



Table of Contents

1.0 Executive Summary	4
2.0 The Financing	7
2.1 Funds Required	7
2.2 Management and Investor Equity	7
2.3 Exit Strategies	7
3.0 Operations	8
4.0 Overview of the Organization	9
4.1 Registered Name	9
4.2 Commencement of Operations	9
4.3 Mission Statement	9
4.4 Vision Statement	9
4.5 Organizational Objectives	9
5.0 Market and Industry Analysis	10
5.1 External Environmental Analysis	10
5.2 Industry Analysis	10
5.3 Customer Profile	10
5.4 Competitive Analysis	11
6.0 Key Strategic Issues	11
6.1 Sustainable Operations	12
6.2 Basis of Growth	12
7.0 Marketing Plan	13
7.1 Marketing Objectives	13
7.2 Revenue Forecasts	13
7.3 Revenue Assumptions	13
7.4 Marketing Strategies	14
8.0 Organizational Plan	15
8.1 Organizational Hierarchy	15
8.2 Personnel Costs	16
9.0 Financial Plan	17

9.1 Underlying Assumptions	17
9.2 Financial Highlights.....	17
9.3 Sensitivity Analysis	17
9.4 Source of Funds	17
9.5 Financial Proformas	18
A) Profit and Loss Statement.....	18
B) Common Size Income Statement.....	19
C) Cash Flow Analysis	20
D) Balance Sheet.....	21
9.6 Breakeven Analysis	22
9.7 Business Ratios	22
Appendix A – SWOT Analysis.....	23
Appendix B – Critical Risks	24
Appendix C – Expanded Profit and Loss Statements	25
Appendix D – Expanded Cash Flow Analysis.....	31

1.0 Executive Summary

The purpose of this business plan is to showcase the continued development and expansion of a veterinary practice based in Loudon County, Virginia. Deutsch Veterinary Group LLC (“the Company”) was founded this year with the intent to provide a wide range of diagnostic and surgical services specific for the needs of animals. At this time, the Company is seeking a \$300,000 business loan in order to commence full scale operations. The business will initially launch its operations with the owner, a licensed veterinarian, rendering all services. In the coming years, the Founder intends to hire staff veterinarians to boost the billings of the business.

Operations

The primary revenue center for the Company will come from the ongoing rendering of veterinary practice services to the general public. This will include a wide range of diagnostic services to address specific medical matters, as well as providing surgical services when needed. Given the wealth of the Loudoun County market, the business will be able to charge a significant fee for each engagement with a patient.

The Company’s secondary revenue center will come from the ongoing sale of a specific types of medications that are specific for the needs of animals. The business will be properly licensed by the Commonwealth of Virginia to provide dispensing of veterinary medications.

The third section of this veterinarian business plan will further discuss operations.

The Financing

The Company is currently seeking \$300,000 in order to establish its state-of-the-art veterinary clinic within the target market. The funds will be used for the following:

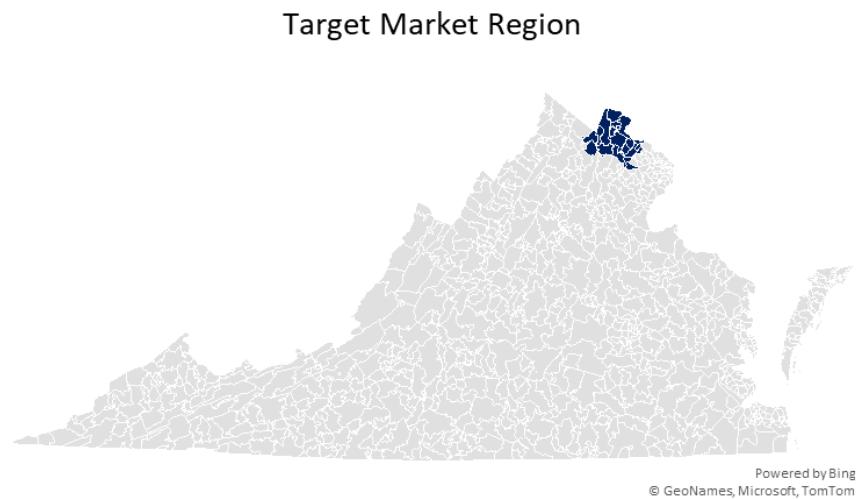
- Location buildout
- Veterinary and general equipment
- Working capital

To properly manage cash flow, the Company may acquire a working capital line of credit in the future in order to expand the operations of the practice, especially as new veterinarians are onboarded to provide a greater degree of service.

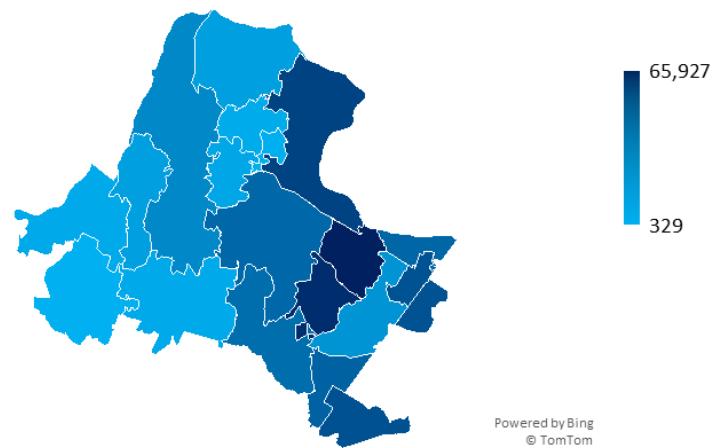
The Future

The growth opportunities for Deutsch Veterinary Group are substantial. As this is a wealthy market, many people own pets and enter them as part of their family. As such, these individuals are willing to spend significant amounts of money for the proper care of their beloved animals. There is a potential opportunity to establish satellite locations within the target market area on an as needed basis as the Company’s first practice location reaches full capacity.

