

DEUTSCH DISPATCH
GROUP

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1.0 Executive Summary

The purpose of this business plan is to showcase the ongoing development of a truck dispatch company based in Boston, Massachusetts. Deutsch Dispatch Group LLC (“the Company”) was founded this year by Matthew Deutsch. At this time, the Company is seeking a \$35,000 business loan in order to establish full scale operations. The Company will begin producing revenue in the third quarter of this year.

Operations

Through its comprehensive logistics operations, Deutsch Dispatch Group will offer a range of truck dispatch services coupled with a wide suite of logistics management services specific for the needs of owner-operators and fleet-operators throughout the United States. The Company will initially launch its operations with a focus on providing services to companies within Boston before expanding to a national level. On each freight transaction managed by Deutsch Dispatch Group, the Company will receive a fee equal to 10% of the transaction.

These primary operations will be complemented through a swath of logistics services that will make the operations of a trucking enterprise far more streamlined. This will include management of administration functions for owner-operators while also addressing matters related to invoice factoring.

The third section of this truck dispatch business plan will further discuss the operations of the business.

The Financing

As noted above, the Company is currently seeking a \$35,000 business loan in order to establish its operations. Matthew Deutsch will contribute \$15,000 towards the development of Deutsch Dispatch Group. Primarily these funds will be used for the following:

- Location development in Boston
- Furniture, fixtures, and equipment

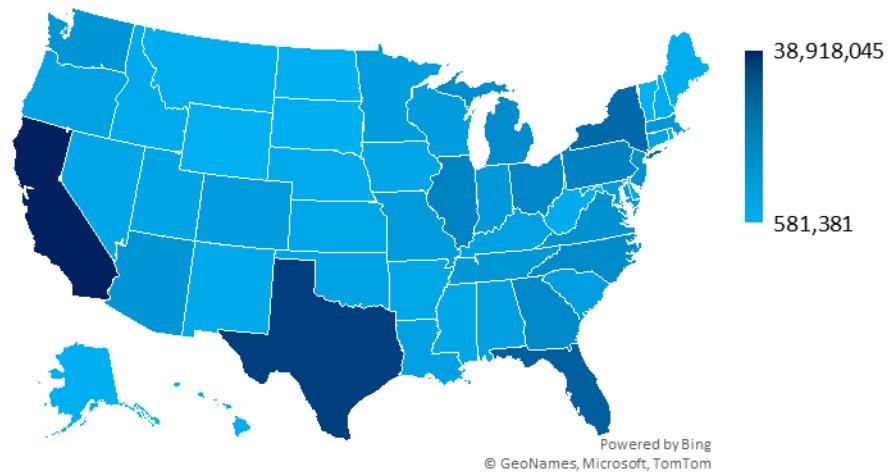
Given the highly predictable streams of revenue that are produced from truck dispatching engagements, the Company could easily secure additional equity or debt capital in order to further expand its operations.

The Future

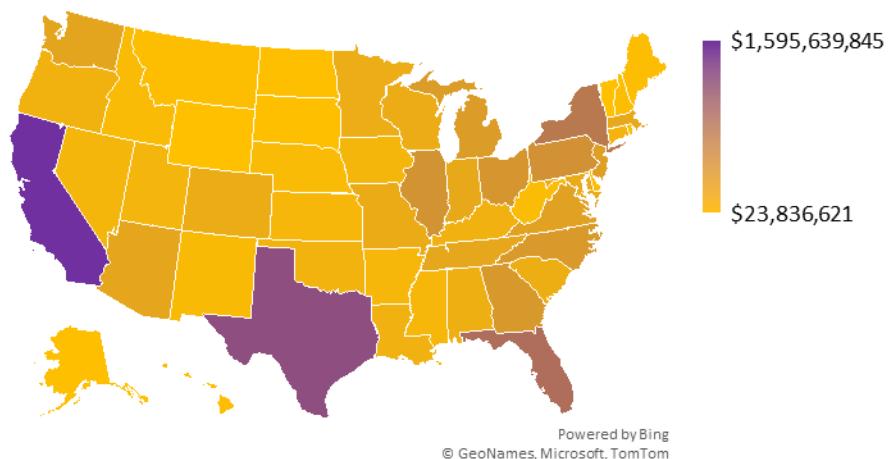
Management will continue to expand the Company’s direct outreach campaigns with numerous owner-operators throughout the United States. As many of the services that are rendered by Deutsch Dispatch Group can be provided on a virtual basis – the Company is in a strong position to experience significant growth in the coming years. Management will continue to onboard staff dispatchers as the number of clients increases.

Market Overview

Market Size By State



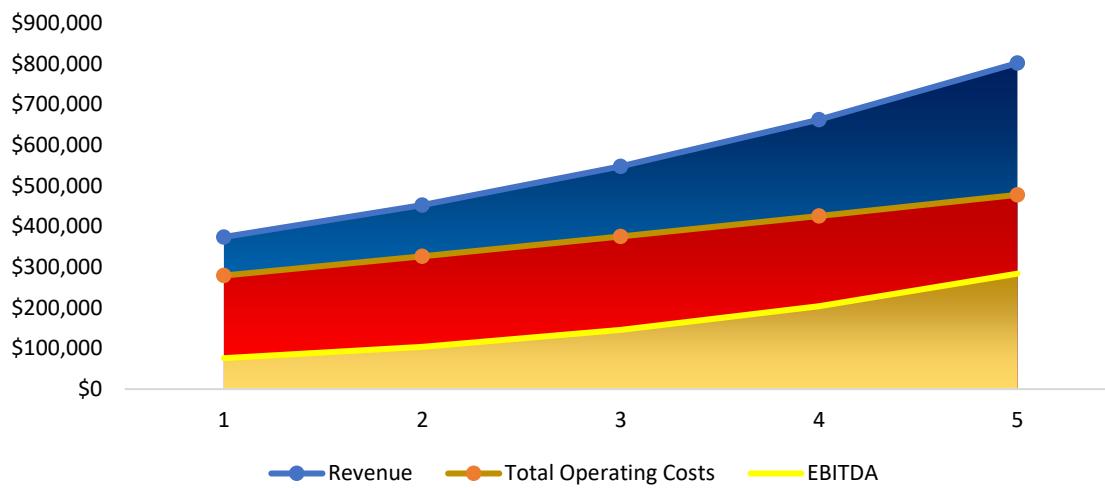
Market Value by State



Revenue Forecasts

Proforma Profit and Loss		1	2	3	4	5
Year						
Revenue		\$374,220	\$452,806	\$547,896	\$662,954	\$802,174
Cost of Revenue		\$18,711	\$22,640	\$27,395	\$33,148	\$40,109
Gross Profit		\$355,509	\$430,166	\$520,501	\$629,806	\$762,065
Total Operating Costs		\$279,365	\$326,462	\$375,147	\$425,587	\$477,982
EBITDA		\$76,144	\$103,704	\$145,354	\$204,219	\$284,083

