



DEUTSCH  
MLAI  
GROUP

TECHNOLOGY CONSULTING

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## 1.0 Executive Summary

The purpose of this business plan is to showcase the ongoing development and growth of a specialized consultancy that will focus on matters pertaining to machine learning and artificial intelligence. Deutsch MLAI Group LLC (“the Company”) was founded this year with the intention of providing a wide range of consulting advisory services for companies that are seeking to integrate machine learning technologies into their operations. The Founder is currently seeking a \$75,000 revolved in credit facility to establish operations.

### Operations

The primary revenue center for the business will come from per project fees related to providing ongoing consulting among enterprises that are seeking to integrate machine learning technologies, which will encompass artificial technology. Given that this is a nascent industry that will ultimately have a major impact on the way that business is conducted, there is an immense demand among businesses to properly integrate these technologies into their infrastructure.

To complement these primary revenue streams, the business will also provide per hour consulting on an as needed basis. The Company’s tertiary revenue center will come from access to its website that will feature a number of premium articles and related content that discusses use of machine learning technologies.

The third section of this machine learning consultant business plan will further discuss the operations of the business.

### The Financing

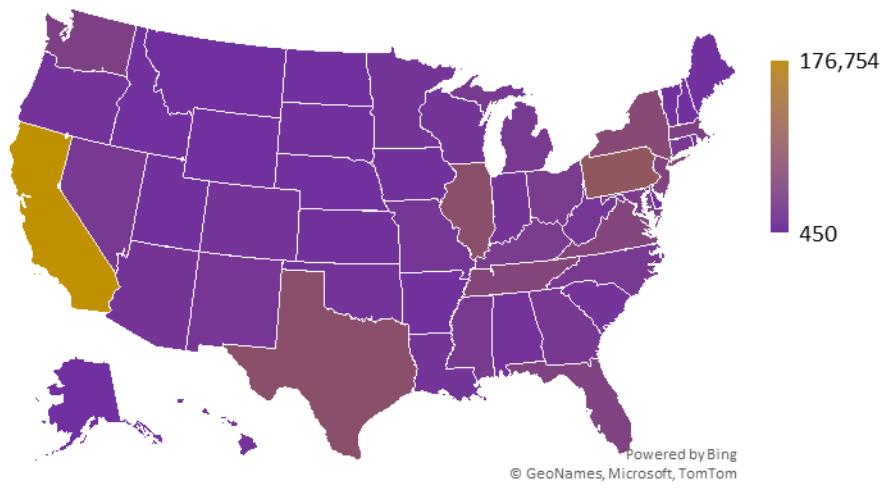
As noted above, the Company is currently seeking a revolving credit facility that will allow the business to develop and scale its operations over the next five years. These funds will primarily be used for working capital purposes as the Founder establishes its client base throughout the United States. To a more modest extent, these funds will be used for furniture, fixtures, and equipment purchases. The Founder will contribute \$25,000 towards the development of Deutsch MLAI Group.

### The Future

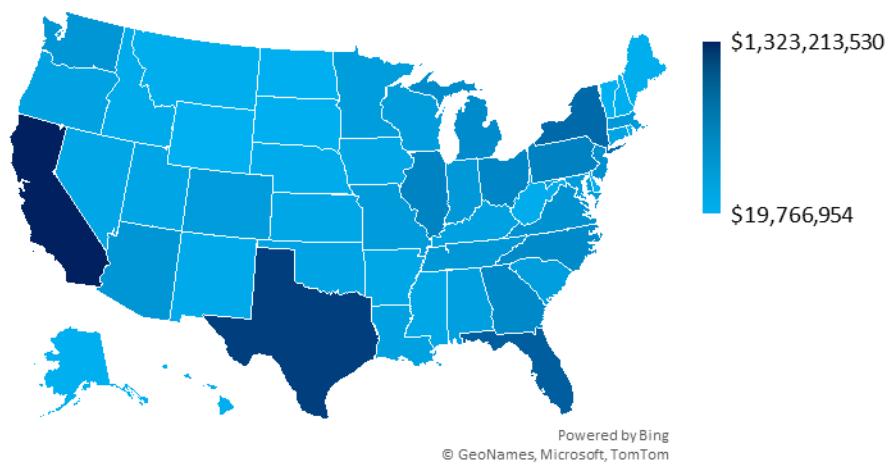
As this industry is poised for immense growth over the next five years, Deutsch MLAI Group is in a good position to continue to expand its operations by hiring additional consultants that have an extensive expertise in computer science, machine learning, and artificial intelligence. The Company will also continue to expand its marketing operations that it becomes a widely known consultancy firm.

## Market Overview

Market Demand by State



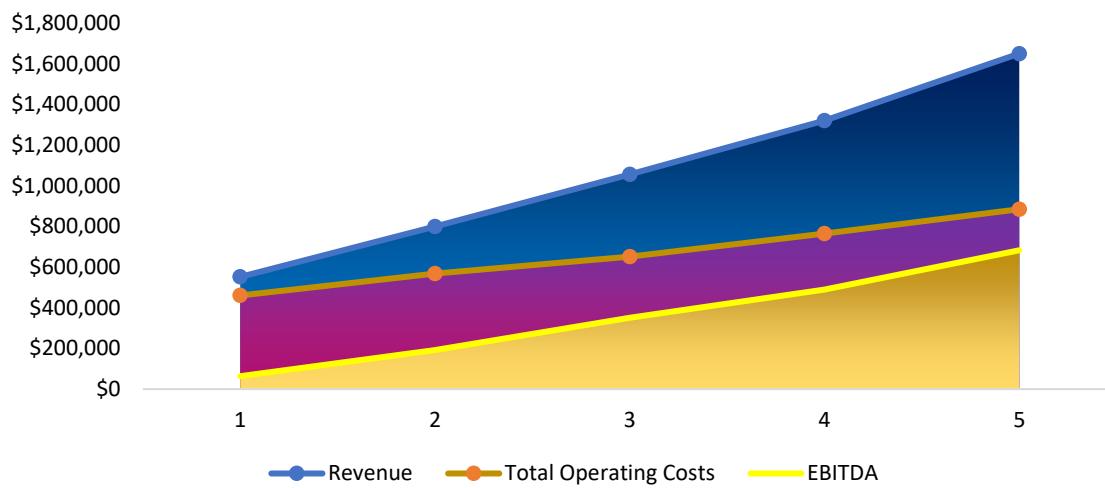
Market Value by State



## Revenue Forecasts

Proforma Profit and Loss		1	2	3	4	5
Year						
<b>Revenue</b>		\$552,000	\$800,400	\$1,056,528	\$1,320,660	\$1,650,825
Cost of Revenue		\$27,600	\$40,020	\$52,826	\$66,033	\$82,541
<b>Gross Profit</b>		\$524,400	\$760,380	\$1,003,702	\$1,254,627	\$1,568,284
Total Operating Costs		\$460,720	\$568,926	\$652,052	\$764,780	\$885,223
<b>EBITDA</b>		<b>\$63,680</b>	<b>\$191,454</b>	<b>\$351,650</b>	<b>\$489,847</b>	<b>\$683,060</b>

Revenue, Operating Costs, EBITDA



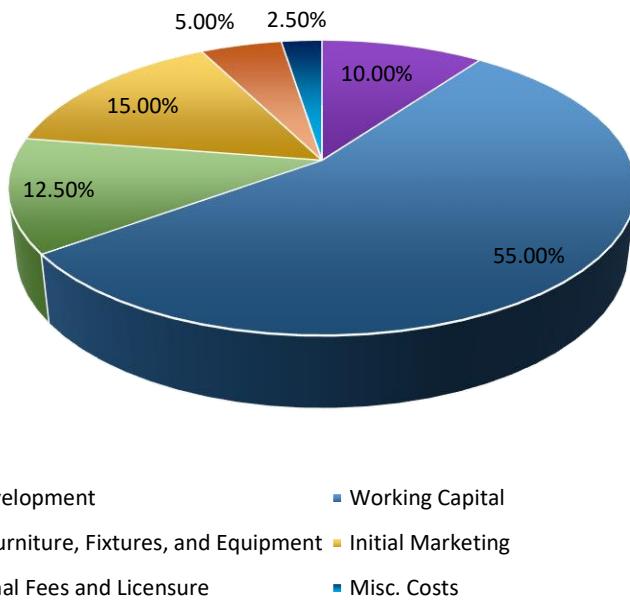
## 2.0 The Financing

### 2.1 Funds Required

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

Use of Funds	
Office Development	\$10,000
Working Capital	\$55,000
General Furniture, Fixtures, and Equipment	\$12,500
Initial Marketing	\$15,000
Professional Fees and Licensure	\$5,000
Misc. Costs	\$2,500
<b>Total</b>	<b>\$100,000</b>

Use of Funds Overview



### 2.2 Management and Investor Equity

The Founder retains a 100% ownership interest in the business.