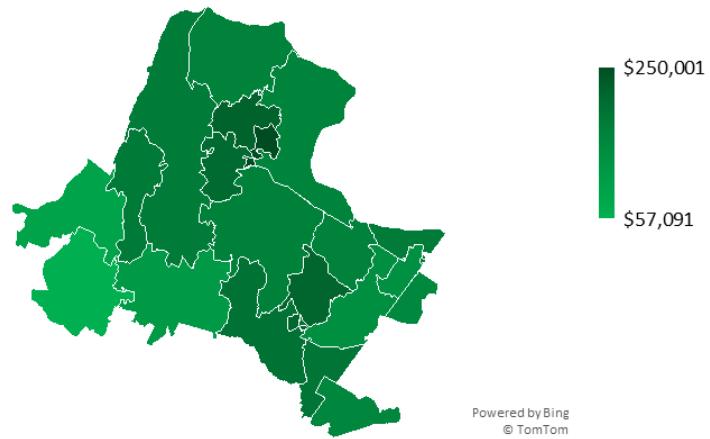
Market Overview



Target Market Population



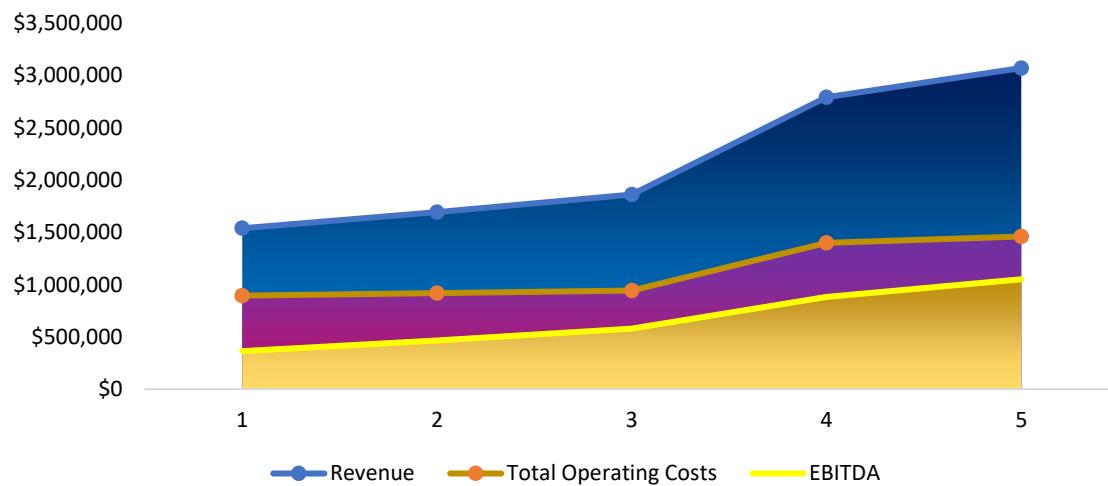
Target Market Household Income



Revenue Forecasts

Proforma Profit and Loss		1	2	3	4	5
Year						
Revenue		\$1,538,700	\$1,692,570	\$1,861,827	\$2,792,741	\$3,072,015
Cost of Revenue		\$280,980	\$309,078	\$339,986	\$509,979	\$560,977
Gross Profit		\$1,257,720	\$1,383,492	\$1,521,841	\$2,282,762	\$2,511,038
Total Operating Costs		\$894,584	\$918,555	\$944,269	\$1,400,682	\$1,460,163
EBITDA		\$363,136	\$464,937	\$577,573	\$882,080	\$1,050,875

Revenue, Operating Costs, EBITDA



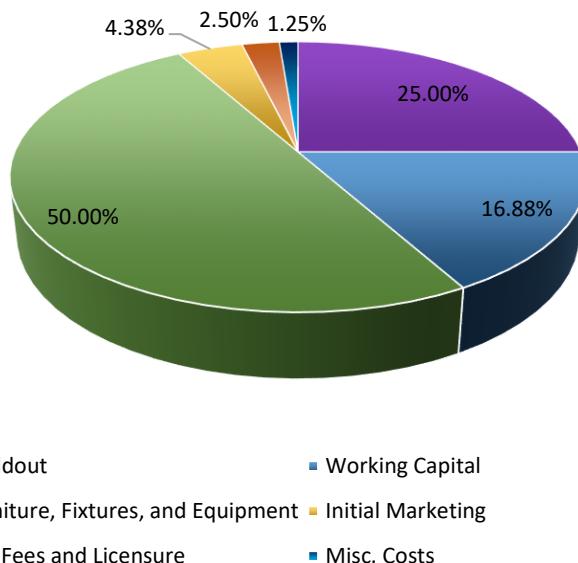
2.0 The Financing

2.1 Funds Required

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

Use of Funds	
Location Buildout	\$100,000
Working Capital	\$67,500
General Furniture, Fixtures, and Equipment	\$200,000
Initial Marketing	\$17,500
Professional Fees and Licensure	\$10,000
Misc. Costs	\$5,000
Total	\$400,000

Use of Funds Overview



2.2 Management and Investor Equity

The Founder maintains a 100% ownership stake in the business.

2.3 Exit Strategies

There would be a moderate degree of complexity with selling this practice to a third-party. Given laws that pertain to ownership of veterinarian practices, the Company would need to sell the business to a practitioner. There is also a possibility that staff veterinarians may ultimately buy out the Founder over a significant period of time. There are no long-term plans to sell this business as the Founder intends to establish a highly respected veterinary practice in the Loudoun County market.

3.0 Operations

As discussed in the executive summary, the Company will be actively involved in providing a wide range of general and surgical veterinary care to the general public. For routine matters, the Company intends to operate at a very affordable pricing point so that anyone with a pet will be able to access the premium level of care offered by Deutsch Veterinary Group.

The facilities will feature a state-of-the-art surgical suite so that any procedure can be rendered directly onsite. This surgical suite will conform to all protocols that are considered to be best practices among veterinarians.

The Company will directly employ staff, including specialized veterinary technicians, that have extensive experience not working in an operating room. It will ensure a substantial the rear of care for the practice's patients.

Beyond direct services, the Company will have a number of pet accessories as well as pet medications available for sale. The Founder will be properly licensed to prescribe medication specific for the treatment of animal health issues.

4.0 Overview of the Organization

4.1 Registered Name

Deutsch Veterinary Group LLC. The Company's is registered as a limited liability company in the Commonwealth of Virginia.

4.2 Commencement of Operations

The practice will commence operations in the fourth quarter of this year.

4.3 Mission Statement

To provide comprehensive and compassionate care to animals and their owners within the Loudoun County market.

4.4 Vision Statement

To become recognized as a preeminent veterinary practice within the target market.

4.5 Organizational Objectives

- Properly established the state-of-the-art veterinary clinic once the capital in this document has been secured.
- Conduct extensive direct outreach with realtors that will provide ongoing referrals among people that have recently moved to the area.
- Implement best practices it relates to rendering all aspects of veterinary care.
- Properly on-board staff veterinarians as well as veterinary technicians they will provide their services in tandem with the Founder.
- Adhered to all laws and regulations regarding the practice of veterinary medicine within the Commonwealth of Virginia.
- Implement numerous online marketing strategies that will create significant brand name in visibility for Deutsch Veterinary Group in the coming years.

5.0 Market and Industry Analysis

5.1 External Environmental Analysis

This section of veterinarian business plan will focus on the current economic climate, the industry, the demographics, and the ongoing competition that the business will face moving forward.

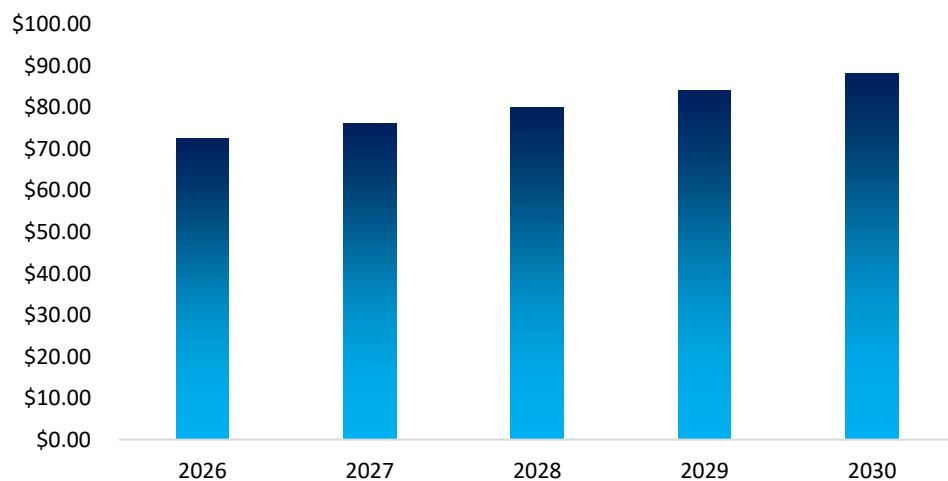
At this time, inflation is increasing at a rate that is higher than expected. It should be noted that the Federal Reserve as well as the United States Treasury are implementing appropriate fiscal protocols in order to reduce the rate of inflation.