Revenue, Operating Costs, EBITDA



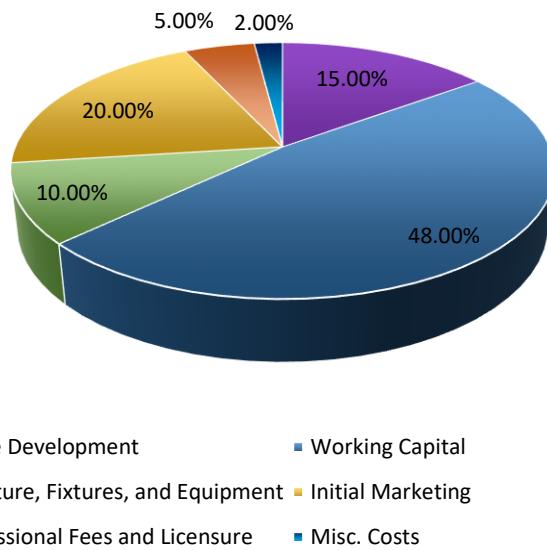
2.0 The Financing

2.1 Funds Required

The \$35,000 of debt capital and \$15,000 of equity capital will be allocated as follows:

Use of Funds	
Office Development	\$7,500
Working Capital	\$24,000
Furniture, Fixtures, and Equipment	\$5,000
Initial Marketing	\$10,000
Professional Fees and Licensure	\$2,500
Misc. Costs	\$1,000
Total	\$50,000

Use of Funds Overview



2.2 Management and Investor Equity

Matthew Deutsch is a 100% owner of Deutsch Dispatch Group LLC.

2.3 Exit Strategies

As this business is not bounded by any geographic area, there will be an immense demand among existing logistics enterprises to absorb the operations of Deutsch Dispatch Group given its profitability. In this event, a business broker, attorney, and CPA would be hired to assist Matthew Deutsch divesting the business to a third-party.

3.0 Operations

Deutsch Dispatch Group has been designed to provide comprehensive end to end solutions specifically the needs of fleet operators and owner-operators throughout the United States. Initially, the Company will conduct extensive direct outreach with logistics enterprises that are principal based in the Boston metropolitan area.

The scope of the Company's services will primarily focus on using load boards in order to properly source transportation orders on behalf of clients. For these operations, the Company will receive a fee equal to 10% of the total value of the transaction.

The business will also generate fees from the ongoing management of logistics, including all administrative functions that are associated with the operation of a freight enterprise. These services will be billed on a flat rate basis in order to make this as streamlined as possible for the Company's clients. This will include all relevant documentation management, licensure filing, addressing factoring issues, and other administrative functions that are common to trucking businesses.

4.0 Overview of the Organization

4.1 Registered Name

Deutsch Dispatch Group LLC. The business is registered as a limited liability company in the Commonwealth of Massachusetts.

4.2 Commencement of Operations

Deutsch Dispatch Group will begin to provide services in Q3 of this year.

4.3 Mission Statement

To provide cost-effective and end to end truck dispatching and logistics management solutions to the Company's clients.

4.4 Vision Statement

To become noted as one of the preeminent truck dispatching services within the United States.

4.5 Organizational Objectives

- Once the capital in this document has been secured, immediately conduct direct outreach with truck owner-operators and fleet operators throughout Boston.
- Enroll among numerous load boards so that freight orders can be quickly sourced for clients.
- Maintain an expensive online presence that is specifically targeting truck drivers and fleet operators.
- Potentially expand the Company's operations to operate a freight brokerage capacity.
- Use the latest in technology when sourcing loads and dispatching trucks throughout the United States.
- Properly onboard staff dispatchers that work closely with the Company's clients as the business expands.
- Adhere to all laws regarding rendering truck dispatching services.
- Become a member of numerous regional chambers of commerce and associations specific for the needs of truck drivers and fleet operators.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

This section of the truck dispatch business plan will discuss the current economic climate, the industry, the client profile, and the ongoing competition at the business will face.

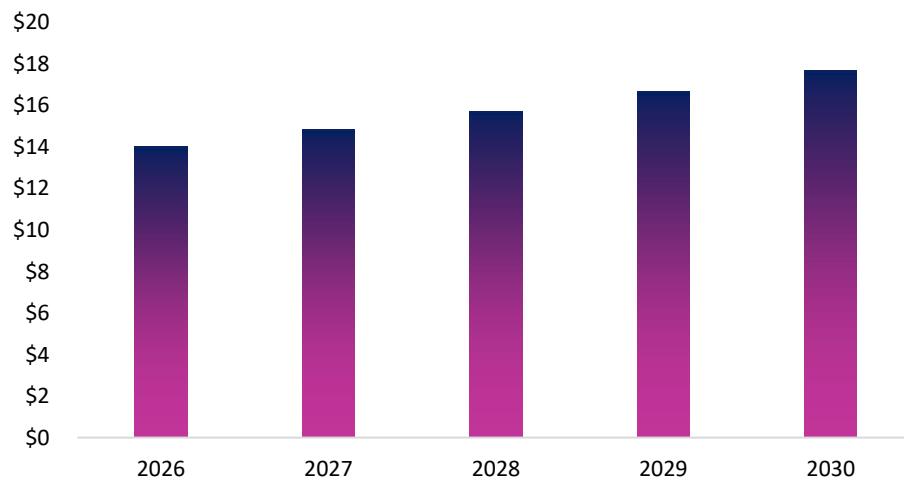
At this time, economic outlook in the United States is moderate. As a result of changing trade policies, there has been a higher degree of inflation than what was expected. It should be noted that the federal government, especially the US Federal Reserve, is taking the appropriate measures in order to ensure that inflation remains in check.

The business will be able to maintain profitability, even during difficult economic climates given that the Company is going to substantially reduce the cost of administration and load sourcing on behalf of its clients. These services typically remain in demand among owner-operators and fleet operators given their cost saving capabilities.

5.2 Industry Analysis

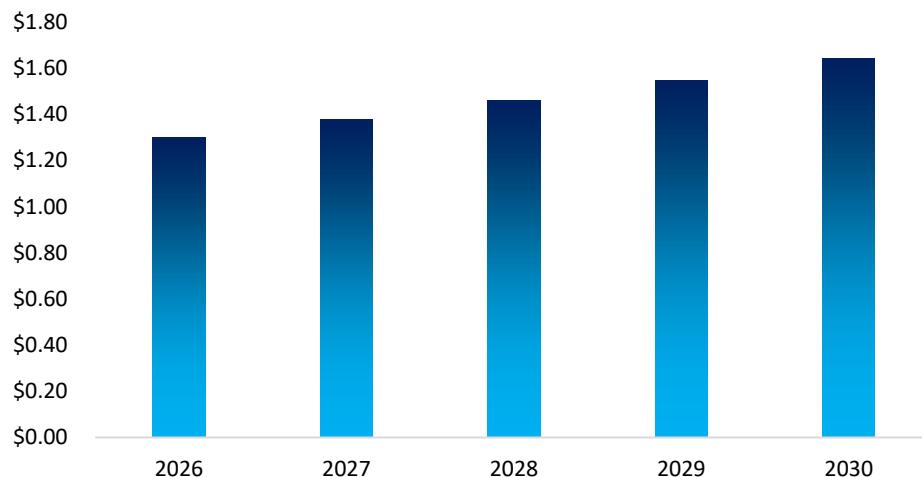
As of this year, freight transportation with the United States is a \$1.3 trillion industry. They are over one million enterprises that are actively involved with providing short distance and long-distance freight hauling. The industry is expected to have a growth rate that is similar to that of the economy as a whole.

