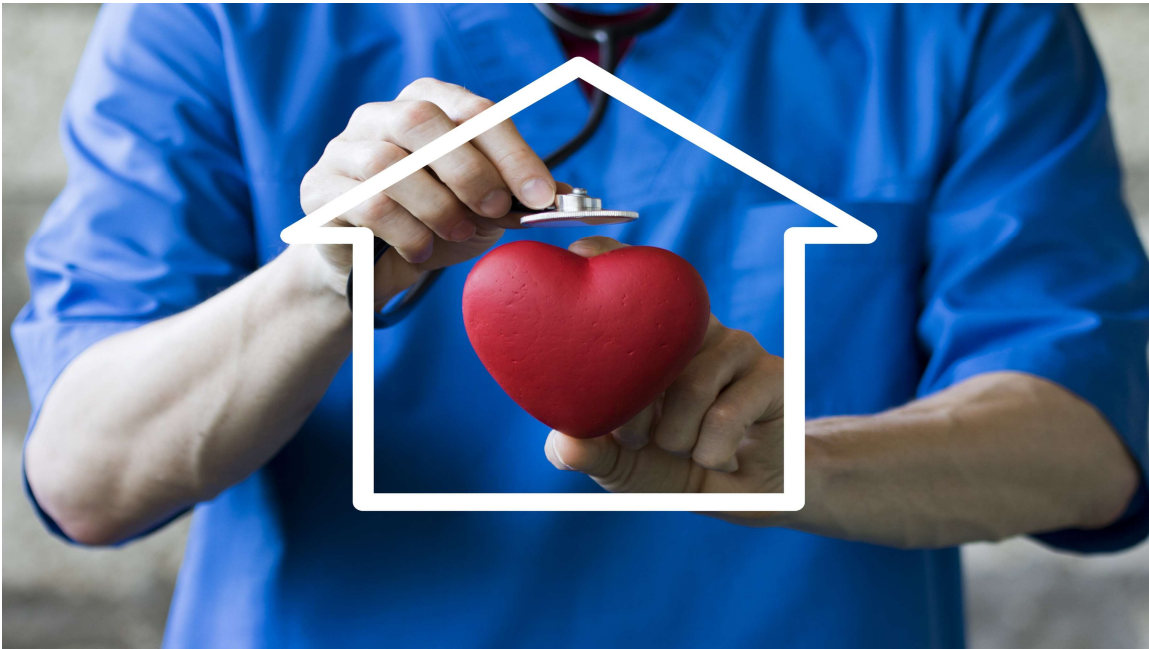


HomeHealthcare
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Home Healthcare Agency



Strategic Business Plan

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1.0 Executive Summary

The purpose of this business plan is to raise \$175,000 for the development of a home healthcare agency while showcasing the expected financials and operations over the next three years. The Home Healthcare Agency, Inc. (“the Company”) is a New York based corporation that will provide both non-medical and skilled care services to this market. The Founder, John Doe, anticipates that the business will launch revenue generating operations in the fourth quarter of 2021.

1.1 The Services

The first revenue center for the business will come from the ongoing non-medical care specific for elderly and developmentally disabled people that need care throughout the day. The business will have aides that can render overnight services when require. Through these operations, the Company’s staff (direct and independently contracted) will render services that will include general assistance, companionship, meal preparation, medication reminders, light housekeeping, grocery shopping, and assistance with dressing.

The Company’s second revenue center will come from skilled care services that will be rendered by registered nurses and licensed practical nurses. These individuals will assist with day to day living for clients while rendering specific services including the administration of medications, bathing, wound care, catheter care, and skilled hospice support. The business will directly employ and independently contract with nursing professionals to render these services.

The third section of the business plan will further describe the services offered by the Home Healthcare Agency.

1.2 Financing

Mr. Doe is seeking to raise \$175,000 from as a bank loan. The interest rate and loan agreement are to be further discussed during negotiation. This business plan assumes that the business will receive a 7 year loan with a 5% fixed interest rate. The financing will be used for the following:

- Development of the Company’s office location.
- Financing for the first six months of operation.
- Capital to purchase two company vehicles.