### 2.3 Exit Strategies

Given the unique nature of the Company's operations, there would be a moderate degree of complexity with selling the business to a third-party. In this event, the Company would most likely establish a structured buyout program with the business' consulting staff so that they would ultimately become the owners of the business over a five year to seven-year period. A formal valuation conducted by an expert in this field would be completed prior to establishing this buyout scenario.

### 3.0 Operations

As noted earlier, Deutsch MLAI Group will be actively involved with providing a wide range of advisory services specific for companies that are seeking to integrate machine learning technologies into their operations. This will include internally focused programs that use machine learning to streamline workflows while also integrating artificial intelligence for consumer facing applications.

For these engagements, the Company will typically generate revenues of \$25,000 to \$100,000 on a per project basis. Per hour consulting will usually render a fee of \$300 per hour. Given the Founder's expertise in this field, these fees are reasonable and the business will be able to quickly secure a client base throughout the United States.

In regards to the Company's platform, subscription-based access will be available to numerous articles and content that is related to integrating machine learning into an enterprises' operations. This will be a more modest aspect of the Company's operations, although it will produce recurring reams of revenue.

## 4.0 Overview of the Organization

### 4.1 Registered Name

Deutsch MLAI Group LLC. Business is registered as a limited liability company in the State of Maine.

### 4.2 Commencement of Operations

The business will commence revenue generating operations through its machine learning consulting services in the fourth quarter of this year.

### 4.3 Mission Statement

To provide comprehensive and insightful advice as it relates to integrating machine learning technologies into corporate workflows.

### 4.4 Vision Statement

To become a highly recognize consulting firm that operates within this highly specific niche.

### 4.5 Organizational Objectives

- Use multiple forms of marketing that will establish Deutsch MLAI Group as a preeminent firm specific for machine learning.
- Maintain a committed program for research and development of the Company remains at the forefront of best practices related to machine learning.
- Continue to source highly qualified consultants that have extensive experience in the field of artificial intelligence and computer science.
- Frequently attend industry trade shows and events that are specific for enterprises that are seeking innovative technology solutions that will ultimately produce higher profits.
- Leverage multiple forms of online advertising, including targeted social media on LinkedIn as well as search engine optimization specific for keywords relevant to the Company's operations.
- Provide exceptional employment opportunities for the Company staff so that employee retention is kept as high as possible.
- Expand the scope of the Company services on an as needed basis.

## 5.0 Market and Industry Analysis

### 5.1 External Environmental Analysis

This section of the machine learning consultant business plan will focus on the current economic climate, the industry, the demographic profile, and competitive issues.

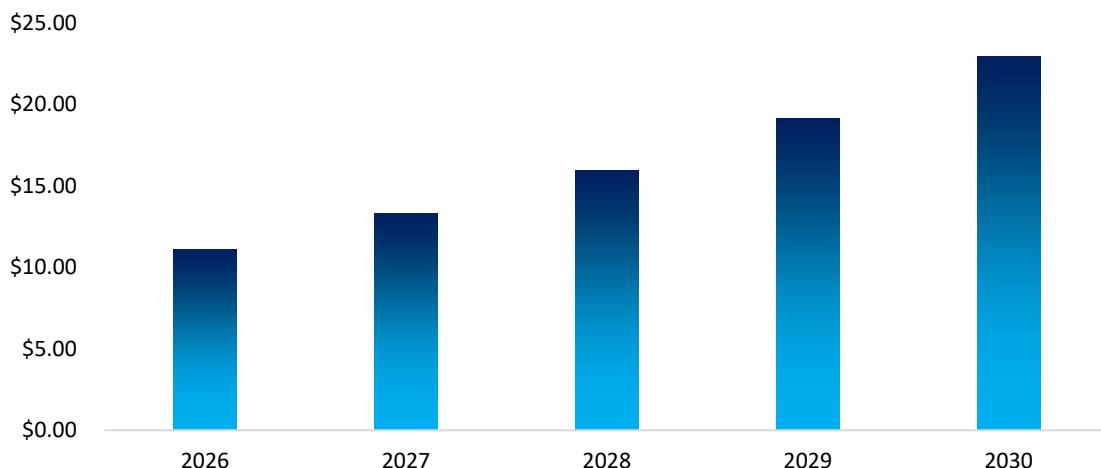
It is no secret that inflation has caused significant issues with the US economy over the past 24 months. This has been compounded with global changes in trade policy, which has led to higher domestic prices. This trend is expected to abate in the coming months given the policies that are being implemented to reduce the rate of inflation.

It should be noted that the revenue of the Deutsch MLAI Group will remain incredibly stable even during an economic recession or challenging business climates. This is primarily due to the fact that many corporations are seeking to integrate machine learning and artificial intelligence technologies into their operations to increase profits and operate in a more efficient capacity. The business will generate substantial contribution margins from its per project fees related to machine learning consulting.

### 5.2 Industry Analysis

As this is a relatively new industry, there are a limited number of providers that render advisory services specific for machine learning and artificial intelligence technologies. As of this year, the estimated revenue of the industry is \$11.07 billion. There are approximately 3,500 firms that provide the services to corporations throughout the United States. The estimated employment of the industry is 30,000 people.

Machine Learning Consulting Industry Revenues (billions)



This industry is poised for immense growth over the next 10 years. Over the past three years, artificial intelligence and machine learning technologies have changed the business landscape significantly. As this is still a nascent technology, many corporations as well as

entrepreneurial ventures are seeking ways to benefit from this technology within their organizations. Deutsch MLAI Group will be able to capitalize on this demand in the coming years.

### **5.3 Customer Profile**

Given the ubiquitous desire to have machine learning technologies integrated into a corporation's operations, the business will be able to target a wide range of demographics as it develops and expands its operations. Generally, these businesses will typically have an annual revenue of at least \$3 million and will have a budget of \$100,000 for machine learning technology integration.

### **5.4 Competitive Analysis**

As has been one of the themes throughout this document, this is a very new industry within the overall consulting industry. The limited number of firms currently operating in this market present an enormous opportunity for Deutsch MLAI Group to establish a widely respected brand name. The Company will maintain a competitive advantage, given the Founder's extensive experience regarding machine learning and artificial intelligence technologies.

## 6.0 Key Strategic Issues

### 6.1 Sustainable Operations

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

- The Company will be able to scale its operations immensely in the coming years through the continued hiring of computer scientists and technology integration experts.
- Limited competition among companies that operate in a similar capacity at this time.
- Immense demand for integration of AI and machine learning technologies to improve profits.
- The Company will be able to provide services to both domestic and international enterprises.

### 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 initiatives with across numerous industries.
- Expansion of the types of consultancy services rendered by the Company on an as-needed basis.
- Continue to hire computer scientists and AI experts to increase billable revenue.

## 7.0 Marketing Plan

### 7.1 Marketing Objectives

- Continue to attend major industry trade shows that are specific for a wide range of industries that have frequent needs for machine learning technologies.
- Maintain a presence among multiple social media platforms with a focus on LinkedIn.
- Develop a podcast that discusses matters related to machine learning technologies so that Deutsch MLA Group could be positioned as an industry expert.