Dispatch Industry Revenues (billions)



As it relates to truck dispatching services, there are approximately 29,000 enterprises that operate in this capacity. These businesses generate \$14 billion of revenue per annum and the industry employs 45,000 people. One of the major trends within this industry is to use numerous forms of technology in order to streamline load sourcing and administration process management specifically the needs of truck drivers.

Trucking Industry Revenues (trillions)



5.3 Customer Profile

The following demographic profile will be used as the Company markets its truck dispatching services:

- Annual revenue of \$300,000 to \$400,000
- Will spend \$2,500 to \$3,500 per month with the Company.
- Operates a CDL driver

5.4 Competitive Analysis

Given the lucrative nature of this industry, the Company will face significant competition as it establishes its operations in Boston. The Company will maintain a substantial differentiating factor given that the business is able to provide a wide range of supportive logistics services in addition to truck dispatching services. This will allow for rapid onboarding clients from the onset of operations.

6.0 Key Strategic Issues

6.1 Sustainable Operations

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

- Limited capital risk as the business is sourcing freight orders directly from load boards on behalf of clients.
- The Company could easily integrate freight broker operations should be financially viable to do so.
- A highly experienced owner, Matthew Deutsch, that has extensive experience operating freight focused enterprises.
- The operations of Deutsch Dispatch Group are highly scalable, and the Company can render truck dispatching services to any entity within the United States.

6.2 Basis of Growth

The Company will expand via the following methods:

- Continued onboarding of truck drivers and fee operators within Boston as well as Massachusetts.
- Expansion of operations to include clients that are based on a nationwide basis.
- Potential development of freight brokerage services, which are substantially boost the profitability of the business.

7.0 Marketing Plan

7.1 Marketing Objectives

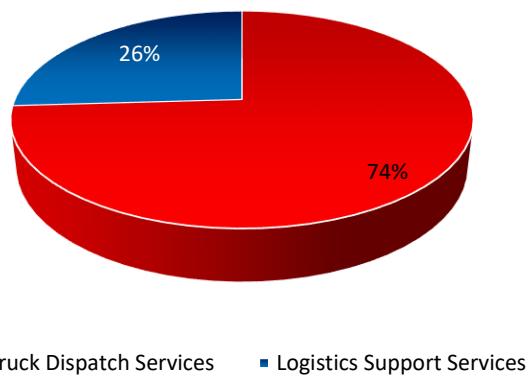
- Properly hire staff that will conduct direct outreach with truck driving enterprises and entities that own fleets of freight transportation vehicles.
- Use multiple forms of online advertising that are specifically geared for the needs of owner-operators and fleet operators.
- Enroll among numerous organizations that are specific for the needs of truck drivers.

7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	1	2	3	4	5
Truck Dispatch Services	\$277,200	\$335,412	\$405,849	\$491,077	\$594,203
Logistics Support Services	\$97,020	\$117,394	\$142,047	\$171,877	\$207,971
Total	\$374,220	\$452,806	\$547,896	\$662,954	\$802,174

Gross Profit					
Year	1	2	3	4	5
Total	\$355,509	\$430,166	\$520,501	\$629,806	\$762,065

Revenue Generation



■ Truck Dispatch Services ■ Logistics Support Services

7.3 Revenue Assumptions

Year 1

- The Company will launch its operations in Boston.
- Revenue will reach \$374,000.

Year 2

- The business will expand its operations by hiring additional dispatchers.
- Revenue will reach \$452,000.

Years 3-5

- By Year 5, the business will have four dispatchers on its roster.
- Revenue will reach \$802,000.

7.4 Marketing Strategies

As this is not a consumer facing business, the ongoing marketing that will be required by Deutsch Dispatch Group will be straightforward. Most importantly, the Company's staff dispatchers will be concurrently trained on how to onboard clients while showcasing the wide range of truck dispatching and logistics management services offered by the business. This will be the primary way of the Company conduct its marketing throughout the life of the business.

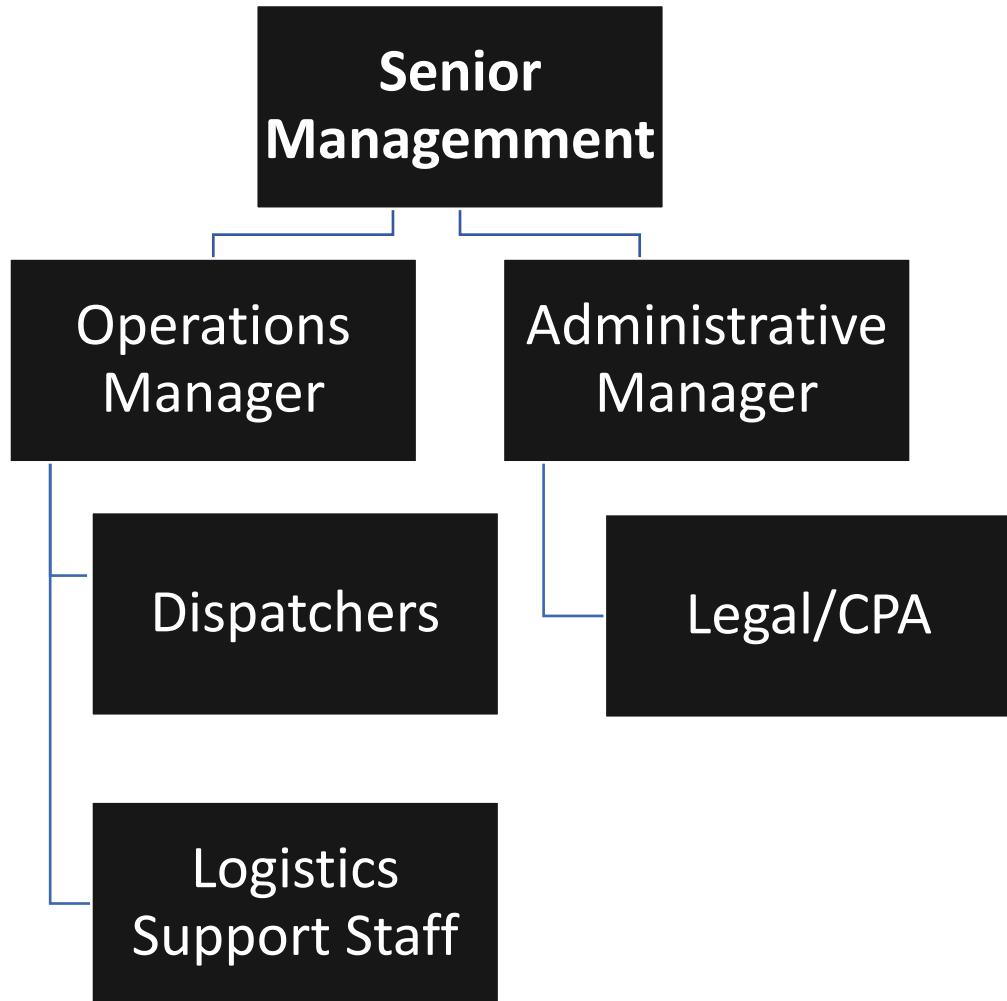
In regards to the Company's website, this platform will undergo substantial search engine optimization initially for the Boston market prior to nationwide expansion. The platform will showcase every aspect of the Company's operations and the cost-effective nature of truck dispatching and logistics management services offered.