Mr. Doe will contribute \$25,000 to the venture.

1.3 Mission Statement

The Home Healthcare Agency’s mission is to become the recognized leader in its targeted market for in home nursing and non-medical care services.

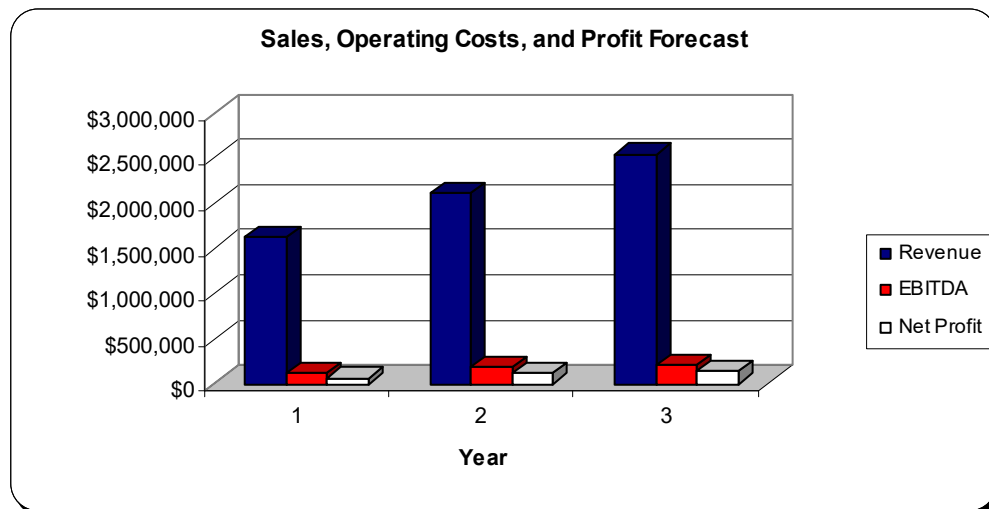
1.4 Management Team

The Company was founded by John Doe. Mr. Doe has more than 10 years of experience in the healthcare industry. Through his expertise, he will be able to bring the operations of the business to profitability within its first year of operations.

1.5 Sales Forecasts

Mr. Doe expects a strong rate of growth at the start of operations. Below are the expected financials over the next three years.

Proforma Profit and Loss (Yearly)			
Year	1	2	3
Revenue	\$1,625,760	\$2,113,488	\$2,536,186
Operating Costs	\$1,044,306	\$1,325,114	\$1,593,280
EBITDA	\$112,338	\$178,523	\$211,085
Taxes, Interest, and Depreciation	\$46,986	\$66,324	\$75,537
Net Profit	\$65,352	\$112,199	\$135,548



1.6 Expansion Plan

The Founder expects that the business will aggressively expand during the first three years of operation. Mr. Doe intends to implement marketing campaigns that will effectively target individuals with home healthcare needs within the target market. The business will also expand its connections with medical professionals throughout the greater New York metropolitan area in order to ensure referrals.

2.0 Company and Financing Summary

2.1 Registered Name and Corporate Structure

Home Healthcare Agency, Inc. The Company is registered as a corporation in the State of New York.

2.2 Required Funds

At this time, the Home Healthcare Agency requires \$175,000 of debt funds. Below is a breakdown of how these funds will be used:

Projected Startup Costs	
Lease Deposit	\$5,000
Leasehold Improvements	\$10,000
Working Capital	\$75,000
Furniture, Fixtures, and Equipment	\$30,000
Vehicles	\$45,000
Utility Deposits	\$2,500
Insurance	\$5,000
Professional Fees and Licensure	\$15,000
Marketing Budget	\$7,500
Miscellaneous and Unforeseen Costs	\$5,000
Total Startup Costs	\$200,000

2.3 Investor Equity

Mr. Doe is not seeking an investment from a third party at this time.

2.4 Management Equity

John Doe owns 100% of the Home Healthcare Agency, Inc.