It should be noted that the revenue of this veterinarian practice will be relatively immune from negative changes in the economy. Most importantly, the Company is operating within the Loudon County area, which is one of the wealthiest regions of the United States. For many people in this market, their pet is an important part of their family and they are willing to make the necessary expenditures to ensure their proper health.

5.2 Industry Analysis

As of this year, there are 60,000 practices that provide veterinary services to the general public. These businesses aggregate generate \$74 billion of revenue while providing jobs for 500,000 people, including the veterinarians.

Veterinary Industry Revenues (billions)



This is one of the world's oldest industries, and the demand for veterinary services tends to remain strong even during challenging economic climates. One of the key components that have made veterinarian practices successful is the continued use of technology for managing each aspect of these businesses. Deutsch Veterinary Group will use the latest in patient management and billing technology to reduce costs as well as reducing the potential for error.

5.3 Customer Profile

Any individual that owns a pet who lives within 15 miles of the Company's location in Loudon County is a potential client of the business. As has been one of the themes throughout this document, this is a very wealthy area. Generally, these individuals will typically have one to two pets and will have a household income exceeding \$150,000 per year.

5.4 Competitive Analysis

The ongoing competition that Deutsch Veterinary Group will face as it expands its operations is moderate. This is a highly population density area and the number of veterinary practices is actually slightly lower than it would be anticipated in a similar market. The Founder is a highly experienced veterinarian with more than a decade of experience with a specialized focus on surgical procedures. This will create a significant differentiating factor for the Company.

6.0 Key Strategic Issues

6.1 Sustainable Operations

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

- The Company is operating in a highly wealthy market, which will contribute to the economic stability of the business.
- The Founder is an experienced veterinarian with a specialty in surgery, which will provide a different differentiating factor.
- The revenue of the practice is highly predictable of nature as animals will continue to need proper veterinary care at all times.
- The operations of the business are highly scalable through the hiring of staff veterinarians.

6.2 Basis of Growth

The Company will expand via the following methods:

- Continued expansion of the Company's, marketing operations with a major focus on direct outreach with realtors.
- Onboarding additional staff in order to naturally increase the buildings of the business.
- Development of additional practice locations within a 50-mile radius of the initial facility.
- Retain specialty veterinarians so that specialized services can be rendered when needed.

7.0 Marketing Plan

7.1 Marketing Objectives

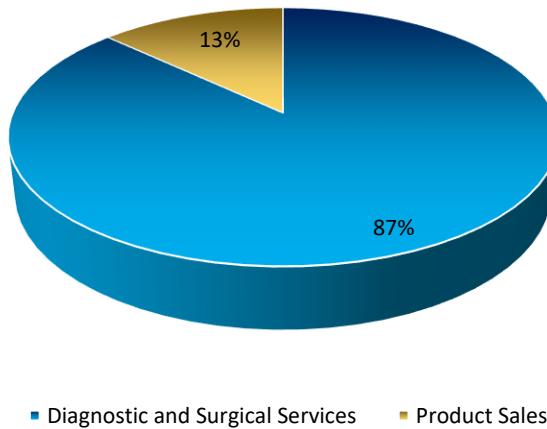
- Implement a wide-ranging online campaign that is search engine optimized for the Loudoun County market.
- Establish ongoing referral relationships with realtors in the market.
- Use multiple social media campaigns to create brand visibility.

7.2 Revenue Forecasts

Yearly Sales Forecast		1	2	3	4	5
Year						
Diagnostic and Surgical Services		\$1,338,000	\$1,471,800	\$1,618,980	\$2,428,470	\$2,671,317
Product Sales		\$200,700	\$220,770	\$242,847	\$364,271	\$400,698
Total		\$1,538,700	\$1,692,570	\$1,861,827	\$2,792,741	\$3,072,015

Gross Profit		1	2	3	4	5
Year						
Total		\$1,257,720	\$1,383,492	\$1,521,841	\$2,282,762	\$2,511,038

Revenue Generation



7.3 Revenue Assumptions

Year 1

- The practice will be launched in the first quarter.
- Revenue will reach \$1.5 million.

Year 2

- The Company will expand the scope of its marketing operations.
- Revenue will reach \$1.69 million.

Years 3-5

- By Year 5, revenue will reach \$3 million.
- Gross profits will reach \$2.5 million.
- The Founder may seek to develop additional locations in Virginia.

7.4 Marketing Strategies

The Company will use a number of marketing strategies that will create significant brand name awareness for Deutsch Veterinary Group as it establishes its practice operations in the Loudon County market. As has been noted throughout this document, one of the ways in which the business will immediately begin to generate revenue is by receiving referrals from realtors that will recommend that their clients use the practice for their pets' healthcare needs.

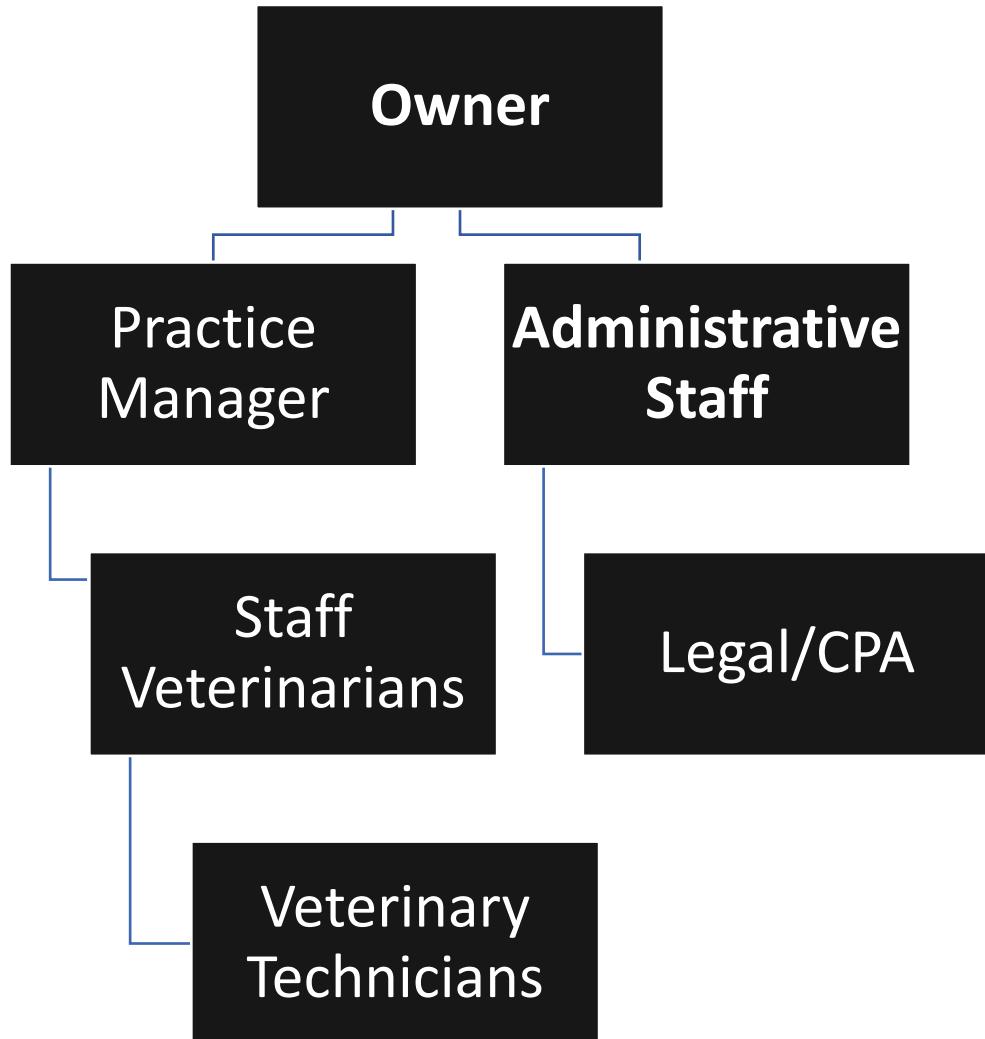
The Company's website will showcase the cost-effective veterinary care solutions offered by the practice. This website will undergo significant search engine optimization specific for the Loudon County market. In order to maintain the Company's standings among major search engines, the Founder will produce ongoing written content that will position the website as an educational resource for matters related to veterinary care.