For social media operations, the Company will maintain a present among all social media platforms. Of immense importance to these operations will be the use of LinkedIn among individuals at this profession as an owner-operator or fleet manager. The Company will only use target advertisements on LinkedIn.

Finally, the company will enroll among numerous regional chambers of commerce as well as associations that are specific for the needs of owner-operators and fleet operators. From time to time, the Company will take out advertisements in industry specific journals in order to further elevate the visibility of Deutsch Dispatch Group.

8.0 Organizational Plan

8.1 Organizational Hierarchy

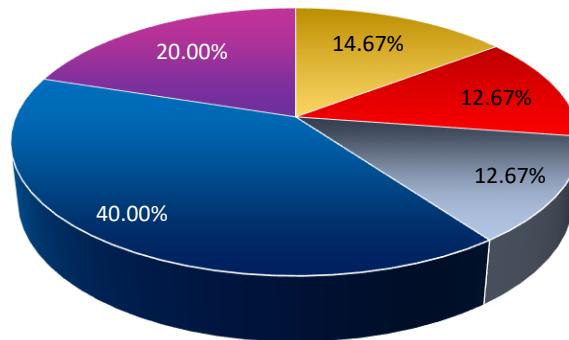


8.2 Personnel Costs

Personnel Plan - Yearly		1	2	3	4	5
Year						
Senior Management		\$55,000	\$55,550	\$56,106	\$56,667	\$57,233
Operations Manager		\$47,500	\$47,975	\$48,455	\$48,939	\$49,429
Administrative Manager		\$47,500	\$47,975	\$48,455	\$48,939	\$49,429
Staff Dispatchers		\$37,500	\$75,750	\$76,508	\$115,909	\$156,091
Logistics Support Staff		\$37,500	\$37,875	\$76,508	\$77,273	\$78,045
Total		\$225,000	\$265,125	\$306,030	\$347,727	\$390,227

Numbers of Personnel (Year End Headcount)						
Year		1	2	3	4	5
Senior Management		1	1	1	1	1
Operations Manager		1	1	1	1	1
Administrative Manager		1	1	1	1	1
Staff Dispatchers		1	2	2	3	4
Logistics Support Staff		1	1	2	2	2
Total		5	6	7	8	9

Personnel Summary



- Senior Management ■ Operations Manager
- Administrative Manager ■ Staff Dispatchers
- Logistics Support Staff

9.0 Financial Plan

9.1 Underlying Assumptions

- Matthew Deutsch will invest \$15,000 into the venture.
- Deutsch Dispatch Group will acquire a \$35,000 business loan to establish operations.
- The company will achieve a compounded annual growth rate of 21%.

9.2 Financial Highlights

- The business will achieve contribution margins of 95% on all truck dispatch engagements.
- The business will implement flat pricing towards logistic management services, especially as it relates toward addressing general administrative managers for freight enterprises.

9.3 Sensitivity Analysis

The Company's revenue will remain relatively steady, even during challenging economic climates. It is fully expected that during a very severe recession that the demand for freight transportation services may decline. However, Deutsch Dispatch Group will achieve substantial contribution margins on each truck dispatching engagement. Additionally, these services substantially reduce the cost of operations for truck drivers and fleet operators.

9.4 Source of Funds

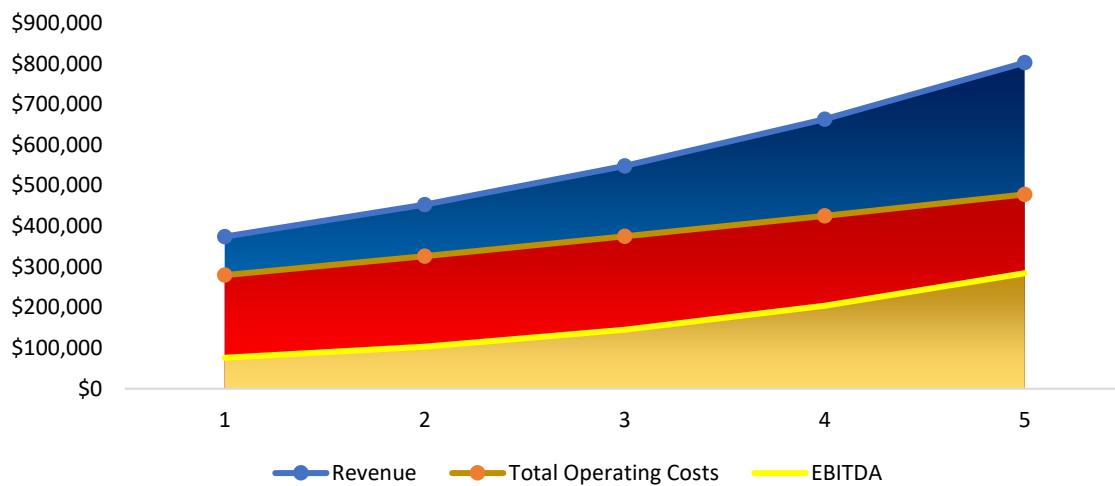
Financing	
Equity	
Equity Capitalization	\$15,000.00
Total Equity Financing	\$15,000.00
Banks and Lenders	
Business Loan	\$35,000.00
Total Debt Financing	\$35,000.00
Total Financing	\$50,000.00

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$374,220	\$452,806	\$547,896	\$662,954	\$802,174
Cost of Revenue	\$18,711	\$22,640	\$27,395	\$33,148	\$40,109
Gross Margin	95.00%	95.00%	95.00%	95.00%	95.00%
Gross Profit	\$355,509	\$430,166	\$520,501	\$629,806	\$762,065
Expenses					
Payroll	\$225,000	\$265,125	\$306,030	\$347,727	\$390,227
Facility Costs	\$10,000	\$10,100	\$10,201	\$10,303	\$10,406
General and Administrative	\$7,859	\$9,509	\$11,506	\$13,922	\$16,846
Professional Fees and Licensure	\$2,500	\$2,525	\$2,550	\$2,576	\$2,602
Insurance	\$3,000	\$3,030	\$3,060	\$3,091	\$3,122
Marketing	\$5,988	\$7,245	\$8,766	\$10,607	\$12,835
Business Development	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078
Misc. Costs	\$2,807	\$3,396	\$4,109	\$4,972	\$6,016
Payroll Taxes	\$17,213	\$20,282	\$23,411	\$26,601	\$29,852
Total Operating Costs	\$279,365	\$326,462	\$375,147	\$425,587	\$477,982
EBITDA	\$76,144	\$103,704	\$145,354	\$204,219	\$284,083
Federal Income Tax	\$17,982	\$24,903	\$35,350	\$50,103	\$70,110
State Income Tax	\$3,596	\$4,981	\$7,070	\$10,021	\$14,022
Interest Expense	\$2,714	\$2,516	\$2,302	\$2,070	\$1,819
Depreciation Expenses	\$1,500	\$1,575	\$1,654	\$1,736	\$1,823
Net Profit	\$50,351	\$69,729	\$98,979	\$140,289	\$196,308
Profit Margin	13.45%	15.40%	18.07%	21.16%	24.47%