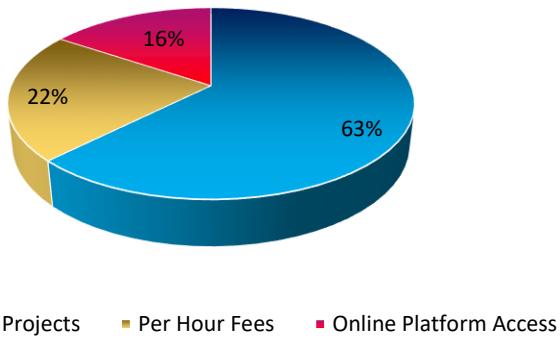
### 7.2 Revenue Forecasts

Yearly Sales Forecast					
Year	1	2	3	4	5
Consulting Projects	\$345,000	\$500,250	\$660,330	\$825,413	\$1,031,766
Per Hour Fees	\$120,750	\$175,088	\$231,116	\$288,894	\$361,118
Online Platform Access	\$86,250	\$125,063	\$165,083	\$206,353	\$257,941
<b>Total</b>	<b>\$552,000</b>	<b>\$800,400</b>	<b>\$1,056,528</b>	<b>\$1,320,660</b>	<b>\$1,650,825</b>

Gross Profit					
Year	1	2	3	4	5
<b>Total</b>	<b>\$524,400</b>	<b>\$760,380</b>	<b>\$1,003,702</b>	<b>\$1,254,627</b>	<b>\$1,568,284</b>

### Revenue Generation



### 7.3 Revenue Assumptions

#### Year 1

- The Company will launch its consultancy operations.
- Revenue will reach \$552,000.

## Year 2

- The Company will hire additional machine learning experts to take on a greater number of engagements.
- Revenue will reach \$800,000.

## Years 3-5

- By Year 5, the Company will have become a highly respected machine learning consultancy.
- The Company will produce \$1.6 million of revenue.

### **7.4 Marketing Strategies**

The Company will use numerous forms of marketing in order to establish a nationally recognized brand name for Deutsch MLAI Group. As this is a relatively new industry, the Company will be able to leverage this fact as it establishes a client base throughout the country. To that end, the most important way that the business will establish its operations is by frequently attending trade shows and expositions that are specific for a wide range of industries that are seeking to integrate machine learning technologies into their operations. The Founder as well as the Company's marking staff will be in attendance at these events, which will include the rental of booths so that sales literature can be distributed. At the onset of operations, the Company intends to attend at least six industry events per year.

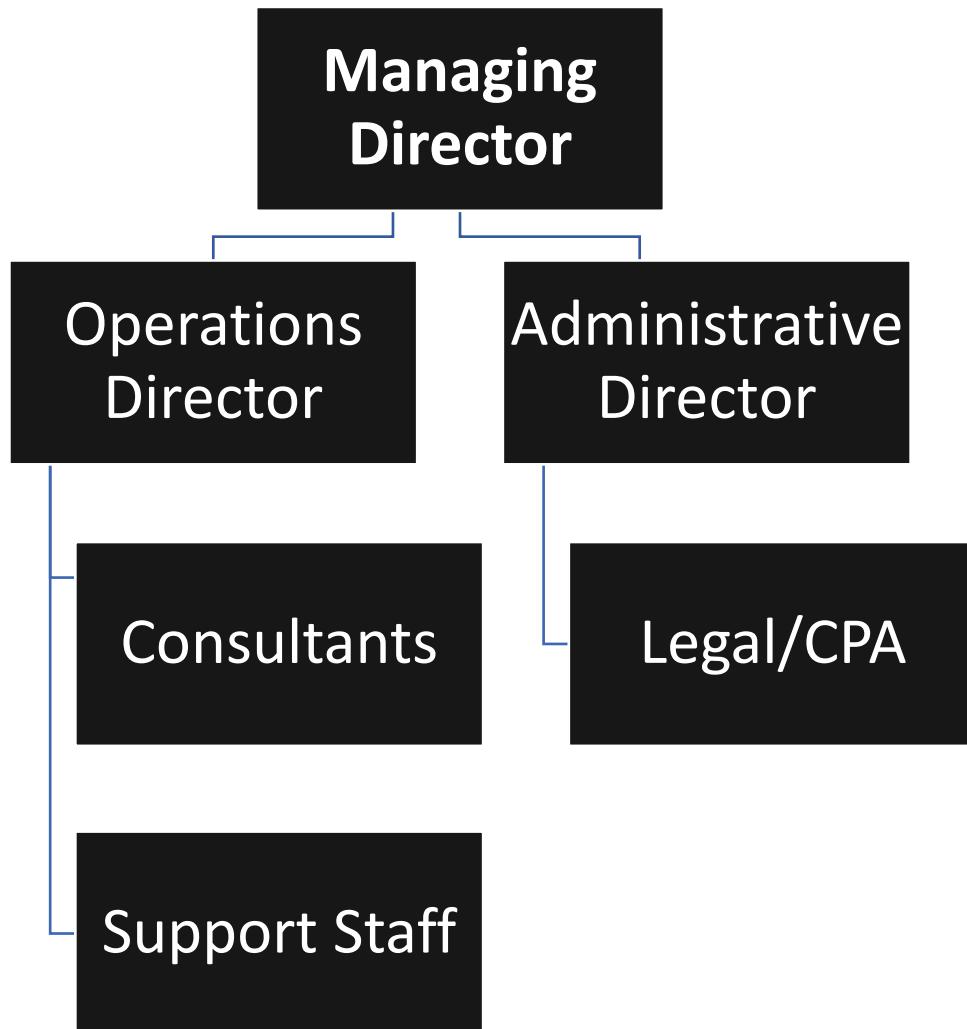
In regards to the Company website, this platform will showcase the numerous capabilities of the Company as it relates to integrating machine learning technologies into clients' operations. This platform will undergo national level search engine optimization so that when specific keywords related to artificial intelligence or machine learning are conducted, the website will appear frequency. A significant amount of written content regarding machine learning technologies will be produced in order of position that platform as an educational resource.

Although the Company will maintain a presence on all social media pages, LinkedIn is of special importance to the Company's operations. On this platform, the Company will use specialized targeted advertisements among technology managers that fall into the corporate demographic profile discussed earlier.

The Company will also have a number of videos produced that will be streamed on YouTube and TikTok in order to further increase for invisibility. This will be complimented by the development of a podcast where the Founder will discuss ongoing topics related to the use of machine learning technologies in today's business world.

## 8.0 Organizational Plan

### 8.1 Organizational Hierarchy

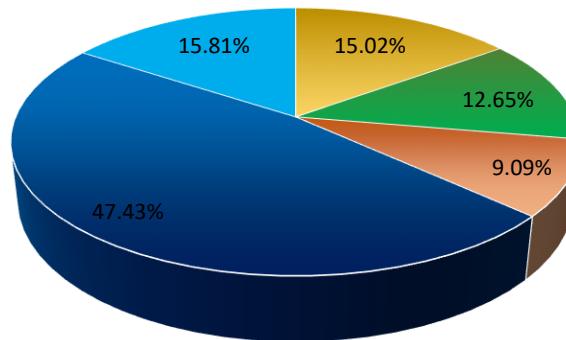


## 8.2 Personnel Costs

Personnel Plan - Yearly		1	2	3	4	5
Year						
Managing Director		\$95,000	\$95,950	\$96,910	\$97,879	\$98,857
Operations Director		\$80,000	\$80,800	\$81,608	\$82,424	\$83,248
Administrative Director		\$57,500	\$58,075	\$58,656	\$59,242	\$59,835
Staff Consultants		\$75,000	\$151,500	\$153,015	\$231,818	\$312,181
Support Staff		\$50,000	\$50,500	\$102,010	\$103,030	\$104,060
<b>Total</b>		<b>\$357,500</b>	<b>\$436,825</b>	<b>\$492,198</b>	<b>\$574,393</b>	<b>\$658,182</b>

Numbers of Personnel (Year End Headcount)						
Year		1	2	3	4	5
Managing Director		1	1	1	1	1
Operations Director		1	1	1	1	1
Administrative Director		1	1	1	1	1
Staff Consultants		1	2	2	3	4
Support Staff		1	1	2	2	2
<b>Total</b>		<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>

### Personnel Summary



- Managing Director
- Operations Director
- Administrative Director
- Staff Consultants
- Support Staff

## 9.0 Financial Plan

### 9.1 Underlying Assumptions

- The Company will acquire a \$75,000 revolving credit facility.
- The Founder will contribute \$25,000 towards the development Deutsch MLAI Group.
- Deutsch MLAI Group will have a compounded annual growth rate of 31.49%.