The business will also maintain a presence among social media platforms. This will include offering specialized discounts for first time clients. Ongoing news and information about the business will be posted these platforms on an ongoing basis.

To position Deutsch Veterinary Group as a community minded practice, the Company's will offer free checkup days once per quarter in order to ensure that people that may not be able to otherwise afford veterinary care can have their pet examined at no cost.

8.0 Organizational Plan

8.1 Organizational Hierarchy

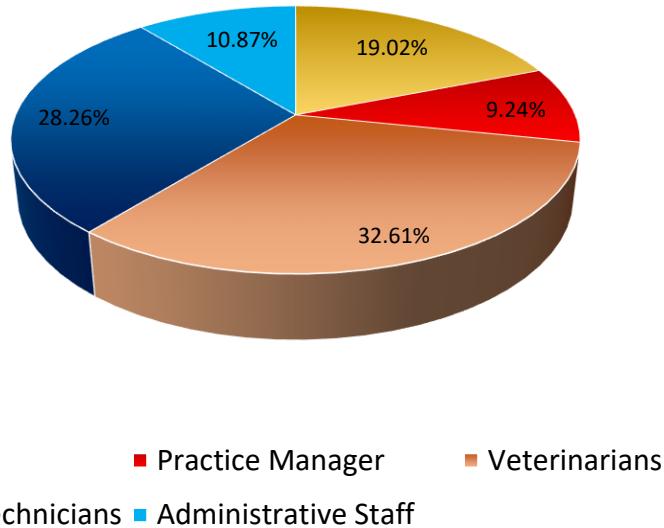


8.2 Personnel Costs

Personnel Plan - Yearly		1	2	3	4	5
Year						
Owner		\$175,000	\$176,750	\$178,518	\$180,303	\$182,106
Practice Manager		\$85,000	\$85,850	\$86,709	\$87,576	\$88,451
Veterinarians		\$150,000	\$151,500	\$153,015	\$309,090	\$312,181
Veterinary Technicians		\$130,000	\$131,300	\$132,613	\$251,136	\$270,557
Administrative Staff		\$50,000	\$50,500	\$51,005	\$103,030	\$104,060
Total		\$590,000	\$595,900	\$601,859	\$931,135	\$957,356

Numbers of Personnel (Year End Headcount)						
Year		1	2	3	4	5
Owner		1	1	1	1	1
Practice Manager		1	1	1	1	1
Veterinarians		1	1	1	2	2
Veterinary Technicians		2	2	2	3	4
Administrative Staff		1	1	1	2	2
Total		6	6	6	9	10

Personnel Summary



9.0 Financial Plan

9.1 Underlying Assumptions

- Deutsch Veterinary Group will achieve a compounded annual growth rate of 19%, which is due to the continued increase in staff.
- The Company will acquire a \$300,000 of debt capital to establish these operations.
- The Founder will contribute \$100,000 towards the venture.

9.2 Financial Highlights

- Veterinary services will produce contribution margins of 95%.
- The sales of pet supplies and related goods will produce contribution margins of 60%.

9.3 Sensitivity Analysis

The Company will be able to thrive even during times of economic recession given the substantial wealth of the Loudon County market. Furthermore, the vast majority of people consider their pets to be part of their family and they are willing to pay a significant amount of money to receive proper care for their loved animals. This is complemented by the substantial contribution margins that the practice will generate from all services rendered.

9.4 Source of Funds

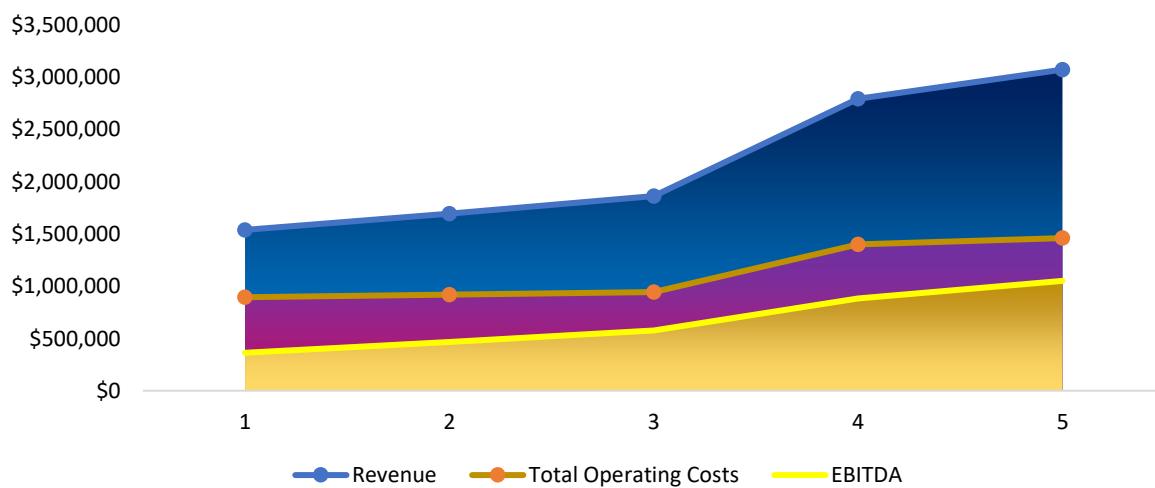
Financing	
Equity	
Equity Capitalization	\$100,000.00
Total Equity Financing	\$100,000.00
Banks and Lenders	
Business Loan	\$300,000.00
Total Debt Financing	\$300,000.00
Total Financing	\$400,000.00