2.5 Exit Strategy

If the business is very successful, Mr. Doe may seek to sell the business to a third party for a significant earnings multiple. Most likely, the Company will hire a qualified business broker to sell the business on behalf of the Home Healthcare Agency. Based on historical numbers, the business could fetch a sales premium of up to four times earnings.

3.0 Home HealthCare Services

As in the executive summary, Home Healthcare Agency will provide both non-medical and skilled in-home nursing services to the New York general public. For the Company's non-medical services, the business will hire qualified caregivers that can compassionately tend to the needs of clients on a day to day basis. On a per hour basis, the Company intends to charge \$20 per hour for these services. Approximately 25% of the Company's caregivers will be independently contracted. These services will include:

- Communication Support
- Dressing Assistance
- General Companionship
- Grocery Shopping
- Meal Preparation
- Medication Reminders (but not administration)
- Transportation

The Company's skilled services will generally produce an equal amount of revenue to the business' non-medical services. Through these operations, the business will hire registered nurses and licensed practical nurses to render services to clients. Approximately 35% of staff for these operations will be independently contracted. The Company's skilled nursing staff will follow all regimens prescribed by the client's physician. These services will encompass administration of medicine, insulin injections, hospice support services (in conjunction with a palliative medicine practitioner), catheter care, wound care, and all other services that can be rendered in this scope of practice.

Management will implement a number of procedures during the hiring process in order to ensure that only the most qualified and compassionate care givers and nurses are hired by the business. The Company will conduct thorough background checks as well as drug tests on all hired staff (direct and independently contracted). The business will also verify all educational credentials and licensure.

At all times, the Company will maintain relationships with third party physicians that can be contacted in the event of an emergency. All clients will be required to provide the names of all physicians that treat them as well.

The Company's billing will be managed by a third-party processing agent. This will allow the business to more quickly receive its fees especially as it relates to skilled nursing charges that are charged to private insurance companies or publicly funded healthcare systems.

4.0 Strategic and Market Analysis

4.1 Economic Outlook

This section of the analysis will detail the economic climate, the in home healthcare industry, the customer profile, and the competition that the business will face as it progresses through its business operations.

Currently, the economic climate is uncertain. The pandemic stemming from COVID-19 has created a substantial amount of turmoil within the capital markets. It is expected that a prolonged economic recovery will occur given that numerous businesses are being forced to remain closed for an indefinite period of time (while concurrently having their respective employees remain at home). However, central banks around the world have taken aggressive steps in order to ensure the free flow of capital into financial institutions. This is expected to greatly blunt the economic issues that will arise from this public health matter.

However, home healthcare agencies are immune from negative changes in the economy.

4.2 Industry Analysis

Within the United States, there are nearly 440,000 companies that provide in home care services (non-medical and skilled). The industry employs over 1.9 million people. Aggregate revenues are \$97 billion.

The industry is set for expansive growth over the next twenty years as more people from the baby boomer generation require a greater degree of care. The Company will be in an excellent position to capitalize on this growth of the industry moving forward.

One of the reasons that the industry is set for major growth is that many families prefer to have their loved ones remain in their home versus in an assisted living or nursing home facility (unless it is absolutely necessary). The number of companies entering the market is expected to increase as demand grows over the next ten years.

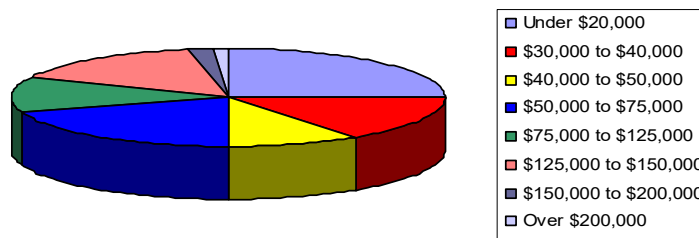
4.3 Customer Profile

All of the Company's clients will be developmentally disabled and elderly people that require full time non-medical or skilled nursing services. Management has developed the following demographic profile that will be used in conjunction with marketing operations:

- Over the age of 65
- Has an annual household income of \$50,000
- Will spend \$2,000 to \$4,000 per month on the Company's services
- Lives within 15 miles of the Company's location

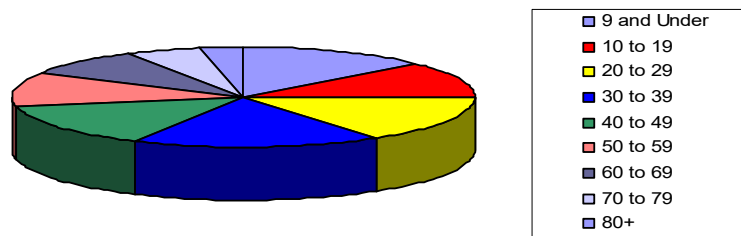
Household Income (by % of Population)	5 Miles	20 Miles	State
Under \$20,000	25.00%	25.00%	25.00%
\$30,000 to \$40,000	15.00%	19.00%	15.00%
\$40,000 to \$50,000	10.00%	19.00%	10.00%
\$50,000 to \$75,000	20.00%	12.00%	20.00%
\$75,000 to \$125,000	12.00%	13.00%	8.00%
\$125,000 to \$150,000	15.00%	6.00%	12.00%
\$150,000 to \$200,000	2.00%	5.00%	5.00%
Over \$200,000	1.00%	1.00%	5.00%

Income Breakdown (5 Miles)



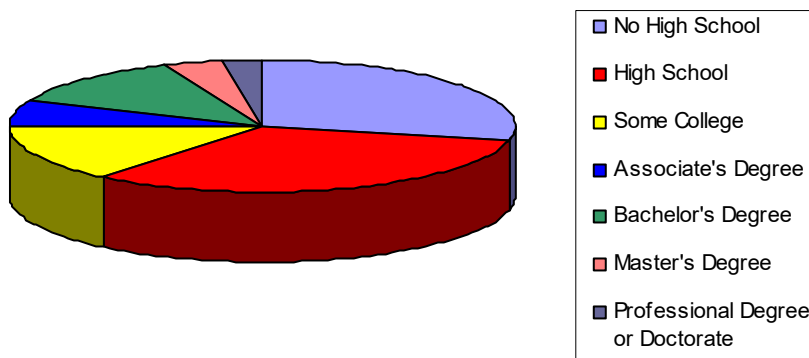
Age (by % of Population)	5 Miles	20 Miles	State
9 and Under	13.40%	12.80%	11.20%
10 to 19	12.00%	10.70%	9.70%
20 to 29	15.00%	14.90%	14.20%
30 to 39	17.30%	16.20%	15.90%
40 to 49	14.30%	14.10%	14.70%
50 to 59	11.10%	12.70%	13.40%
60 to 69	8.60%	9.10%	9.90%
70 to 79	5.40%	6.00%	6.60%
80+	3.00%	3.40%	4.50%

Age Breakdown (5 Miles)



Education (by % of Population)	5 Miles	20 Miles	State
No High School	28.60%	24.40%	29.40%
High School	32.20%	30.50%	31.70%
Some College	14.10%	13.60%	14.40%
Associate's Degree	6.40%	6.80%	6.40%
Bachelor's Degree	12.40%	15.40%	13.00%
Master's Degree	3.90%	5.70%	3.40%
Professional Degree or Doctorate	2.40%	3.60%	1.60%

Education Breakdown (5 Miles)



4.4 Competition

Given the strong demand for home healthcare services, there are always a number of home care agencies (non-medical and skilled) that provide care to the general public. In this section of the business plan, you should focus on examining companies that operate in a similar capacity to that of your business. This includes estimating the number of clients that they have, annual revenues, and number of employees. This information can be sourced through publicly available records.

5.0 Marketing Plan

The Home Healthcare Agency will use a number of marketing strategies in order to ensure maximum visibility for its operations among the demographics discussed in the fifth section of the business plan. Below is an overview of the strategies to be used.