Revenue, Operating Costs, EBITDA



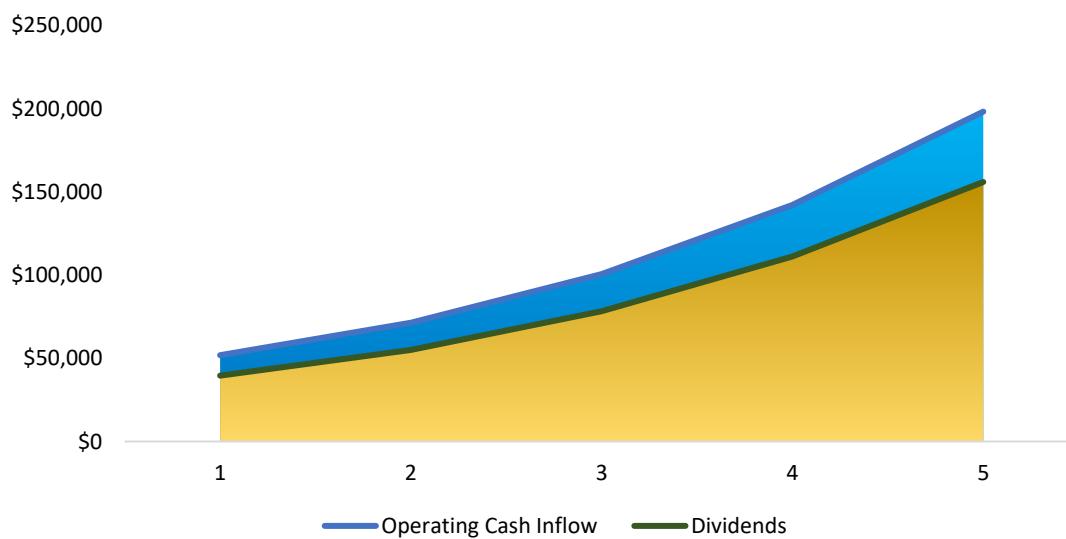
B) Common Size Income Statement

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	5.00%	5.00%	5.00%	5.00%	5.00%
 Gross Profit	 95.00%	 95.00%	 95.00%	 95.00%	 95.00%
 Expenses	 60.13%	 58.55%	 55.86%	 52.45%	 48.65%
Payroll	2.67%	2.23%	1.86%	1.55%	1.30%
Facility Costs	2.10%	2.10%	2.10%	2.10%	2.10%
Professional Fees and Licensure	0.67%	0.56%	0.47%	0.39%	0.32%
Insurance	0.80%	0.67%	0.56%	0.47%	0.39%
Marketing	1.60%	1.60%	1.60%	1.60%	1.60%
Business Development	1.34%	1.16%	1.01%	0.87%	0.76%
Misc. Costs	0.75%	0.75%	0.75%	0.75%	0.75%
Payroll Taxes	4.60%	4.48%	4.27%	4.01%	3.72%
Total Operating Costs	74.65%	72.10%	68.47%	64.20%	59.59%
 EBITDA	 20.35%	 22.90%	 26.53%	 30.80%	 35.41%
Federal Income Tax	4.81%	5.50%	6.45%	7.56%	8.74%
State Income Tax	0.96%	1.10%	1.29%	1.51%	1.75%
Interest Expense	0.73%	0.56%	0.42%	0.31%	0.23%
Depreciation Expenses	0.40%	0.35%	0.30%	0.26%	0.23%
 Net Profit	 13.45%	 15.40%	 18.07%	 21.16%	 24.47%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$51,851	\$71,304	\$100,632	\$142,025	\$198,131
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$51,851	\$71,304	\$100,632	\$142,025	\$198,131
Other Cash Inflows					
Equity Investment	\$15,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$35,000	\$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	\$51,000	\$1,050	\$1,103	\$1,158	\$1,216
Total Cash Inflow	\$102,851	\$72,354	\$101,735	\$143,183	\$199,347
Cash Outflows					
Repayment of Principal	\$2,382	\$2,580	\$2,794	\$3,025	\$3,277
A/P Decreases	\$700	\$735	\$772	\$810	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$12,500	\$3,565	\$5,032	\$7,101	\$9,907
Dividends	\$39,575	\$54,980	\$78,271	\$111,200	\$155,884
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$55,157	\$61,859	\$86,868	\$122,137	\$169,918
Net Cash Flow	\$47,694	\$10,495	\$14,867	\$21,046	\$29,429
Cash Balance	\$47,694	\$58,188	\$73,055	\$94,101	\$123,530