9.5 Financial Proformas

A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
Revenue	\$1,538,700	\$1,692,570	\$1,861,827	\$2,792,741	\$3,072,015
Cost of Revenue	\$280,980	\$309,078	\$339,986	\$509,979	\$560,977
Gross Margin	81.74%	81.74%	81.74%	81.74%	81.74%
Gross Profit	\$1,257,720	\$1,383,492	\$1,521,841	\$2,282,762	\$2,511,038
Expenses					
Payroll	\$590,000	\$595,900	\$601,859	\$931,135	\$957,356
Facility Costs	\$60,000	\$60,600	\$61,206	\$61,818	\$62,436
General and Administrative	\$46,161	\$50,777	\$55,855	\$83,782	\$92,160
Professional Fees and Licensure	\$12,500	\$12,625	\$12,751	\$12,879	\$13,008
Insurance	\$20,000	\$20,200	\$20,402	\$20,606	\$20,812
Marketing	\$61,548	\$67,703	\$74,473	\$111,710	\$122,881
Equipment	\$47,700	\$52,470	\$57,717	\$86,575	\$95,232
Misc. Costs	\$11,540	\$12,694	\$13,964	\$20,946	\$23,040
Payroll Taxes	\$45,135	\$45,586	\$46,042	\$71,232	\$73,238
Total Operating Costs	\$894,584	\$918,555	\$944,269	\$1,400,682	\$1,460,163
EBITDA	\$363,136	\$464,937	\$577,573	\$882,080	\$1,050,875
Federal Income Tax	\$79,466	\$104,998	\$133,250	\$209,483	\$251,800
State Income Tax	\$15,893	\$21,000	\$26,650	\$41,897	\$50,360
Interest Expense	\$25,271	\$24,743	\$24,169	\$23,544	\$22,863
Depreciation Expenses	\$20,000	\$20,200	\$20,402	\$20,606	\$20,812
Net Profit	\$222,506	\$293,996	\$373,101	\$586,551	\$705,040
Profit Margin	14.46%	17.37%	20.04%	21.00%	22.95%

Revenue, Operating Costs, EBITDA



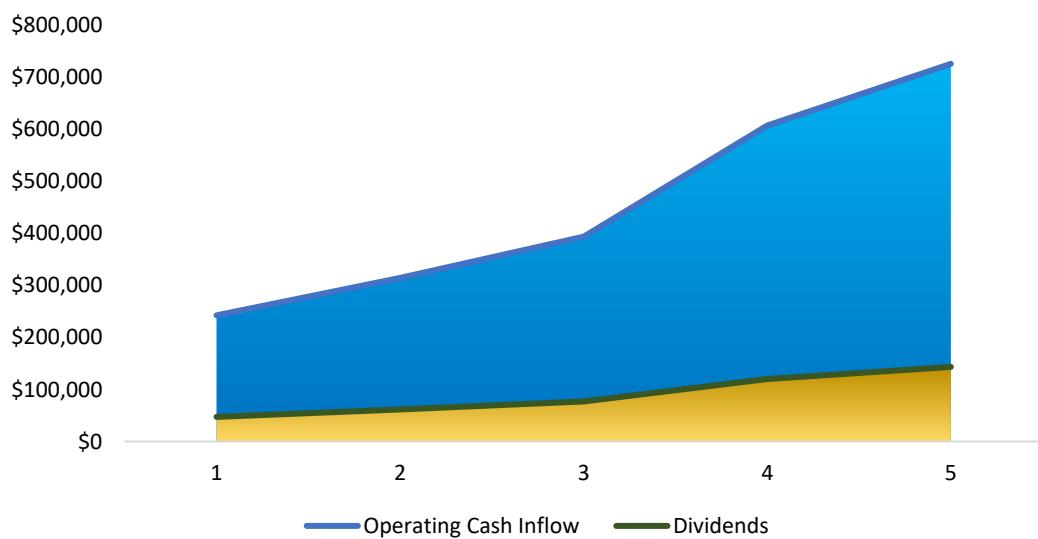
B) Common Size Income Statement

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	18.26%	18.26%	18.26%	18.26%	18.26%
 Gross Profit	 81.74%	 81.74%	 81.74%	 81.74%	 81.74%
 Expenses	 38.34%	 35.21%	 32.33%	 33.34%	 31.16%
Payroll	3.90%	3.58%	3.29%	2.21%	2.03%
Facility Costs	3.00%	3.00%	3.00%	3.00%	3.00%
General and Administrative	0.81%	0.75%	0.68%	0.46%	0.42%
Professional Fees and Licensure	1.30%	1.19%	1.10%	0.74%	0.68%
Insurance	4.00%	4.00%	4.00%	4.00%	4.00%
Marketing	3.10%	3.10%	3.10%	3.10%	3.10%
Equipment	0.75%	0.75%	0.75%	0.75%	0.75%
Misc. Costs	2.93%	2.69%	2.47%	2.55%	2.38%
Total Operating Costs	58.14%	54.27%	50.72%	50.15%	47.53%
 EBITDA	 23.60%	 27.47%	 31.02%	 31.58%	 34.21%
Federal Income Tax	5.16%	6.20%	7.16%	7.50%	8.20%
State Income Tax	1.03%	1.24%	1.43%	1.50%	1.64%
Interest Expense	1.64%	1.46%	1.30%	0.84%	0.74%
Depreciation Expenses	1.30%	1.19%	1.10%	0.74%	0.68%
 Net Profit	 14.46%	 17.37%	 20.04%	 21.00%	 22.95%

C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$242,506	\$314,196	\$393,503	\$607,157	\$725,852
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$242,506	\$314,196	\$393,503	\$607,157	\$725,852
Other Cash Inflows					
Equity Investment	\$100,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$300,000	\$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	\$401,000	\$1,050	\$1,103	\$1,158	\$1,216
Total Cash Inflow	\$643,506	\$315,246	\$394,606	\$608,315	\$727,067
Cash Outflows					
Repayment of Principal	\$5,971	\$6,498	\$7,073	\$7,698	\$8,378
A/P Decreases	\$700	\$735	\$772	\$810	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$300,000	\$15,710	\$19,675	\$30,358	\$36,293
Dividends	\$47,307	\$61,539	\$77,286	\$119,892	\$143,495
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$353,978	\$84,483	\$104,806	\$158,758	\$189,017
Net Cash Flow	\$289,528	\$230,763	\$289,800	\$449,557	\$538,051
Cash Balance	\$289,528	\$520,291	\$810,091	\$1,259,648	\$1,797,699