5.1 Marketing Objectives

- Maintain strong relationships with referring physicians, surgeons, medical centers, allied health professionals, and hospital systems throughout the target market.
- Develop an expansive online presence that includes the use of social media and search engine optimization.
- Distribute print advertisements among regional newspapers throughout the target market.

5.2 Marketing Strategies

Foremost, Management intends to develop ongoing referral relationships with medical professionals throughout the target market area. For the skilled care portion of the Company's operations, it is absolutely imperative that these relationships are developed so that prescribed medical care (including hospice support care) can be provided to clients with the intent to receive reimbursement from private insurance companies and publicly funded healthcare systems. The Company will develop a number of brochures that will be distributed to physicians' offices.

The Home Healthcare Agency will also maintain an expansive online presence that will include a proprietary website as well as profiles among major social media platforms. The Company's website will be search engine optimized and mobile friendly. In order to generate traffic from the onset of operations, the business will use pay-per-click marketing. The business will also use targeted advertisements on Facebook in order to further drive interest among people searching for home healthcare agencies. The business will have a number of professionally produced videos created that will showcase the operations of the business. These videos will be posted to the Company's social media pages, shown on the website, and posted to YouTube.

The business will also distribute full and half page print advertisements among circulars and newspapers. These advertisements will focus on the affordability and compassionate care offered by the Company's staff.

Starting in the second year of operations, the business will have televised advertisements shown on a regional basis that will be aired on cable television. The Company will work with a qualified advertising and marketing firm that will create these videos. All produced commercials will also be shown on social media platforms.

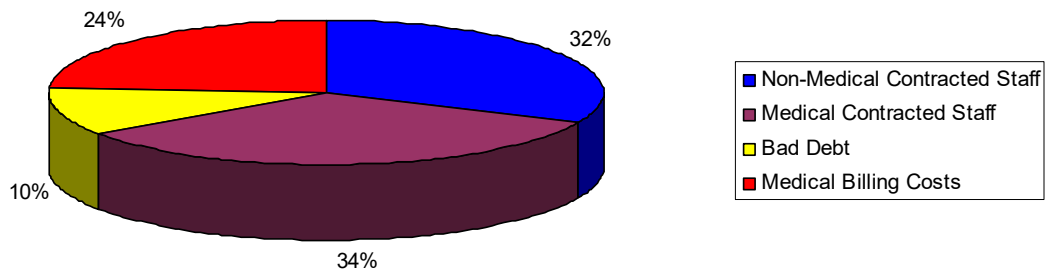
5.3 Revenue Overview

Yearly Revenue Forecast			
Year	1	2	3
Growth (%)	0.0%	30.0%	20.0%
Non-Medical Care Services	\$881,760	\$1,146,288	\$1,375,546
Skilled Care Services	\$744,000	\$967,200	\$1,160,640
Totals	\$1,625,760	\$2,113,488	\$2,536,186

Cost of Revenue Forecast			
Year	1	2	3
Non-Medical Contracted Staff	\$150,300	\$195,390	\$234,468
Medical Contracted Staff	\$156,240	\$203,112	\$243,734
Bad Debt	\$48,773	\$63,405	\$76,086
Medical Billing Costs	\$113,803	\$147,944	\$177,533
Totals	\$469,116	\$609,851	\$731,821

Gross Profit			
Year	1	2	3
Total	\$1,156,644	\$1,503,637	\$1,804,365

Cost of Revenue Breakdown



5.4 Marketing Expenditures Overview

Marketing ROI			
Year	1	2	3
Short Term Marketing			
Billboards	\$175	\$180	\$186
Radio Advertisements	\$70	\$72	\$74
TV Advertisements	\$700	\$721	\$743
PPC Marketing	\$455	\$469	\$483
Total Short Term Marketing	\$1,400	\$1,442	\$1,485

Intermediate Term Marketing			
Brochures	\$525	\$541	\$557
Mailers	\$700	\$721	\$743
Total Intermediate Marketing	\$1,225	\$1,262	\$1,300