### 9.2 Financial Highlights

- For machine learning project fees, business will typically produce \$25,000 to \$100,000.
- Operational payroll will not exceed within than 30% of the Company's total revenue.

### 9.3 Sensitivity Analysis

The Company's revenue will remain relatively stable even during a challenging economic climate given the demand among enterprises for machine learning technologies. The significant contribution margin generated from each project will fully ensure that the business is able to main profit at all times. The Company will also produce income from its podcasting operations as well as access to premium content on its website. The integrated nature of the Company's ecosystem will contribute to its economic stability.

### 9.4 Source of Funds

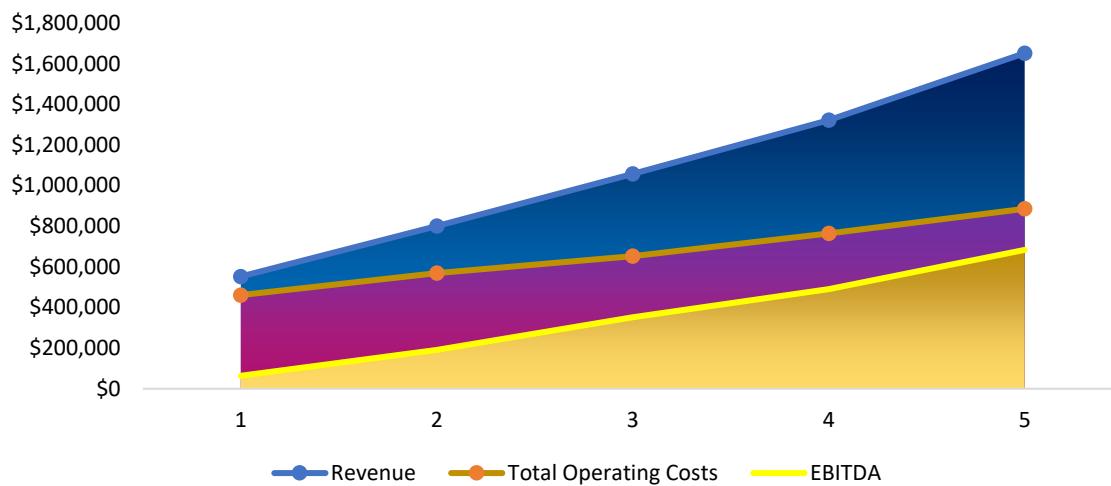
<b>Financing</b>	
<b>Equity</b>	
Equity Capitalization	\$25,000.00
<b>Total Equity Financing</b>	<b>\$25,000.00</b>
<b>Banks and Lenders</b>	
Revolving Credit Line	\$75,000.00
<b>Total Debt Financing</b>	<b>\$75,000.00</b>
<b>Total Financing</b>	<b>\$100,000.00</b>

## 9.5 Financial Proformas

### A) Profit and Loss Statement

Proforma Profit and Loss					
Year	1	2	3	4	5
<b>Revenue</b>	\$552,000	\$800,400	\$1,056,528	\$1,320,660	\$1,650,825
Cost of Revenue	\$27,600	\$40,020	\$52,826	\$66,033	\$82,541
Gross Margin	95.00%	95.00%	95.00%	95.00%	95.00%
<b>Gross Profit</b>	\$524,400	\$760,380	\$1,003,702	\$1,254,627	\$1,568,284
<b>Expenses</b>					
Payroll	\$357,500	\$436,825	\$492,198	\$574,393	\$658,182
Facility Costs	\$13,250	\$13,383	\$13,516	\$13,651	\$13,788
General and Administrative	\$11,592	\$16,808	\$22,187	\$27,734	\$34,667
Professional Fees and Licensure	\$5,000	\$5,050	\$5,101	\$5,152	\$5,203
Insurance	\$7,500	\$7,575	\$7,651	\$7,727	\$7,805
Marketing	\$24,895	\$36,098	\$47,649	\$59,562	\$74,452
Business Development	\$9,494	\$13,767	\$18,172	\$22,715	\$28,394
Misc. Costs	\$4,140	\$6,003	\$7,924	\$9,905	\$12,381
Payroll Taxes	\$27,349	\$33,417	\$37,653	\$43,941	\$50,351
<b>Total Operating Costs</b>	<b>\$460,720</b>	<b>\$568,926</b>	<b>\$652,052</b>	<b>\$764,780</b>	<b>\$885,223</b>
<b>EBITDA</b>	<b>\$63,680</b>	<b>\$191,454</b>	<b>\$351,650</b>	<b>\$489,847</b>	<b>\$683,060</b>
Federal Income Tax	\$13,965	\$45,842	\$85,727	\$120,040	\$167,986
State Income Tax	\$2,793	\$9,168	\$17,145	\$24,008	\$33,597
Interest Expense	\$6,318	\$6,186	\$6,042	\$5,886	\$5,716
Depreciation Expenses	\$1,500	\$1,900	\$2,700	\$3,800	\$5,400
<b>Net Profit</b>	<b>\$39,103</b>	<b>\$128,358</b>	<b>\$240,035</b>	<b>\$336,113</b>	<b>\$470,361</b>
<b>Profit Margin</b>	<b>7.08%</b>	<b>16.04%</b>	<b>22.72%</b>	<b>25.45%</b>	<b>28.49%</b>

Revenue, Operating Costs, EBITDA



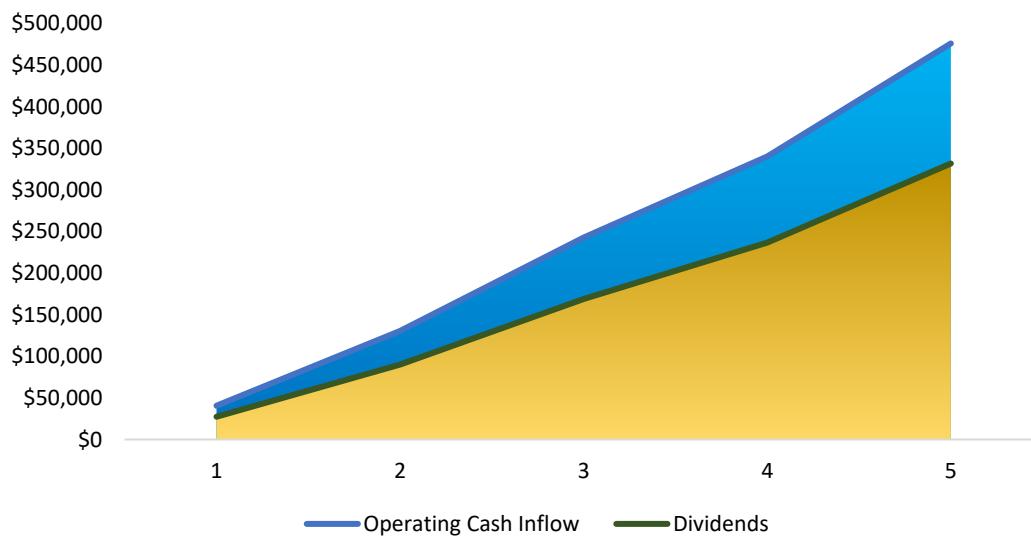
## B) Common Size Income Statement

<b>Proforma Profit and Loss (Common Size)</b>					
Year	1	2	3	4	5
<b>Revenue</b>	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Revenue	5.00%	5.00%	5.00%	5.00%	5.00%
 <b>Gross Profit</b>	 95.00%	 95.00%	 95.00%	 95.00%	 95.00%
 <b>Expenses</b>	 	 	 	 	 
Payroll	64.76%	54.58%	46.59%	43.49%	39.87%
Facility Costs	2.40%	1.67%	1.28%	1.03%	0.84%
General and Administrative	2.10%	2.10%	2.10%	2.10%	2.10%
Professional Fees and Licensure	0.91%	0.63%	0.48%	0.39%	0.32%
Insurance	1.36%	0.95%	0.72%	0.59%	0.47%
Marketing	4.51%	4.51%	4.51%	4.51%	4.51%
Business Development	1.72%	1.72%	1.72%	1.72%	1.72%
Misc. Costs	0.75%	0.75%	0.75%	0.75%	0.75%
Payroll Taxes	4.95%	4.18%	3.56%	3.33%	3.05%
<b>Total Operating Costs</b>	83.46%	71.08%	61.72%	57.91%	53.62%
 <b>EBITDA</b>	 11.54%	 23.92%	 33.28%	 37.09%	 41.38%
Federal Income Tax	2.53%	5.73%	8.11%	9.09%	10.18%
State Income Tax	0.51%	1.15%	1.62%	1.82%	2.04%
Interest Expense	1.14%	0.77%	0.57%	0.45%	0.35%
Depreciation Expenses	0.27%	0.24%	0.26%	0.29%	0.33%
 <b>Net Profit</b>	 7.08%	 16.04%	 22.72%	 25.45%	 28.49%