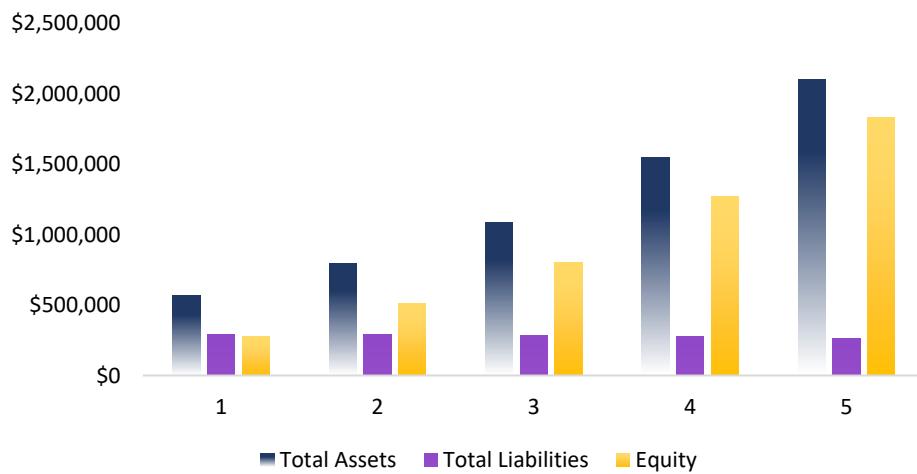
Cash Flow Analysis



D) Balance Sheet

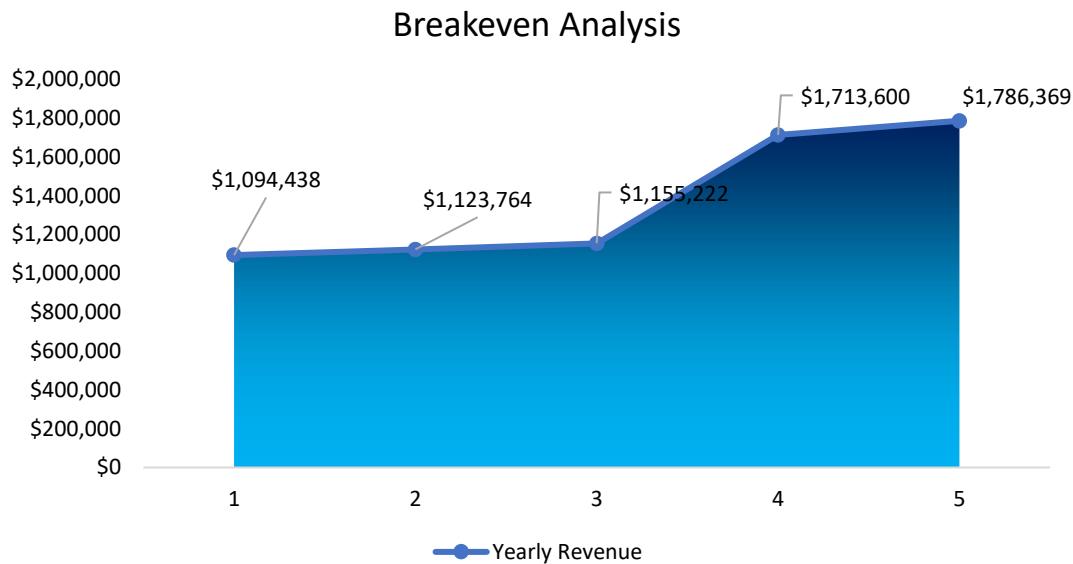
Proforma Balance Sheet - Yearly		1	2	3	4	5
Year						
Assets						
Cash		\$289,528	\$520,291	\$810,091	\$1,259,648	\$1,797,699
Fixed Assets		\$300,000	\$315,710	\$335,385	\$365,743	\$402,035
Accumulated Depreciation		(\$20,000)	(\$40,200)	(\$60,602)	(\$81,208)	(\$102,020)
Total Assets		\$569,528	\$795,801	\$1,084,874	\$1,544,182	\$2,097,714
Liabilities and Equity						
Accounts Payable		\$300	\$615	\$946	\$1,293	\$1,658
Long Term Liabilities		\$294,029	\$287,531	\$280,458	\$272,760	\$264,382
Other Liabilities		\$0	\$0	\$0	\$0	\$0
Total Liabilities		\$294,329	\$288,146	\$281,404	\$274,053	\$266,039
Equity		\$275,199	\$507,655	\$803,470	\$1,270,129	\$1,831,675
Total Liabilities and Equity		\$569,528	\$795,801	\$1,084,874	\$1,544,182	\$2,097,714

Balance Sheet



9.6 Breakeven Analysis

Break Even Analysis		1	2	3	4	5
Year	Monthly Revenue	\$91,203	\$93,647	\$96,269	\$142,800	\$148,864
	Yearly Revenue	\$1,094,438	\$1,123,764	\$1,155,222	\$1,713,600	\$1,786,369



9.7 Business Ratios

Business Ratios - Yearly		1	2	3	4	5
Year		1	2	3	4	5
Revenue						
Sales Growth	0.0%	10.0%	10.0%	50.0%	10.0%	
Gross Margin	81.7%	81.7%	81.7%	81.7%	81.7%	
Financials						
Profit Margin	14.46%	17.37%	20.04%	21.00%	22.95%	
Assets to Liabilities	1.94	2.76	3.86	5.63	7.88	
Equity to Liabilities	0.94	1.76	2.86	4.63	6.88	
Assets to Equity	2.07	1.57	1.35	1.22	1.15	
Liquidity						
Acid Test	0.98	1.81	2.88	4.60	6.76	
Cash to Assets	0.51	0.65	0.75	0.82	0.86	

Appendix A – SWOT Analysis

Strengths

- Immense demand within the Loudon County market for comprehensive veterinary care.
- The state-of-the-art surgical suite will provide a major differentiating factor for the business.
- The Company will be able to access capital on it as needed basis to further its growth objectives.
- The Founder has more than a decade experiencing as a practicing veterinarian, and he will be able to properly render care to his patients.

Weaknesses

- Operational complexity is given that this is a veterinary focused business.
- Moderately high costs related to payroll even that highly skilled veterinarians and veterinary technicians need to be hired.

Opportunities

- Expansion of the number of Deutsch Veterinary Group branded locations operated by the business.
- Hiring of staff veterinarians that will increase billings in tandem with the owner.
- Expansion of operations to include specialized surgical procedures, which are not commonly performed by veterinarians in this area.

Threats

- Inflation could cause the operating cost of the business to increase, especially as it relates to utility expenses and marketing.
- Ongoing competition from highly established veterinary practices.

Appendix B – Critical Risks

Development Risk – Low

The primary matter that needs to be addressed is sourcing the necessary capital to establish the operations of this veterinary practice. The Founder has all of the necessary licensure to operate in this capacity within Virginia.

Financing Risk – Low/Moderate

A significant portion of the \$300,000 sought in this document will be used specifically for the acquisition of veterinary practice assets. These risks are aided by the economically secure nature of this business.

Marketing Risk – Low

The Company will continue to use and expand on the marketing strategies discussed earlier with a major focus on direct outreach and community engagement to properly position to practice as a respected veterinary institution in Loudoun County.

Management Risk – Low

The Founder has received numerous accolades for his extensive care and experience in the field of veterinary medicine. He will be able to bring the operations of this business to profitability.

Valuation Risk – Low

The valuation risk is offset by:

- The Company can scale operations through multiple means as discussed in this document.
- Deutsch Veterinary Group will enjoy a mix of revenue that includes both services and veterinary product sales.
- The Company can scale into other markets within Virginia given the demand within this state.

Exit Risk - Low

There are no long ranging plans to sell as veterinary practice to a third-party. As noted earlier, the most likely scenario would be a five-year buyout plan with staff veterinarians. A formal evaluation that's conducted by a business broker would be completed prior to establishing this type of buyout agreement.

Appendix C – Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	\$121,900	\$123,050	\$124,200	\$125,350	\$126,500	\$127,650	\$128,800
Cost of Revenue	\$22,260	\$22,470	\$22,680	\$22,890	\$23,100	\$23,310	\$23,520
Gross Profit	\$99,640	\$100,580	\$101,520	\$102,460	\$103,400	\$104,340	\$105,280
Expenses							
Payroll	\$49,167	\$49,167	\$49,167	\$49,167	\$49,167	\$49,167	\$49,167
Facility Costs	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
General and Administrative	\$3,847	\$3,847	\$3,847	\$3,847	\$3,847	\$3,847	\$3,847
Professional Fees and Licensure	\$1,042	\$1,042	\$1,042	\$1,042	\$1,042	\$1,042	\$1,042
Insurance	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667
Marketing	\$5,129	\$5,129	\$5,129	\$5,129	\$5,129	\$5,129	\$5,129
Equipment	\$3,975	\$3,975	\$3,975	\$3,975	\$3,975	\$3,975	\$3,975
Misc. Costs	\$962	\$962	\$962	\$962	\$962	\$962	\$962
Payroll Taxes	\$3,761	\$3,761	\$3,761	\$3,761	\$3,761	\$3,761	\$3,761
Total Operating Costs	\$74,549						
EBITDA	\$25,091	\$26,031	\$26,971	\$27,911	\$28,851	\$29,791	\$30,731
Federal Income Tax	\$6,296	\$6,355	\$6,414	\$6,474	\$6,533	\$6,592	\$6,652
State Income Tax	\$1,259	\$1,271	\$1,283	\$1,295	\$1,307	\$1,318	\$1,330
Interest Expense	\$2,125	\$2,122	\$2,118	\$2,115	\$2,111	\$2,108	\$2,104
Depreciation Expenses	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667
Net Profit	\$13,745	\$14,617	\$15,489	\$16,361	\$17,234	\$18,106	\$18,978

