58	\$58	\$58	\$58	\$700
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$105,000
Dividends	\$0	\$0	\$0	\$6,514	\$6,514
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$311</b>	<b>\$313</b>	<b>\$315</b>	<b>\$6,831</b>	<b>\$115,199</b>
<b>Net Cash Flow</b>	<b>\$6,139</b>	<b>\$7,499</b>	<b>\$8,859</b>	<b>\$3,705</b>	<b>\$121,355</b>
<b>Cash Balance</b>	<b>\$101,292</b>	<b>\$108,791</b>	<b>\$117,650</b>	<b>\$121,355</b>	<b>\$121,355</b>

Cash Flow Analysis (Second Year)					
	Year 2				
Quarter	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	\$13,699	\$15,983	\$18,267	\$20,552	\$68,500
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$13,699</b>	<b>\$15,983</b>	<b>\$18,267</b>	<b>\$20,552</b>	<b>\$68,500</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>\$13,953</b>	<b>\$16,242</b>	<b>\$18,532</b>	<b>\$20,822</b>	<b>\$69,550</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$787	\$804	\$821	\$838	\$3,249
A/P Decreases	\$178	\$182	\$186	\$189	\$735
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$3,425	\$0	\$0	\$0	\$3,425
Dividends	\$0	\$0	\$0	\$13,050	\$13,050
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$4,390</b>	<b>\$985</b>	<b>\$1,006</b>	<b>\$14,078</b>	<b>\$20,459</b>
<b>Net Cash Flow</b>	<b>\$9,563</b>	<b>\$15,257</b>	<b>\$17,526</b>	<b>\$6,744</b>	<b>\$49,090</b>
<b>Cash Balance</b>	<b>\$130,918</b>	<b>\$146,175</b>	<b>\$163,701</b>	<b>\$170,446</b>	<b>\$170,446</b>

Cash Flow Analysis (Third Year)					
	Year 3				
Quarter	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	\$26,726	\$29,654	\$32,583	\$35,512	\$124,475
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$26,726</b>	<b>\$29,654</b>	<b>\$32,583</b>	<b>\$35,512</b>	<b>\$124,475</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>\$26,993</b>	<b>\$29,927</b>	<b>\$32,861</b>	<b>\$35,796</b>	<b>\$125,578</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$856	\$875	\$893	\$912	\$3,536
A/P Decreases	\$187	\$191	\$195	\$199	\$772
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$6,224	\$0	\$0	\$0	\$6,224
Dividends	\$0	\$0	\$0	\$24,188	\$24,188
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$7,267</b>	<b>\$1,066</b>	<b>\$1,088</b>	<b>\$25,299</b>	<b>\$34,720</b>
<b>Net Cash Flow</b>	<b>\$19,726</b>	<b>\$28,862</b>	<b>\$31,773</b>	<b>\$10,497</b>	<b>\$90,858</b>
<b>Cash Balance</b>	<b>\$190,172</b>	<b>\$219,033</b>	<b>\$250,806</b>	<b>\$261,304</b>	<b>\$261,304</b>

Cash Flow Analysis (Fourth Year)					
	Year 4				
Quarter	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	\$35,388	\$38,873	\$42,359	\$45,845	\$162,465
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$35,388</b>	<b>\$38,873</b>	<b>\$42,359</b>	<b>\$45,845</b>	<b>\$162,465</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>\$35,669</b>	<b>\$39,160</b>	<b>\$42,651</b>	<b>\$46,143</b>	<b>\$163,623</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$932	\$952	\$972	\$993	\$3,849
A/P Decreases	\$197	\$201	\$205	\$209	\$810
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$8,123	\$0	\$0	\$0	\$8,123
Dividends	\$0	\$0	\$0	\$31,723	\$31,723
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$9,252</b>	<b>\$1,152</b>	<b>\$1,177</b>	<b>\$32,925</b>	<b>\$44,506</b>
<b>Net Cash Flow</b>	<b>\$26,417</b>	<b>\$38,007</b>	<b>\$41,474</b>	<b>\$13,218</b>	<b>\$119,117</b>
<b>Cash Balance</b>	<b>\$287,721</b>	<b>\$325,728</b>	<b>\$367,202</b>	<b>\$380,420</b>	<b>\$380,420</b>

Cash Flow Analysis (Fifth Year)					
	Year 5				
Quarter	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	\$47,003	\$50,770	\$54,537	\$58,304	\$210,613
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$47,003</b>	<b>\$50,770</b>	<b>\$54,537</b>	<b>\$58,304</b>	<b>\$210,613</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>\$47,298</b>	<b>\$51,070</b>	<b>\$54,843</b>	<b>\$58,617</b>	<b>\$211,829</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$1,014	\$1,036	\$1,058	\$1,081	\$4,189
A/P Decreases	\$206	\$211	\$215	\$219	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$10,531	\$0	\$0	\$0	\$10,531
Dividends	\$0	\$0	\$0	\$41,285	\$41,285
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$11,751</b>	<b>\$1,247</b>	<b>\$1,273</b>	<b>\$42,585</b>	<b>\$56,856</b>
<b>Net Cash Flow</b>	<b>\$35,547</b>	<b>\$49,824</b>	<b>\$53,571</b>	<b>\$16,032</b>	<b>\$154,973</b>
<b>Cash Balance</b>	<b>\$415,967</b>	<b>\$465,791</b>	<b>\$519,361</b>	<b>\$535,394</b>	<b>\$535,394</b>