### C) Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	\$40,603	\$130,258	\$242,735	\$339,913	\$475,761
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$40,603</b>	<b>\$130,258</b>	<b>\$242,735</b>	<b>\$339,913</b>	<b>\$475,761</b>
<b>Other Cash Inflows</b>					
Equity Investment	\$25,000	\$0	\$0	\$0	\$0
Increased Borrowings	\$75,000	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216
<b>Total Other Cash Inflows</b>	<b>\$101,000</b>	<b>\$1,050</b>	<b>\$1,103</b>	<b>\$1,158</b>	<b>\$1,216</b>
<b>Total Cash Inflow</b>	<b>\$141,603</b>	<b>\$131,308</b>	<b>\$243,838</b>	<b>\$341,070</b>	<b>\$476,977</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$1,493	\$1,625	\$1,768	\$1,925	\$2,095
A/P Decreases	\$700	\$735	\$772	\$810	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$22,500	\$6,513	\$12,137	\$16,996	\$23,788
Dividends	\$27,377	\$90,043	\$168,677	\$236,592	\$331,567
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$52,070</b>	<b>\$98,916</b>	<b>\$183,354</b>	<b>\$256,322</b>	<b>\$358,300</b>
<b>Net Cash Flow</b>	<b>\$89,533</b>	<b>\$32,392</b>	<b>\$60,484</b>	<b>\$84,748</b>	<b>\$118,677</b>
<b>Cash Balance</b>	<b>\$89,533</b>	<b>\$121,925</b>	<b>\$182,409</b>	<b>\$267,158</b>	<b>\$385,834</b>

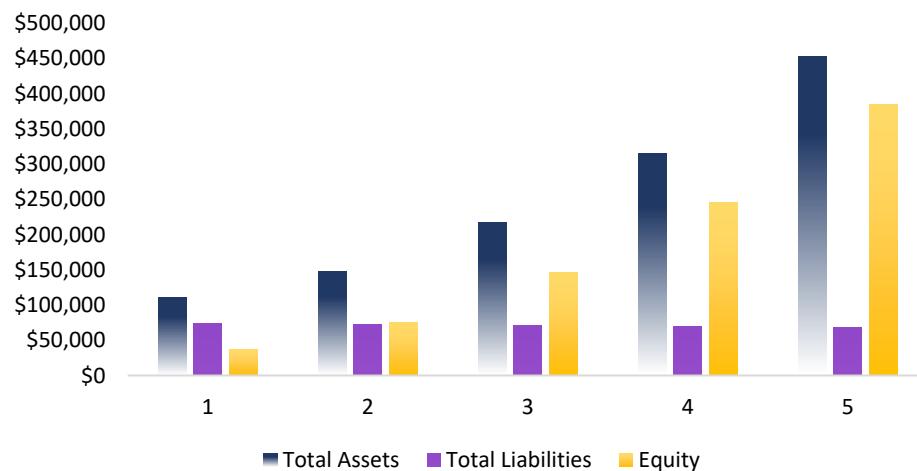
### Cash Flow Analysis



## D) Balance Sheet

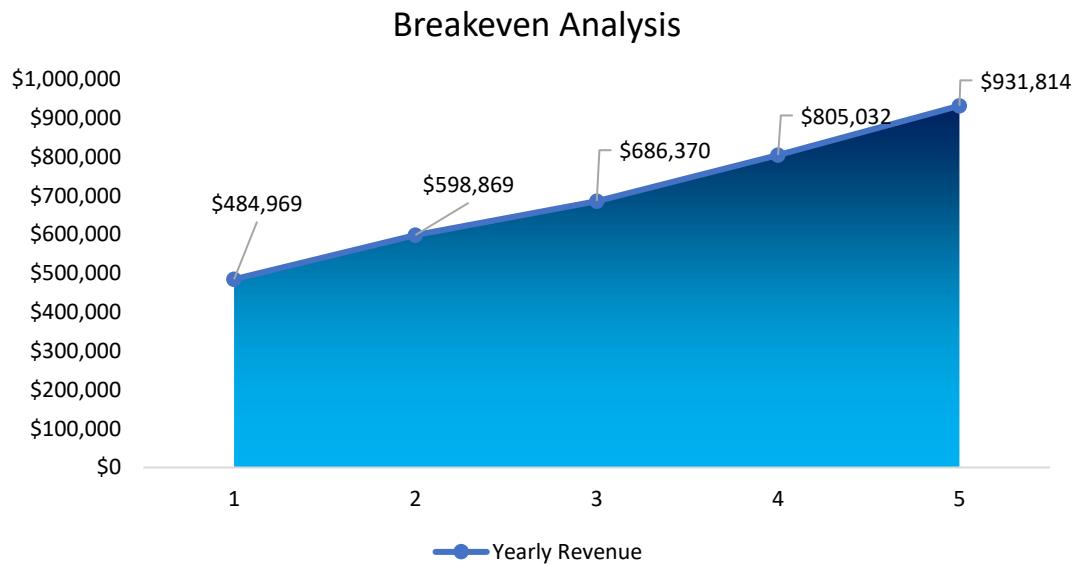
Proforma Balance Sheet - Yearly		1	2	3	4	5
Year						
<b>Assets</b>						
Cash		\$89,533	\$121,925	\$182,409	\$267,158	\$385,834
Fixed Assets		\$22,500	\$29,013	\$41,150	\$58,145	\$81,933
Accumulated Depreciation		(\$1,500)	(\$3,400)	(\$6,100)	(\$9,900)	(\$15,300)
<b>Total Assets</b>		<b>\$110,533</b>	<b>\$147,538</b>	<b>\$217,459</b>	<b>\$315,403</b>	<b>\$452,467</b>
<b>Liabilities and Equity</b>						
Accounts Payable		\$300	\$615	\$946	\$1,293	\$1,658
Long Term Liabilities		\$73,507	\$71,883	\$70,115	\$68,190	\$66,095
Other Liabilities		\$0	\$0	\$0	\$0	\$0
<b>Total Liabilities</b>		<b>\$73,807</b>	<b>\$72,498</b>	<b>\$71,060</b>	<b>\$69,483</b>	<b>\$67,753</b>
<b>Equity</b>		<b>\$36,726</b>	<b>\$75,040</b>	<b>\$146,399</b>	<b>\$245,920</b>	<b>\$384,714</b>
<b>Total Liabilities and Equity</b>		<b>\$110,533</b>	<b>\$147,538</b>	<b>\$217,459</b>	<b>\$315,403</b>	<b>\$452,467</b>

Balance Sheet



## 9.6 Breakeven Analysis

Break Even Analysis		1	2	3	4	5
Year	Monthly Revenue	\$40,414	\$49,906	\$57,198	\$67,086	\$77,651
	Yearly Revenue	\$484,969	\$598,869	\$686,370	\$805,032	\$931,814



## 9.7 Business Ratios

Business Ratios - Yearly						
	Year	1	2	3	4	5
<b>Revenue</b>						
Sales Growth		0.0%	45.0%	32.0%	25.0%	25.0%
Gross Margin		95.0%	95.0%	95.0%	95.0%	95.0%
<b>Financials</b>						
Profit Margin		7.08%	16.04%	22.72%	25.45%	28.49%
Assets to Liabilities		1.50	2.04	3.06	4.54	6.68
Equity to Liabilities		0.50	1.04	2.06	3.54	5.68
Assets to Equity		3.01	1.97	1.49	1.28	1.18
<b>Liquidity</b>						
Acid Test		1.21	1.68	2.57	3.84	5.69
Cash to Assets		0.81	0.83	0.84	0.85	0.85

## Appendix A – SWOT Analysis

### Strengths

- The Company will be able to provide provided services to a wide range of industries including healthcare enterprises.
- Significant demand as machine learning technologies are poised to become a major part of business operations in the coming years.
- The Company will be able to operate on a domestic and international basis from the onset of operations as the demand is ubiquitous.