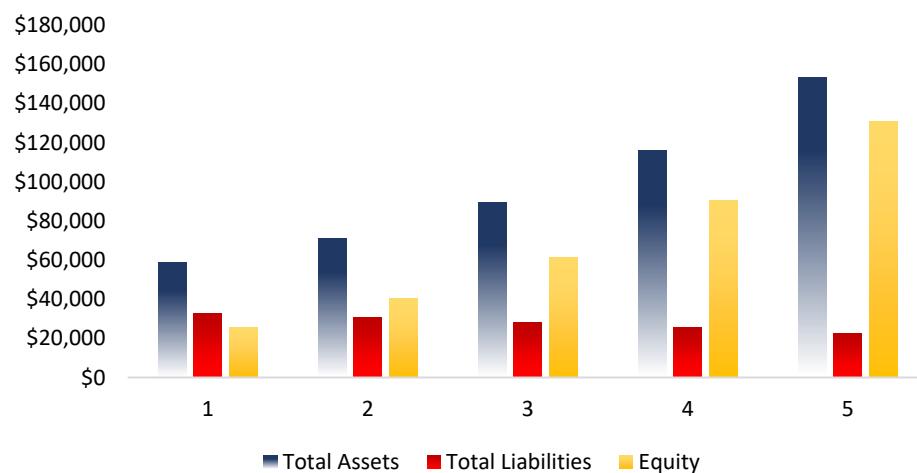
Cash Flow Analysis



D) Balance Sheet

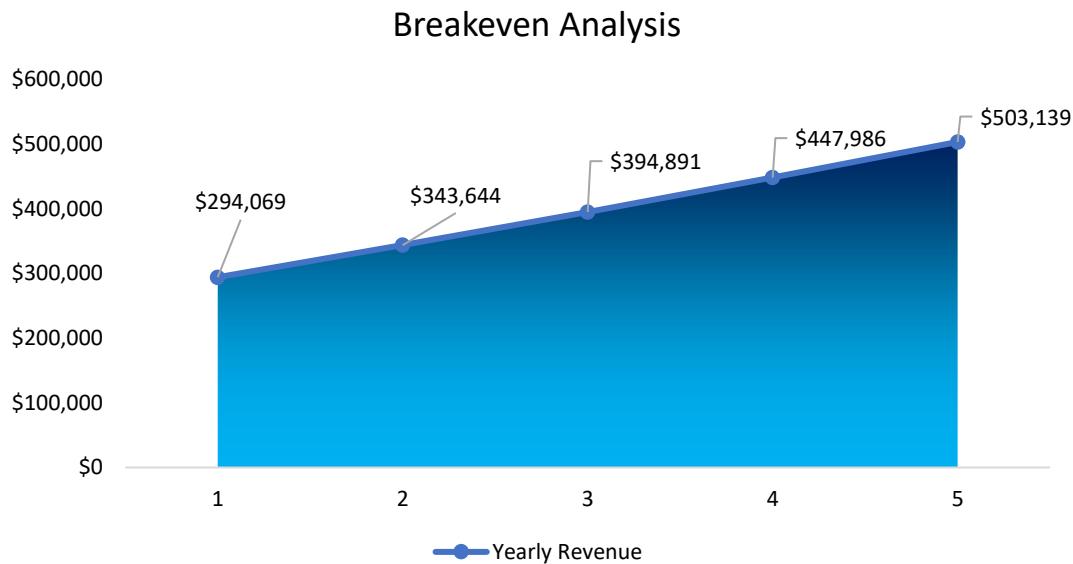
Proforma Balance Sheet - Yearly		1	2	3	4	5
Year						
Assets						
Cash		\$47,694	\$58,188	\$73,055	\$94,101	\$123,530
Fixed Assets		\$12,500	\$16,065	\$21,097	\$28,198	\$38,105
Accumulated Depreciation		(\$1,500)	(\$3,075)	(\$4,729)	(\$6,465)	(\$8,288)
Total Assets		\$58,694	\$71,179	\$89,423	\$115,834	\$153,347
Liabilities and Equity						
Accounts Payable		\$300	\$615	\$946	\$1,293	\$1,658
Long Term Liabilities		\$32,618	\$30,039	\$27,245	\$24,220	\$20,943
Other Liabilities		\$0	\$0	\$0	\$0	\$0
Total Liabilities		\$32,918	\$30,654	\$28,191	\$25,513	\$22,601
Equity		\$25,776	\$40,525	\$61,233	\$90,322	\$130,746
Total Liabilities and Equity		\$58,694	\$71,179	\$89,423	\$115,834	\$153,347

Balance Sheet



9.6 Breakeven Analysis

Break Even Analysis		1	2	3	4	5
Year	Monthly Revenue	\$24,506	\$28,637	\$32,908	\$37,332	\$41,928
	Yearly Revenue	\$294,069	\$343,644	\$394,891	\$447,986	\$503,139



9.7 Business Ratios

Business Ratios - Yearly						
	Year	1	2	3	4	5
Revenue						
Sales Growth		0.0%	21.0%	21.0%	21.0%	21.0%
Gross Margin		95.0%	95.0%	95.0%	95.0%	95.0%
Financials						
Profit Margin		13.45%	15.40%	18.07%	21.16%	24.47%
Assets to Liabilities		1.78	2.32	3.17	4.54	6.79
Equity to Liabilities		0.78	1.32	2.17	3.54	5.79
Assets to Equity		2.28	1.76	1.46	1.28	1.17
Liquidity						
Acid Test		1.45	1.90	2.59	3.69	5.47
Cash to Assets		0.81	0.82	0.82	0.81	0.81

Appendix A – SWOT Analysis

Strengths

- Limited competition among truck dispatching enterprises that also provide a wide range of logistics management services.
- Matthew Deutsch, the company's Founder and CEO, has more than ten years of experiencing managing freight dispatching enterprises.
- The business will have relatively low operating costs which will allow the business to allocate greater portion of its operating budget to marketing.
- The Company can easily scale on a nationwide basis through virtual communication channels.

Weaknesses

- Freight dispatching is a highly competitive industry.
- The business will have moderately high operating cost as relates to marketing expenditures.

Opportunities

- Expansion of operations to include freight brokerage services.
- Continued hiring of staff dispatchers that will acquire clients while providing services.
- Expansion of operations to include other services that meet the ongoing needs of truck truckers.

Threats

- An incredibly severe economic recession could impact the demand for freight transportation within the United States.
- Similarly, ongoing issues with inflation can cause the underlying cost of energy to increase which could reduce demand.

Appendix B – Critical Risks

Development Risk – Low

The wide range of truck dispatching and logistics management services offered by Deutsch Dispatch Group have already been developed. The principal issue that needs to be addressed is securing the funding sought in this document.

Financing Risk – Low

The risks related to \$35,000 business loan are offset by the economically secure nature of the income produced by Deutsch Dispatch Group. A moderate portion of this funding will be used for furniture, fixtures, and equipment.

Marketing Risk – Low

Management will continue to expand the scope of the Company's marketing operations, so that becomes a preeminent truck dispatching firm within the Northeastern United States and eventually a national level. Direct outreach is the most important component of Deutsch Dispatch Group's marketing operations.

Management Risk – Low

Matthew Deutsch is a highly experienced logistics professional that has more than a decade of experience providing truck dispatching services.

Valuation Risk – Low

The valuation risk is offset by:

- The operations of this truck dispatching enterprise are highly scalable.
- The Company can seamlessly integrate freight brokerage operations once dispatch operations are established.
- Deutsch Dispatch Group will command a significant valuation once the business achieves profitability given the level of competition in this market.

Exit Risk - Low

As noted earlier, there would be a significant demand for this business given its profitability and economic stability. It is not expected that the sale of Deutsch Dispatch Group would occur for at least ten years.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	\$29,700	\$29,970	\$30,240	\$30,510	\$30,780	\$31,050	\$31,320
Cost of Revenue	\$1,485	\$1,499	\$1,512	\$1,526	\$1,539	\$1,553	\$1,566
Gross Profit	\$28,215	\$28,472	\$28,728	\$28,985	\$29,241	\$29,498	\$29,754
Expenses							
Payroll	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750
Facility Costs	\$833	\$833	\$833	\$833	\$833	\$833	\$833
General and Administrative	\$655	\$655	\$655	\$655	\$655	\$655	\$655
Professional Fees and Licensure	\$208	\$208	\$208	\$208	\$208	\$208	\$208
Insurance	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Marketing	\$499	\$499	\$499	\$499	\$499	\$499	\$499
Business Development	\$417	\$417	\$417	\$417	\$417	\$417	\$417
Misc. Costs	\$234	\$234	\$234	\$234	\$234	\$234	\$234
Payroll Taxes	\$1,434	\$1,434	\$1,434	\$1,434	\$1,434	\$1,434	\$1,434
Total Operating Costs	\$23,280						
EBITDA	\$4,935	\$5,191	\$5,448	\$5,704	\$5,961	\$6,217	\$6,474
Federal Income Tax	\$1,427	\$1,440	\$1,453	\$1,466	\$1,479	\$1,492	\$1,505
State Income Tax	\$285	\$288	\$291	\$293	\$296	\$298	\$301
Interest Expense	\$233	\$232	\$231	\$229	\$228	\$227	\$226
Depreciation Expenses	\$125	\$125	\$125	\$125	\$125	\$125	\$125
Net Profit	\$2,864	\$3,106	\$3,348	\$3,590	\$3,832	\$4,075	\$4,317