Long Term Marketing			
Website Search Engine Optimization	\$350	\$361	\$371
General Company Branding	\$525	\$541	\$557
Total Long Term Marketing	\$875	\$901	\$928

Total Marketing Costs	\$3,500	\$3,605	\$3,713
Total Net Profits	\$65,352	\$112,199	\$135,548
Total Marketing ROI	1867.20%	3112.30%	3650.50%

Marketing Breakdown			
Year	1	2	3
Short Term Marketing			
Billboards	5.00%	5.00%	5.00%
Radio Advertisements	2.00%	2.00%	2.00%
TV Advertisements	20.00%	20.00%	20.00%
PPC Marketing	13.00%	13.00%	13.00%

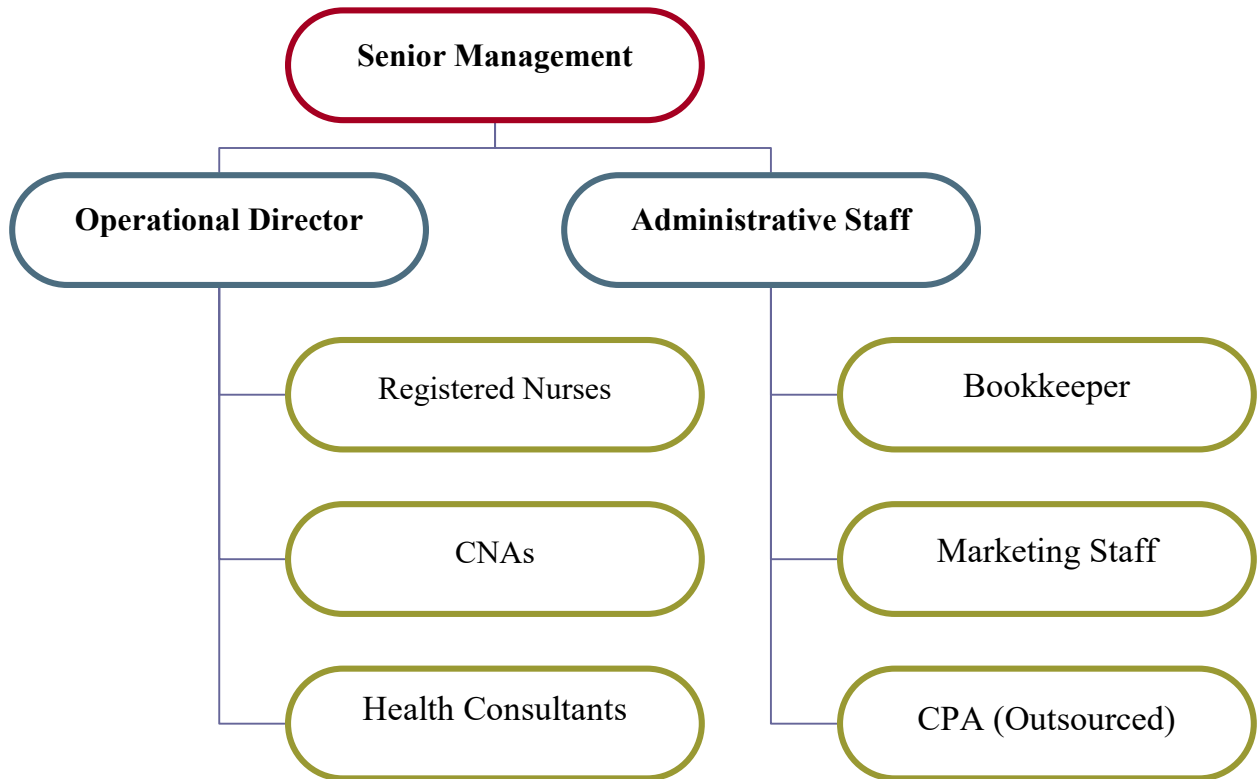
Intermediate Term Marketing			
Brochures	15.00%	15.00%	15.00%
Mailers	20.00%	20.00%	20.00%

Long Term Marketing			
Website Search Engine Optimization	10.00%	10.00%	10.00%
General Company Branding	15.00%	15.00%	15.00%