### Weaknesses

- As this is a continually involving industry, the Company will need to engage in significant research and development.
- Moderately high cost as it relates to onboarding computer scientists and machine learning experts to work on behalf of the Company

### Opportunities

- Continued expansion of the Company's to direct outreach campaigns among enterprises that have machine learning integration requirements.
- Potentially establish additional markets additional offices in international markets.
- Expansion of operation to include other types of technology focus consulting.

### Threats

- Ongoing increases of the inflation rate could cause many of the Company's underlying operating costs to increase, especially as it relates to travel, marketing, and payroll.

## Appendix B – Critical Risks

### Development Risk – Low

The service architecture that will be employed by Deutsch MLAI Group has already been developed by the Founder. At this time, the principal matter that needs to be addressed to securing the revolving credit facility, so the business can begin to offer its machine learning consulting services.

### Financing Risk – Low/Moderate

The revolving nature of the Company's funding will allow the Company to draw down capital on an as needed basis. This will ensure that the Company can reach profitability without incurring exorbitant interest expenses.

### Marketing Risk – Low

As this is a relatively new industry, Deutsch MLAI Group's entry into this market will be relatively seamless for the multiple marketing strategies discussed earlier. The Company's frequent attendance at major trade shows specifically for a number of industries will allow for rapid onboarding of clients especially in sectors related to healthcare, finance, and technology.

### Management Risk – Low

The Company's Founder is an experienced computer scientist that has an extensive understanding of machine learning technologies and their integration into businesses.

### Valuation Risk – Low

The valuation risk is offset by:

- Deutsch MLAI Group can easily scale of operations in the coming years, especially as it relates to maintaining a global presence.
- The substantial fees from per project engagements will fully support the underlying cost of business.
- The Company can integrate additional services at a relatively low cost, which will further drive increased profitability.

### Exit Risk - Low

Although this is not expected to occur for a substantial period of time, the business could be sold to a structured buyout agreement with staff consultants over a five-year year period. This type of scenario would require that the Company use its retain CPA in order to create a fair market valuation prior to this occurring.

## Appendix C – Expanded Profit and Loss Statements

<b>Profit and Loss Statement (First Year)</b>							
Months	1	2	3	4	5	6	7
<b>Revenue</b>	<b>\$41,600</b>	<b>\$42,400</b>	<b>\$43,200</b>	<b>\$44,000</b>	<b>\$44,800</b>	<b>\$45,600</b>	<b>\$46,400</b>
Cost of Revenue	\$2,080	\$2,120	\$2,160	\$2,200	\$2,240	\$2,280	\$2,320
<b>Gross Profit</b>	<b>\$39,520</b>	<b>\$40,280</b>	<b>\$41,040</b>	<b>\$41,800</b>	<b>\$42,560</b>	<b>\$43,320</b>	<b>\$44,080</b>
<b>Expenses</b>							
Payroll	\$29,792	\$29,792	\$29,792	\$29,792	\$29,792	\$29,792	\$29,792
Facility Costs	\$1,104	\$1,104	\$1,104	\$1,104	\$1,104	\$1,104	\$1,104
General and Administrative	\$966	\$966	\$966	\$966	\$966	\$966	\$966
Professional Fees and Licensure	\$417	\$417	\$417	\$417	\$417	\$417	\$417
Insurance	\$625	\$625	\$625	\$625	\$625	\$625	\$625
Marketing	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075
Business Development	\$791	\$791	\$791	\$791	\$791	\$791	\$791
Misc. Costs	\$345	\$345	\$345	\$345	\$345	\$345	\$345
Payroll Taxes	\$2,279	\$2,279	\$2,279	\$2,279	\$2,279	\$2,279	\$2,279
<b>Total Operating Costs</b>	<b>\$38,393</b>						
<b>EBITDA</b>	<b>\$1,127</b>	<b>\$1,887</b>	<b>\$2,647</b>	<b>\$3,407</b>	<b>\$4,167</b>	<b>\$4,927</b>	<b>\$5,687</b>
Federal Income Tax	\$1,052	\$1,073	\$1,093	\$1,113	\$1,133	\$1,154	\$1,174
State Income Tax	\$210	\$215	\$219	\$223	\$227	\$231	\$235
Interest Expense	\$531	\$530	\$530	\$529	\$528	\$527	\$526
Depreciation Expenses	\$125	\$125	\$125	\$125	\$125	\$125	\$125
<b>Net Profit</b>	<b>-\$793</b>	<b>-\$56</b>	<b>\$681</b>	<b>\$1,417</b>	<b>\$2,154</b>	<b>\$2,890</b>	<b>\$3,627</b>

<b>Profit and Loss Statement (First Year Cont.)</b>						
Month	8	9	10	11	12	Year 1
<b>Revenue</b>	<b>\$47,200</b>	<b>\$48,000</b>	<b>\$48,800</b>	<b>\$49,600</b>	<b>\$50,400</b>	<b>\$552,000</b>
Cost of Revenue	\$2,360	\$2,400	\$2,440	\$2,480	\$2,520	\$27,600
<b>Gross Profit</b>	<b>\$44,840</b>	<b>\$45,600</b>	<b>\$46,360</b>	<b>\$47,120</b>	<b>\$47,880</b>	<b>\$524,400</b>
<b>Expenses</b>						
Payroll	\$29,792	\$29,792	\$29,792	\$29,792	\$29,792	\$357,500
Facility Costs	\$1,104	\$1,104	\$1,104	\$1,104	\$1,104	\$13,250
General and Administrative	\$966	\$966	\$966	\$966	\$966	\$11,592
Professional Fees and Licensure	\$417	\$417	\$417	\$417	\$417	\$5,000
Insurance	\$625	\$625	\$625	\$625	\$625	\$7,500
Marketing	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075	\$24,895
Business Development	\$791	\$791	\$791	\$791	\$791	\$9,494
Misc. Costs	\$345	\$345	\$345	\$345	\$345	\$4,140
Payroll Taxes	\$2,279	\$2,279	\$2,279	\$2,279	\$2,279	\$27,349
<b>Total Operating Costs</b>	<b>\$38,393</b>	<b>\$38,393</b>	<b>\$38,393</b>	<b>\$38,393</b>	<b>\$38,393</b>	<b>\$460,720</b>
<b>EBITDA</b>	<b>\$6,447</b>	<b>\$7,207</b>	<b>\$7,967</b>	<b>\$8,727</b>	<b>\$9,487</b>	<b>\$63,680</b>
Federal Income Tax	\$1,194	\$1,214	\$1,235	\$1,255	\$1,275	\$13,965
State Income Tax	\$239	\$243	\$247	\$251	\$255	\$2,793
Interest Expense	\$525	\$524	\$523	\$523	\$522	\$6,318
Depreciation Expenses	\$125	\$125	\$125	\$125	\$125	\$1,500
<b>Net Profit</b>	<b>\$4,363</b>	<b>\$5,100</b>	<b>\$5,837</b>	<b>\$6,573</b>	<b>\$7,310</b>	<b>\$39,103</b>