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
Revenue	\$31,590	\$31,860	\$32,130	\$32,400	\$32,670	\$374,220
Cost of Revenue	\$1,580	\$1,593	\$1,607	\$1,620	\$1,634	\$18,711
Gross Profit	\$30,011	\$30,267	\$30,524	\$30,780	\$31,037	\$355,509
Expenses						
Payroll	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$225,000
Facility Costs	\$833	\$833	\$833	\$833	\$833	\$10,000
General and Administrative	\$655	\$655	\$655	\$655	\$655	\$7,859
Professional Fees and Licensure	\$208	\$208	\$208	\$208	\$208	\$2,500
Insurance	\$250	\$250	\$250	\$250	\$250	\$3,000
Marketing	\$499	\$499	\$499	\$499	\$499	\$5,988
Business Development	\$417	\$417	\$417	\$417	\$417	\$5,000
Misc. Costs	\$234	\$234	\$234	\$234	\$234	\$2,807
Payroll Taxes	\$1,434	\$1,434	\$1,434	\$1,434	\$1,434	\$17,213
Total Operating Costs	\$23,280	\$23,280	\$23,280	\$23,280	\$23,280	\$279,365
EBITDA	\$6,730	\$6,987	\$7,243	\$7,500	\$7,756	\$76,144
Federal Income Tax	\$1,518	\$1,531	\$1,544	\$1,557	\$1,570	\$17,982
State Income Tax	\$304	\$306	\$309	\$311	\$314	\$3,596
Interest Expense	\$224	\$223	\$222	\$220	\$219	\$2,714
Depreciation Expenses	\$125	\$125	\$125	\$125	\$125	\$1,500
Net Profit	\$4,559	\$4,802	\$5,044	\$5,286	\$5,528	\$50,351

Profit and Loss Statement (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Revenue	\$109,806	\$112,070	\$114,334	\$116,598	\$452,806
Cost of Revenue	\$5,490	\$5,603	\$5,717	\$5,830	\$22,640
Gross Profit	\$104,315	\$106,466	\$108,617	\$110,768	\$430,166
Expenses					
Payroll	\$66,281	\$66,281	\$66,281	\$66,281	\$265,125
Facility Costs	\$2,525	\$2,525	\$2,525	\$2,525	\$10,100
General and Administrative	\$2,306	\$2,353	\$2,401	\$2,449	\$9,509
Professional Fees and Licensure	\$612	\$625	\$638	\$650	\$2,525
Insurance	\$758	\$758	\$758	\$758	\$3,030
Marketing	\$1,757	\$1,793	\$1,829	\$1,866	\$7,245
Business Development	\$1,313	\$1,313	\$1,313	\$1,313	\$5,250
Misc. Costs	\$824	\$841	\$858	\$874	\$3,396
Payroll Taxes	\$4,918	\$5,020	\$5,121	\$5,223	\$20,282
Total Operating Costs	\$81,293	\$81,508	\$81,723	\$81,938	\$326,462
EBITDA	\$23,022	\$24,958	\$26,894	\$28,830	\$103,704
Federal Income Tax	\$6,039	\$6,164	\$6,288	\$6,413	\$24,903
State Income Tax	\$1,208	\$1,233	\$1,258	\$1,283	\$4,981
Interest Expense	\$648	\$636	\$623	\$610	\$2,516
Depreciation Expenses	\$394	\$394	\$394	\$394	\$1,575
Net Profit	\$14,733	\$16,532	\$18,332	\$20,132	\$69,729

Profit and Loss Statement (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Revenue	\$132,865	\$135,604	\$138,344	\$141,083	\$547,896
Cost of Revenue	\$6,643	\$6,780	\$6,917	\$7,054	\$27,395
Gross Profit	\$126,221	\$128,824	\$131,426	\$134,029	\$520,501
Expenses					
Payroll	\$76,508	\$76,508	\$76,508	\$76,508	\$306,030
Facility Costs	\$2,550	\$2,550	\$2,550	\$2,550	\$10,201
General and Administrative	\$2,790	\$2,848	\$2,905	\$2,963	\$11,506
Professional Fees and Licensure	\$618	\$631	\$644	\$657	\$2,550
Insurance	\$765	\$765	\$765	\$765	\$3,060
Marketing	\$2,126	\$2,170	\$2,213	\$2,257	\$8,766
Business Development	\$1,378	\$1,378	\$1,378	\$1,378	\$5,513
Misc. Costs	\$996	\$1,017	\$1,038	\$1,058	\$4,109
Payroll Taxes	\$5,853	\$5,853	\$5,853	\$5,853	\$23,411
Total Operating Costs	\$93,585	\$93,719	\$93,854	\$93,989	\$375,147
EBITDA	\$32,637	\$35,105	\$37,572	\$40,040	\$145,354
Federal Income Tax	\$8,572	\$8,749	\$8,926	\$9,103	\$35,350
State Income Tax	\$1,714	\$1,750	\$1,785	\$1,821	\$7,070
Interest Expense	\$596	\$583	\$569	\$555	\$2,302
Depreciation Expenses	\$413	\$413	\$413	\$413	\$1,654
Net Profit	\$21,340	\$23,610	\$25,879	\$28,149	\$98,979

Profit and Loss Statement (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Revenue	\$160,766	\$164,081	\$167,396	\$170,711	\$662,954
Cost of Revenue	\$8,038	\$8,204	\$8,370	\$8,536	\$33,148
Gross Profit	\$152,728	\$155,877	\$159,026	\$162,175	\$629,806
Expenses					
Payroll	\$86,932	\$86,932	\$86,932	\$86,932	\$347,727
Facility Costs	\$2,576	\$2,576	\$2,576	\$2,576	\$10,303
General and Administrative	\$3,376	\$3,446	\$3,515	\$3,585	\$13,922
Professional Fees and Licensure	\$625	\$637	\$650	\$663	\$2,576
Insurance	\$773	\$773	\$773	\$773	\$3,091
Marketing	\$2,572	\$2,625	\$2,678	\$2,731	\$10,607
Business Development	\$1,447	\$1,447	\$1,447	\$1,447	\$5,788
Misc. Costs	\$1,206	\$1,231	\$1,255	\$1,280	\$4,972
Payroll Taxes	\$6,650	\$6,650	\$6,650	\$6,650	\$26,601
Total Operating Costs	\$106,156	\$106,317	\$106,477	\$106,637	\$425,587
EBITDA	\$46,572	\$49,560	\$52,549	\$55,538	\$204,219
Federal Income Tax	\$12,150	\$12,401	\$12,651	\$12,902	\$50,103
State Income Tax	\$2,430	\$2,480	\$2,530	\$2,580	\$10,021
Interest Expense	\$540	\$525	\$510	\$495	\$2,070
Depreciation Expenses	\$434	\$434	\$434	\$434	\$1,736
Net Profit	\$31,018	\$33,720	\$36,424	\$39,127	\$140,289