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	Year 1
Revenue	\$129,950	\$131,100	\$132,250	\$133,400	\$134,550	\$1,538,700
Cost of Revenue	\$23,730	\$23,940	\$24,150	\$24,360	\$24,570	\$280,980
Gross Profit	\$106,220	\$107,160	\$108,100	\$109,040	\$109,980	\$1,257,720
Expenses						
Payroll	\$49,167	\$49,167	\$49,167	\$49,167	\$49,167	\$590,000
Facility Costs	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$60,000
General and Administrative	\$3,847	\$3,847	\$3,847	\$3,847	\$3,847	\$46,161
Professional Fees and Licensure	\$1,042	\$1,042	\$1,042	\$1,042	\$1,042	\$12,500
Insurance	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000
Marketing	\$5,129	\$5,129	\$5,129	\$5,129	\$5,129	\$61,548
Equipment	\$3,975	\$3,975	\$3,975	\$3,975	\$3,975	\$47,700
Misc. Costs	\$962	\$962	\$962	\$962	\$962	\$11,540
Payroll Taxes	\$3,761	\$3,761	\$3,761	\$3,761	\$3,761	\$45,135
Total Operating Costs	\$74,549	\$74,549	\$74,549	\$74,549	\$74,549	\$894,584
EBITDA	\$31,671	\$32,611	\$33,551	\$34,491	\$35,431	\$363,136
Federal Income Tax	\$6,711	\$6,771	\$6,830	\$6,889	\$6,949	\$79,466
State Income Tax	\$1,342	\$1,354	\$1,366	\$1,378	\$1,390	\$15,893
Interest Expense	\$2,101	\$2,097	\$2,094	\$2,090	\$2,086	\$25,271
Depreciation Expenses	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000
Net Profit	\$19,850	\$20,723	\$21,595	\$22,467	\$23,340	\$222,506

Profit and Loss Statement (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Revenue	\$410,448	\$418,911	\$427,374	\$435,837	\$1,692,570
Cost of Revenue	\$74,951	\$76,497	\$78,042	\$79,588	\$309,078
Gross Profit	\$335,497	\$342,414	\$349,332	\$356,249	\$1,383,492
Expenses					
Payroll	\$148,975	\$148,975	\$148,975	\$148,975	\$595,900
Facility Costs	\$15,150	\$15,150	\$15,150	\$15,150	\$60,600
General and Administrative	\$12,313	\$12,567	\$12,821	\$13,075	\$50,777
Professional Fees and Licensure	\$3,062	\$3,125	\$3,188	\$3,251	\$12,625
Insurance	\$5,050	\$5,050	\$5,050	\$5,050	\$20,200
Marketing	\$16,418	\$16,756	\$17,095	\$17,433	\$67,703
Equipment	\$13,117	\$13,117	\$13,117	\$13,117	\$52,470
Misc. Costs	\$3,078	\$3,142	\$3,205	\$3,269	\$12,694
Payroll Taxes	\$11,055	\$11,283	\$11,511	\$11,738	\$45,586
Total Operating Costs	\$228,218	\$229,165	\$230,112	\$231,059	\$918,555
EBITDA	\$107,278	\$113,249	\$119,219	\$125,190	\$464,937
Federal Income Tax	\$25,462	\$25,987	\$26,512	\$27,037	\$104,998
State Income Tax	\$5,092	\$5,197	\$5,302	\$5,407	\$21,000
Interest Expense	\$6,237	\$6,203	\$6,169	\$6,134	\$24,743
Depreciation Expenses	\$5,050	\$5,050	\$5,050	\$5,050	\$20,200
Net Profit	\$65,437	\$70,811	\$76,186	\$81,562	\$293,996

Profit and Loss Statement (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Revenue	\$451,493	\$460,802	\$470,111	\$479,420	\$1,861,827
Cost of Revenue	\$82,447	\$84,146	\$85,846	\$87,546	\$339,986
Gross Profit	\$369,046	\$376,656	\$384,265	\$391,874	\$1,521,841
Expenses					
Payroll	\$150,465	\$150,465	\$150,465	\$150,465	\$601,859
Facility Costs	\$15,302	\$15,302	\$15,302	\$15,302	\$61,206
General and Administrative	\$13,545	\$13,824	\$14,103	\$14,383	\$55,855
Professional Fees and Licensure	\$3,092	\$3,156	\$3,220	\$3,283	\$12,751
Insurance	\$5,101	\$5,101	\$5,101	\$5,101	\$20,402
Marketing	\$18,060	\$18,432	\$18,804	\$19,177	\$74,473
Equipment	\$14,429	\$14,429	\$14,429	\$14,429	\$57,717
Misc. Costs	\$3,386	\$3,456	\$3,526	\$3,596	\$13,964
Payroll Taxes	\$11,511	\$11,511	\$11,511	\$11,511	\$46,042
Total Operating Costs	\$234,889	\$235,675	\$236,460	\$237,245	\$944,269
EBITDA	\$134,157	\$140,981	\$147,805	\$154,629	\$577,573
Federal Income Tax	\$32,313	\$32,979	\$33,646	\$34,312	\$133,250
State Income Tax	\$6,463	\$6,596	\$6,729	\$6,862	\$26,650
Interest Expense	\$6,098	\$6,061	\$6,024	\$5,986	\$24,169
Depreciation Expenses	\$5,101	\$5,101	\$5,101	\$5,101	\$20,402
Net Profit	\$84,183	\$90,244	\$96,306	\$102,369	\$373,101

Profit and Loss Statement (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Revenue	\$677,240	\$691,203	\$705,167	\$719,131	\$2,792,741
Cost of Revenue	\$123,670	\$126,220	\$128,770	\$131,320	\$509,979
Gross Profit	\$553,570	\$564,984	\$576,397	\$587,811	\$2,282,762
Expenses					
Payroll	\$236,969	\$236,969	\$236,969	\$220,227	\$931,135
Facility Costs	\$15,455	\$15,455	\$15,455	\$15,455	\$61,818
General and Administrative	\$20,317	\$20,736	\$21,155	\$21,574	\$83,782
Professional Fees and Licensure	\$3,123	\$3,187	\$3,252	\$3,316	\$12,879
Insurance	\$5,152	\$5,152	\$5,152	\$5,152	\$20,606
Marketing	\$27,090	\$27,648	\$28,207	\$28,765	\$111,710
Equipment	\$21,644	\$21,644	\$21,644	\$21,644	\$86,575
Misc. Costs	\$5,079	\$5,184	\$5,289	\$5,393	\$20,946
Payroll Taxes	\$18,128	\$18,128	\$18,128	\$16,847	\$71,232
Total Operating Costs	\$352,956	\$354,103	\$355,249	\$338,373	\$1,400,682
EBITDA	\$200,613	\$210,881	\$221,148	\$249,438	\$882,080
Federal Income Tax	\$50,800	\$51,847	\$52,894	\$53,942	\$209,483
State Income Tax	\$10,160	\$10,369	\$10,579	\$10,788	\$41,897
Interest Expense	\$5,947	\$5,907	\$5,866	\$5,824	\$23,544
Depreciation Expenses	\$5,152	\$5,152	\$5,152	\$5,152	\$20,606
Net Profit	\$128,556	\$137,606	\$146,657	\$173,732	\$586,551