Profit and Loss Statement (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
<b>Revenue</b>	\$194,097	\$198,099	\$202,101	\$206,103	\$800,400
Cost of Revenue	\$9,705	\$9,905	\$10,105	\$10,305	\$40,020
<b>Gross Profit</b>	<b>\$184,392</b>	<b>\$188,194</b>	<b>\$191,996</b>	<b>\$195,798</b>	<b>\$760,380</b>
<b>Expenses</b>					
Payroll	\$109,206	\$109,206	\$109,206	\$109,206	\$436,825
Facility Costs	\$3,346	\$3,346	\$3,346	\$3,346	\$13,383
General and Administrative	\$4,076	\$4,160	\$4,244	\$4,328	\$16,808
Professional Fees and Licensure	\$1,225	\$1,250	\$1,275	\$1,300	\$5,050
Insurance	\$1,894	\$1,894	\$1,894	\$1,894	\$7,575
Marketing	\$8,754	\$8,934	\$9,115	\$9,295	\$36,098
Business Development	\$3,442	\$3,442	\$3,442	\$3,442	\$13,767
Misc. Costs	\$1,456	\$1,486	\$1,516	\$1,546	\$6,003
Payroll Taxes	\$8,104	\$8,271	\$8,438	\$8,605	\$33,417
<b>Total Operating Costs</b>	<b>\$141,501</b>	<b>\$141,988</b>	<b>\$142,475</b>	<b>\$142,962</b>	<b>\$568,926</b>
<b>EBITDA</b>	<b>\$42,891</b>	<b>\$46,206</b>	<b>\$49,521</b>	<b>\$52,836</b>	<b>\$191,454</b>
Federal Income Tax	\$11,117	\$11,346	\$11,575	\$11,804	\$45,842
State Income Tax	\$2,223	\$2,269	\$2,315	\$2,361	\$9,168
Interest Expense	\$1,559	\$1,551	\$1,542	\$1,533	\$6,186
Depreciation Expenses	\$475	\$475	\$475	\$475	\$1,900
<b>Net Profit</b>	<b>\$27,517</b>	<b>\$30,565</b>	<b>\$33,614</b>	<b>\$36,662</b>	<b>\$128,358</b>

Profit and Loss Statement (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
<b>Revenue</b>	\$256,208	\$261,491	\$266,773	\$272,056	\$1,056,528
Cost of Revenue	\$12,810	\$13,075	\$13,339	\$13,603	\$52,826
<b>Gross Profit</b>	<b>\$243,398</b>	<b>\$248,416</b>	<b>\$253,435</b>	<b>\$258,453</b>	<b>\$1,003,702</b>
<b>Expenses</b>					
Payroll	\$123,050	\$123,050	\$123,050	\$123,050	\$492,198
Facility Costs	\$3,379	\$3,379	\$3,379	\$3,379	\$13,516
General and Administrative	\$5,380	\$5,491	\$5,602	\$5,713	\$22,187
Professional Fees and Licensure	\$1,237	\$1,262	\$1,288	\$1,313	\$5,101
Insurance	\$1,913	\$1,913	\$1,913	\$1,913	\$7,651
Marketing	\$11,555	\$11,793	\$12,031	\$12,270	\$47,649
Business Development	\$4,543	\$4,543	\$4,543	\$4,543	\$18,172
Misc. Costs	\$1,922	\$1,961	\$2,001	\$2,040	\$7,924
Payroll Taxes	\$9,413	\$9,413	\$9,413	\$9,413	\$37,653
<b>Total Operating Costs</b>	<b>\$162,391</b>	<b>\$162,806</b>	<b>\$163,220</b>	<b>\$163,634</b>	<b>\$652,052</b>
<b>EBITDA</b>	<b>\$81,006</b>	<b>\$85,610</b>	<b>\$90,215</b>	<b>\$94,819</b>	<b>\$351,650</b>
Federal Income Tax	\$20,789	\$21,217	\$21,646	\$22,075	\$85,727
State Income Tax	\$4,158	\$4,243	\$4,329	\$4,415	\$17,145
Interest Expense	\$1,524	\$1,515	\$1,506	\$1,496	\$6,042
Depreciation Expenses	\$675	\$675	\$675	\$675	\$2,700
<b>Net Profit</b>	<b>\$53,860</b>	<b>\$57,959</b>	<b>\$62,058</b>	<b>\$66,158</b>	<b>\$240,035</b>

Profit and Loss Statement (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
<b>Revenue</b>	\$320,260	\$326,863	\$333,467	\$340,070	\$1,320,660
Cost of Revenue	\$16,013	\$16,343	\$16,673	\$17,003	\$66,033
<b>Gross Profit</b>	<b>\$304,247</b>	<b>\$310,520</b>	<b>\$316,793</b>	<b>\$323,066</b>	<b>\$1,254,627</b>
<b>Expenses</b>					
Payroll	\$143,598	\$143,598	\$143,598	\$143,598	\$574,393
Facility Costs	\$3,413	\$3,413	\$3,413	\$3,413	\$13,651
General and Administrative	\$6,725	\$6,864	\$7,003	\$7,141	\$27,734
Professional Fees and Licensure	\$1,249	\$1,275	\$1,301	\$1,327	\$5,152
Insurance	\$1,932	\$1,932	\$1,932	\$1,932	\$7,727
Marketing	\$14,444	\$14,742	\$15,039	\$15,337	\$59,562
Business Development	\$5,679	\$5,679	\$5,679	\$5,679	\$22,715
Misc. Costs	\$2,402	\$2,451	\$2,501	\$2,551	\$9,905
Payroll Taxes	\$10,985	\$10,985	\$10,985	\$10,985	\$43,941
<b>Total Operating Costs</b>	<b>\$190,427</b>	<b>\$190,939</b>	<b>\$191,451</b>	<b>\$191,963</b>	<b>\$764,780</b>
<b>EBITDA</b>	<b>\$113,820</b>	<b>\$119,581</b>	<b>\$125,342</b>	<b>\$131,104</b>	<b>\$489,847</b>
Federal Income Tax	\$29,110	\$29,710	\$30,310	\$30,910	\$120,040
State Income Tax	\$5,822	\$5,942	\$6,062	\$6,182	\$24,008
Interest Expense	\$1,487	\$1,477	\$1,466	\$1,456	\$5,886
Depreciation Expenses	\$950	\$950	\$950	\$950	\$3,800
<b>Net Profit</b>	<b>\$76,451</b>	<b>\$81,502</b>	<b>\$86,554</b>	<b>\$91,605</b>	<b>\$336,113</b>

Profit and Loss Statement (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
<b>Revenue</b>	\$400,325	\$408,579	\$416,833	\$425,087	\$1,650,825
Cost of Revenue	\$20,016	\$20,429	\$20,842	\$21,254	\$82,541
<b>Gross Profit</b>	<b>\$380,309</b>	<b>\$388,150</b>	<b>\$395,992</b>	<b>\$403,833</b>	<b>\$1,568,284</b>
<b>Expenses</b>					
Payroll	\$164,546	\$164,546	\$164,546	\$164,546	\$658,182
Facility Costs	\$3,447	\$3,447	\$3,447	\$3,447	\$13,788
General and Administrative	\$8,407	\$8,580	\$8,753	\$8,927	\$34,667
Professional Fees and Licensure	\$1,262	\$1,288	\$1,314	\$1,340	\$5,203
Insurance	\$1,951	\$1,951	\$1,951	\$1,951	\$7,805
Marketing	\$18,055	\$18,427	\$18,799	\$19,171	\$74,452
Business Development	\$7,099	\$7,099	\$7,099	\$7,099	\$28,394
Misc. Costs	\$3,002	\$3,064	\$3,126	\$3,188	\$12,381
Payroll Taxes	\$12,588	\$12,588	\$12,588	\$12,588	\$50,351
<b>Total Operating Costs</b>	<b>\$220,356</b>	<b>\$220,989</b>	<b>\$221,623</b>	<b>\$222,256</b>	<b>\$885,223</b>
<b>EBITDA</b>	<b>\$159,953</b>	<b>\$167,161</b>	<b>\$174,369</b>	<b>\$181,577</b>	<b>\$683,060</b>
Federal Income Tax	\$40,737	\$41,577	\$42,416	\$43,256	\$167,986
State Income Tax	\$8,147	\$8,315	\$8,483	\$8,651	\$33,597
Interest Expense	\$1,445	\$1,435	\$1,424	\$1,412	\$5,716
Depreciation Expenses	\$1,350	\$1,350	\$1,350	\$1,350	\$5,400
<b>Net Profit</b>	<b>\$108,274</b>	<b>\$114,485</b>	<b>\$120,696</b>	<b>\$126,907</b>	<b>\$470,361</b>