Profit and Loss Statement (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Revenue	\$194,527	\$198,538	\$202,549	\$206,560	\$802,174
Cost of Revenue	\$9,726	\$9,927	\$10,127	\$10,328	\$40,109
Gross Profit	\$184,801	\$188,611	\$192,421	\$196,232	\$762,065
Expenses					
Payroll	\$97,557	\$97,557	\$97,557	\$97,557	\$390,227
Facility Costs	\$2,602	\$2,602	\$2,602	\$2,602	\$10,406
General and Administrative	\$4,085	\$4,169	\$4,254	\$4,338	\$16,846
Professional Fees and Licensure	\$631	\$644	\$657	\$670	\$2,602
Insurance	\$780	\$780	\$780	\$780	\$3,122
Marketing	\$3,112	\$3,177	\$3,241	\$3,305	\$12,835
Business Development	\$1,519	\$1,519	\$1,519	\$1,519	\$6,078
Misc. Costs	\$1,459	\$1,489	\$1,519	\$1,549	\$6,016
Payroll Taxes	\$7,463	\$7,463	\$7,463	\$7,463	\$29,852
Total Operating Costs	\$119,208	\$119,400	\$119,591	\$119,783	\$477,982
EBITDA	\$65,592	\$69,211	\$72,830	\$76,449	\$284,083
Federal Income Tax	\$17,002	\$17,352	\$17,703	\$18,053	\$70,110
State Income Tax	\$3,400	\$3,470	\$3,541	\$3,611	\$14,022
Interest Expense	\$479	\$463	\$447	\$430	\$1,819
Depreciation Expenses	\$456	\$456	\$456	\$456	\$1,823
Net Profit	\$44,255	\$47,470	\$50,684	\$53,899	\$196,308

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	\$2,989	\$3,231	\$3,473	\$3,715	\$3,957	\$4,200	\$4,442	\$4,684
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$2,989	\$3,231	\$3,473	\$3,715	\$3,957	\$4,200	\$4,442	\$4,684
Other Cash Inflows								
Equity Investment	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$35,000	\$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	\$50,083	\$83						
Total Cash Inflow	\$53,072	\$3,314	\$3,556	\$3,799	\$4,041	\$4,283	\$4,525	\$4,768
Cash Outflows								
Repayment of Principal	\$191	\$193	\$194	\$195	\$196	\$198	\$199	\$200
A/P Decreases	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$12,500	\$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
Total Cash Outflows	\$12,750	\$251	\$252	\$253	\$255	\$256	\$257	\$259
Net Cash Flow	\$40,322	\$3,063	\$3,304	\$3,545	\$3,786	\$4,027	\$4,268	\$4,509
Cash Balance	\$40,322	\$43,386	\$46,690	\$50,235	\$54,021	\$58,048	\$62,316	\$66,824

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	\$4,927	\$5,169	\$5,411	\$5,653	\$51,851
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$4,927	\$5,169	\$5,411	\$5,653	\$51,851
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$15,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$35,000
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	\$51,000
Total Cash Inflow	\$5,010	\$5,252	\$5,494	\$5,737	\$102,851
Cash Outflows					
Repayment of Principal	\$202	\$203	\$204	\$206	\$2,382
A/P Decreases	\$58	\$58	\$58	\$58	\$700
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$12,500
Dividends	\$0	\$0	\$0	\$39,575	\$39,575
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$260	\$261	\$263	\$39,839	\$55,157
Net Cash Flow	\$4,750	\$4,991	\$5,232	-\$34,103	\$47,694
Cash Balance	\$71,574	\$76,565	\$81,796	\$47,694	\$47,694

Cash Flow Analysis (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	\$15,127	\$16,926	\$18,726	\$20,525	\$71,304
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$15,127	\$16,926	\$18,726	\$20,525	\$71,304
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	\$15,382	\$17,186	\$18,991	\$20,796	\$72,354
Cash Outflows					
Repayment of Principal	\$626	\$638	\$651	\$664	\$2,580
A/P Decreases	\$178	\$182	\$186	\$189	\$735
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$3,565	\$0	\$0	\$0	\$3,565
Dividends	\$0	\$0	\$0	\$54,980	\$54,980
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$4,369	\$820	\$837	\$55,833	\$61,859
Net Cash Flow	\$11,012	\$16,366	\$18,154	-\$35,037	\$10,495
Cash Balance	\$58,706	\$75,072	\$93,226	\$58,188	\$58,188

Cash Flow Analysis (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	\$21,754	\$24,023	\$26,293	\$28,563	\$100,632
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$21,754	\$24,023	\$26,293	\$28,563	\$100,632
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	\$22,021	\$24,296	\$26,571	\$28,847	\$101,735
Cash Outflows					
Repayment of Principal	\$678	\$691	\$705	\$719	\$2,794
A/P Decreases	\$187	\$191	\$195	\$199	\$772
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$5,032	\$0	\$0	\$0	\$5,032
Dividends	\$0	\$0	\$0	\$78,271	\$78,271
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$5,896	\$882	\$900	\$79,189	\$86,868
Net Cash Flow	\$16,125	\$23,414	\$25,671	-\$50,343	\$14,867
Cash Balance	\$74,313	\$97,727	\$123,398	\$73,055	\$73,055

Cash Flow Analysis (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	\$31,452	\$34,155	\$36,858	\$39,561	\$142,025
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$31,452	\$34,155	\$36,858	\$39,561	\$142,025
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$281	\$287	\$292	\$298	\$1,158
Total Other Cash Inflows	\$281	\$287	\$292	\$298	\$1,158
Total Cash Inflow	\$31,732	\$34,441	\$37,150	\$39,859	\$143,183
Cash Outflows					
Repayment of Principal	\$734	\$749	\$764	\$779	\$3,025
A/P Decreases	\$197	\$201	\$205	\$209	\$810
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$7,101	\$0	\$0	\$0	\$7,101
Dividends	\$0	\$0	\$0	\$111,200	\$111,200
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$8,032	\$949	\$968	\$112,187	\$122,137
Net Cash Flow	\$23,701	\$33,492	\$36,182	-\$72,328	\$21,046
Cash Balance	\$96,756	\$130,248	\$166,430	\$94,101	\$94,101

Cash Flow Analysis (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	\$44,711	\$47,925	\$51,140	\$54,355	\$198,131
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$44,711	\$47,925	\$51,140	\$54,355	\$198,131
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	\$45,006	\$48,226	\$51,447	\$54,668	\$199,347
Cash Outflows					
Repayment of Principal	\$795	\$811	\$827	\$844	\$3,277
A/P Decreases	\$206	\$211	\$215	\$219	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$9,907	\$0	\$0	\$0	\$9,907
Dividends	\$0	\$0	\$0	\$155,884	\$155,884
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$10,908	\$1,021	\$1,042	\$156,947	\$169,918
Net Cash Flow	\$34,098	\$47,205	\$50,405	-\$102,279	\$29,429
Cash Balance	\$128,200	\$175,404	\$225,809	\$123,530	\$123,530