Profit and Loss Statement (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Revenue	\$744,964	\$760,324	\$775,684	\$791,044	\$3,072,015
Cost of Revenue	\$136,037	\$138,842	\$141,647	\$144,451	\$560,977
Gross Profit	\$608,927	\$621,482	\$634,037	\$646,592	\$2,511,038
Expenses					
Payroll	\$239,339	\$239,339	\$239,339	\$239,339	\$957,356
Facility Costs	\$15,609	\$15,609	\$15,609	\$15,609	\$62,436
General and Administrative	\$22,349	\$22,810	\$23,271	\$23,731	\$92,160
Professional Fees and Licensure	\$3,154	\$3,219	\$3,284	\$3,349	\$13,008
Insurance	\$5,203	\$5,203	\$5,203	\$5,203	\$20,812
Marketing	\$29,799	\$30,413	\$31,027	\$31,642	\$122,881
Equipment	\$23,808	\$23,808	\$23,808	\$23,808	\$95,232
Misc. Costs	\$5,587	\$5,702	\$5,818	\$5,933	\$23,040
Payroll Taxes	\$18,309	\$18,309	\$18,309	\$18,309	\$73,238
Total Operating Costs	\$363,158	\$364,413	\$365,668	\$366,924	\$1,460,163
EBITDA	\$245,769	\$257,069	\$268,369	\$279,668	\$1,050,875
Federal Income Tax	\$61,061	\$62,320	\$63,579	\$64,838	\$251,800
State Income Tax	\$12,212	\$12,464	\$12,716	\$12,968	\$50,360
Interest Expense	\$5,782	\$5,738	\$5,694	\$5,649	\$22,863
Depreciation Expenses	\$5,203	\$5,203	\$5,203	\$5,203	\$20,812
Net Profit	\$161,511	\$171,343	\$181,176	\$191,010	\$705,040

Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	\$15,412	\$16,284	\$17,156	\$18,028	\$18,900	\$19,773	\$20,645	\$21,517
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$15,412	\$16,284	\$17,156	\$18,028	\$18,900	\$19,773	\$20,645	\$21,517
Other Cash Inflows								
Equity Investment	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$300,000	\$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	\$400,083	\$83						
Total Cash Inflow	\$415,495	\$16,367	\$17,239	\$18,111	\$18,984	\$19,856	\$20,728	\$21,600
Cash Outflows								
Repayment of Principal	\$478	\$482	\$485	\$489	\$492	\$496	\$499	\$503
A/P Decreases	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$300,000	\$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	\$300,537	\$540	\$544	\$547	\$551	\$554	\$558	\$561
Net Cash Flow	\$114,958	\$15,827	\$16,696	\$17,564	\$18,433	\$19,302	\$20,171	\$21,039
Cash Balance	\$114,958	\$130,785	\$147,481	\$165,045	\$183,478	\$202,780	\$222,951	\$243,990

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	Year 1
Cash From Operations	\$22,389	\$23,262	\$24,134	\$25,006	\$242,506
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$22,389	\$23,262	\$24,134	\$25,006	\$242,506
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$100,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$300,000
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	\$401,000
Total Cash Inflow	\$22,473	\$23,345	\$24,217	\$25,090	\$643,506
Cash Outflows					
Repayment of Principal	\$506	\$510	\$513	\$517	\$5,971
A/P Decreases	\$58	\$58	\$58	\$58	\$700
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$300,000
Dividends	\$0	\$0	\$0	\$47,307	\$47,307
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$565	\$568	\$572	\$47,882	\$353,978
Net Cash Flow	\$21,908	\$22,777	\$23,646	-\$22,793	\$289,528
Cash Balance	\$265,898	\$288,675	\$312,321	\$289,528	\$289,528

Cash Flow Analysis (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	\$70,487	\$75,861	\$81,236	\$86,612	\$314,196
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$70,487	\$75,861	\$81,236	\$86,612	\$314,196
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	\$70,741	\$76,121	\$81,501	\$86,882	\$315,246
Cash Outflows					
Repayment of Principal	\$1,573	\$1,607	\$1,641	\$1,677	\$6,498
A/P Decreases	\$178	\$182	\$186	\$189	\$735
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$15,710	\$0	\$0	\$0	\$15,710
Dividends	\$0	\$0	\$0	\$61,539	\$61,539
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$17,461	\$1,789	\$1,827	\$63,405	\$84,483
Net Cash Flow	\$53,280	\$74,332	\$79,674	\$23,477	\$230,763
Cash Balance	\$342,808	\$417,140	\$496,814	\$520,291	\$520,291

Cash Flow Analysis (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	\$89,283	\$95,344	\$101,406	\$107,469	\$393,503
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$89,283	\$95,344	\$101,406	\$107,469	\$393,503
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	\$89,551	\$95,617	\$101,685	\$107,753	\$394,606
Cash Outflows					
Repayment of Principal	\$1,712	\$1,749	\$1,787	\$1,825	\$7,073
A/P Decreases	\$187	\$191	\$195	\$199	\$772
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$19,675	\$0	\$0	\$0	\$19,675
Dividends	\$0	\$0	\$0	\$77,286	\$77,286
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$21,575	\$1,940	\$1,981	\$79,310	\$104,806
Net Cash Flow	\$67,976	\$93,677	\$99,703	\$28,443	\$289,800
Cash Balance	\$588,267	\$681,944	\$781,647	\$810,091	\$810,091

Cash Flow Analysis (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	\$133,707	\$142,758	\$151,809	\$178,884	\$607,157
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$133,707	\$142,758	\$151,809	\$178,884	\$607,157
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	\$133,988	\$143,044	\$152,101	\$179,182	\$608,315
Cash Outflows					
Repayment of Principal	\$1,864	\$1,904	\$1,944	\$1,986	\$7,698
A/P Decreases	\$197	\$201	\$205	\$209	\$810
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$30,358	\$0	\$0	\$0	\$30,358
Dividends	\$0	\$0	\$0	\$119,892	\$119,892
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$32,418	\$2,104	\$2,149	\$122,087	\$158,758
Net Cash Flow	\$101,570	\$140,940	\$149,952	\$57,095	\$449,557
Cash Balance	\$911,661	\$1,052,600	\$1,202,552	\$1,259,648	\$1,259,648

Cash Flow Analysis (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	\$166,714	\$176,546	\$186,379	\$196,213	\$725,852
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$166,714	\$176,546	\$186,379	\$196,213	\$725,852
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	\$167,008	\$176,847	\$186,686	\$196,526	\$727,067
Cash Outflows					
Repayment of Principal	\$2,029	\$2,072	\$2,116	\$2,162	\$8,378
A/P Decreases	\$206	\$211	\$215	\$219	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$36,293	\$0	\$0	\$0	\$36,293
Dividends	\$0	\$0	\$0	\$143,495	\$143,495
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$38,527	\$2,283	\$2,331	\$145,875	\$189,017
Net Cash Flow	\$128,481	\$174,564	\$184,355	\$50,651	\$538,051
Cash Balance	\$1,388,128	\$1,562,693	\$1,747,048	\$1,797,699	\$1,797,699