## Appendix D – Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	-\$668	\$69	\$806	\$1,542	\$2,279	\$3,015	\$3,752	\$4,488
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>-\$668</b>	<b>\$69</b>	<b>\$806</b>	<b>\$1,542</b>	<b>\$2,279</b>	<b>\$3,015</b>	<b>\$3,752</b>	<b>\$4,488</b>
<b>Other Cash Inflows</b>								
Equity Investment	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83
<b>Total Other Cash Inflows</b>	<b>\$100,083</b>	<b>\$83</b>						
<b>Total Cash Inflow</b>	<b>\$99,416</b>	<b>\$152</b>	<b>\$889</b>	<b>\$1,625</b>	<b>\$2,362</b>	<b>\$3,099</b>	<b>\$3,835</b>	<b>\$4,572</b>
<b>Cash Outflows</b>								
Repayment of Principal	\$120	\$120	\$121	\$122	\$123	\$124	\$125	\$126
A/P Decreases	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$22,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$22,678</b>	<b>\$179</b>	<b>\$180</b>	<b>\$181</b>	<b>\$181</b>	<b>\$182</b>	<b>\$183</b>	<b>\$184</b>
<b>Net Cash Flow</b>	<b>\$76,738</b>	<b>-\$26</b>	<b>\$709</b>	<b>\$1,445</b>	<b>\$2,181</b>	<b>\$2,916</b>	<b>\$3,652</b>	<b>\$4,388</b>
<b>Cash Balance</b>	<b>\$76,738</b>	<b>\$76,711</b>	<b>\$77,421</b>	<b>\$78,865</b>	<b>\$81,046</b>	<b>\$83,963</b>	<b>\$87,615</b>	<b>\$92,002</b>

<b>Cash Flow Analysis (First Year Cont.)</b>					
Month	9	10	11	12	Year 1
Cash From Operations	\$5,225	\$5,962	\$6,698	\$7,435	\$40,603
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$5,225</b>	<b>\$5,962</b>	<b>\$6,698</b>	<b>\$7,435</b>	<b>\$40,603</b>
<b>Other Cash Inflows</b>					
Equity Investment	\$0	\$0	\$0	\$0	\$25,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$75,000
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$83	\$83	\$83	\$83	\$1,000
<b>Total Other Cash Inflows</b>	<b>\$83</b>	<b>\$83</b>	<b>\$83</b>	<b>\$83</b>	<b>\$101,000</b>
<b>Total Cash Inflow</b>	<b>\$5,308</b>	<b>\$6,045</b>	<b>\$6,782</b>	<b>\$7,518</b>	<b>\$141,603</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$127	\$127	\$128	\$129	\$1,493
A/P Decreases	\$58	\$58	\$58	\$58	\$700
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$22,500
Dividends	\$0	\$0	\$0	\$27,377	\$27,377
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$185</b>	<b>\$186</b>	<b>\$187</b>	<b>\$27,565</b>	<b>\$52,070</b>
<b>Net Cash Flow</b>	<b>\$5,124</b>	<b>\$5,859</b>	<b>\$6,595</b>	<b>-\$20,047</b>	<b>\$89,533</b>
<b>Cash Balance</b>	<b>\$97,126</b>	<b>\$102,985</b>	<b>\$109,580</b>	<b>\$89,533</b>	<b>\$89,533</b>

Cash Flow Analysis (Second Year)					
Quarter	Year 2				
	Q1	Q2	Q3	Q4	Year 2
Cash From Operations	\$27,992	\$31,040	\$34,089	\$37,137	\$130,258
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$27,992</b>	<b>\$31,040</b>	<b>\$34,089</b>	<b>\$37,137</b>	<b>\$130,258</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>\$28,246</b>	<b>\$31,300</b>	<b>\$34,354</b>	<b>\$37,408</b>	<b>\$131,308</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$393	\$402	\$410	\$419	\$1,625
A/P Decreases	\$178	\$182	\$186	\$189	\$735
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$6,513	\$0	\$0	\$0	\$6,513
Dividends	\$0	\$0	\$0	\$90,043	\$90,043
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$7,084</b>	<b>\$584</b>	<b>\$596</b>	<b>\$90,652</b>	<b>\$98,916</b>
<b>Net Cash Flow</b>	<b>\$21,162</b>	<b>\$30,716</b>	<b>\$33,758</b>	<b>-\$53,244</b>	<b>\$32,392</b>
<b>Cash Balance</b>	<b>\$110,695</b>	<b>\$141,411</b>	<b>\$175,169</b>	<b>\$121,925</b>	<b>\$121,925</b>

Cash Flow Analysis (Third Year)					
Quarter	Year 3				
	Q1	Q2	Q3	Q4	Year 3
Cash From Operations	\$54,535	\$58,634	\$62,733	\$66,833	\$242,735
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$54,535</b>	<b>\$58,634</b>	<b>\$62,733</b>	<b>\$66,833</b>	<b>\$242,735</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>\$54,802</b>	<b>\$58,907</b>	<b>\$63,012</b>	<b>\$67,117</b>	<b>\$243,838</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$428	\$437	\$447	\$456	\$1,768
A/P Decreases	\$187	\$191	\$195	\$199	\$772
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$12,137	\$0	\$0	\$0	\$12,137
Dividends	\$0	\$0	\$0	\$168,677	\$168,677
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$12,752</b>	<b>\$628</b>	<b>\$641</b>	<b>\$169,332</b>	<b>\$183,354</b>
<b>Net Cash Flow</b>	<b>\$42,050</b>	<b>\$58,279</b>	<b>\$62,370</b>	<b>-\$102,215</b>	<b>\$60,484</b>
<b>Cash Balance</b>	<b>\$163,976</b>	<b>\$222,254</b>	<b>\$284,625</b>	<b>\$182,409</b>	<b>\$182,409</b>

Cash Flow Analysis (Fourth Year)					
Quarter	Year 4				
	Q1	Q2	Q3	Q4	Year 4
Cash From Operations	\$77,401	\$82,452	\$87,504	\$92,555	\$339,913
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$77,401</b>	<b>\$82,452</b>	<b>\$87,504</b>	<b>\$92,555</b>	<b>\$339,913</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>\$77,682</b>	<b>\$82,739</b>	<b>\$87,796</b>	<b>\$92,853</b>	<b>\$341,070</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$466	\$476	\$486	\$497	\$1,925
A/P Decreases	\$197	\$201	\$205	\$209	\$810
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$16,996	\$0	\$0	\$0	\$16,996
Dividends	\$0	\$0	\$0	\$236,592	\$236,592
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$17,658</b>	<b>\$676</b>	<b>\$691</b>	<b>\$237,297</b>	<b>\$256,322</b>
<b>Net Cash Flow</b>	<b>\$60,024</b>	<b>\$82,062</b>	<b>\$87,105</b>	<b>-\$144,444</b>	<b>\$84,748</b>
<b>Cash Balance</b>	<b>\$242,433</b>	<b>\$324,496</b>	<b>\$411,601</b>	<b>\$267,158</b>	<b>\$267,158</b>

Cash Flow Analysis (Fifth Year)					
Quarter	Year 5				
	Q1	Q2	Q3	Q4	Year 5
Cash From Operations	\$109,624	\$115,835	\$122,046	\$128,257	\$475,761
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
<b>Operating Cash Inflow</b>	<b>\$109,624</b>	<b>\$115,835</b>	<b>\$122,046</b>	<b>\$128,257</b>	<b>\$475,761</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>\$109,919</b>	<b>\$116,135</b>	<b>\$122,353</b>	<b>\$128,570</b>	<b>\$476,977</b>
<b>Cash Outflows</b>					
Repayment of Principal	\$507	\$518	\$529	\$540	\$2,095
A/P Decreases	\$206	\$211	\$215	\$219	\$851
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$23,788	\$0	\$0	\$0	\$23,788
Dividends	\$0	\$0	\$0	\$331,567	\$331,567
Preferred Equity Payment	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Outflows</b>	<b>\$24,502</b>	<b>\$729</b>	<b>\$744</b>	<b>\$332,326</b>	<b>\$358,300</b>
<b>Net Cash Flow</b>	<b>\$85,417</b>	<b>\$115,407</b>	<b>\$121,609</b>	<b>-\$203,756</b>	<b>\$118,677</b>
<b>Cash Balance</b>	<b>\$352,575</b>	<b>\$467,981</b>	<b>\$589,590</b>	<b>\$385,834</b>	<b>\$385,834</b>