Total Marketing Costs (%)	100.00%	100.00%	100.00%
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6.0 Organizational Plan and Personnel Summary

6.1 Corporate Organization

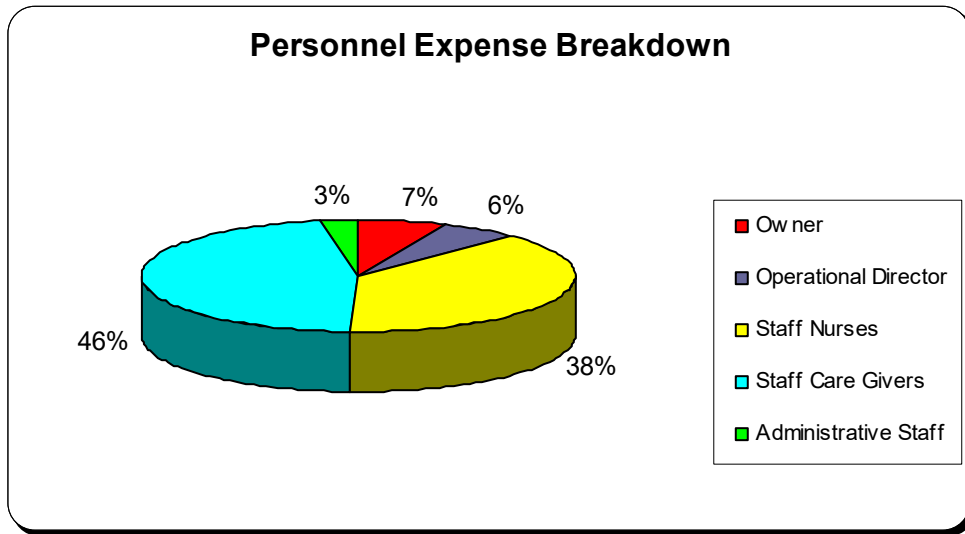


6.2 Organizational Budget

Personnel Plan - Yearly			
Year	1	2	3
Owner	\$60,000	\$61,800	\$63,654
Operational Director	\$52,500	\$54,075	\$55,697
Staff Nurses	\$350,000	\$463,500	\$583,495
Staff Care Givers	\$425,000	\$566,500	\$689,585
Administrative Staff	\$25,000	\$25,750	\$26,523
Total	\$912,500	\$1,171,625	\$1,418,954

Numbers of Personnel			
Year	1	2	3
Owner	1	1	1
Operational Director	1	1	1
Staff Nurses	7	9	11
Staff Care Givers	17	22	26
Administrative Staff	1	1	1
Totals	27	34	40

6.2 Organizational Budget (Cont.)



7.0 Financial Plan

7.1 Underlying Assumptions

The Company has based its proforma financial statements on the following:

- The Home Healthcare Agency will have an annual revenue growth rate of 16% per year.
- The Owner will acquire \$150,000 of debt funds to develop the business (carrying a 7 year term and a 5% interest rate).
- Management will contribute \$50,000 towards the venture.

7.2 Sensitivity Analysis

The Company's revenues are immune from negative changes in the economy. By operating in both a non-medical and skilled care capacity – the business will have a strong mix of revenue that will ensure profitability at all times. Home Healthcare Agency will generate its revenues from client payments as well as insurance reimbursement. Additionally, the business will maintain a low operating and overhead cost infrastructure in order to ensure a strong financial cushion for the business.

7.3 Source of Funds

Financing	
Equity Contributions	
Management Investment	\$25,000.00
Total Equity Financing	\$25,000.00
Banks and Lenders	
Banks and Lenders	\$175,000.00
Total Debt Financing	\$175,000.00
Total Financing	\$200,000.00

7.4 General Assumptions

General Assumptions			
Year	1	2	3
Federal Tax Rate	33.0%	33.0%	33.0%
State Tax Rate	5.0%	5.0%	5.0%
Personnel Taxes	7.65%	7.65%	7.65%

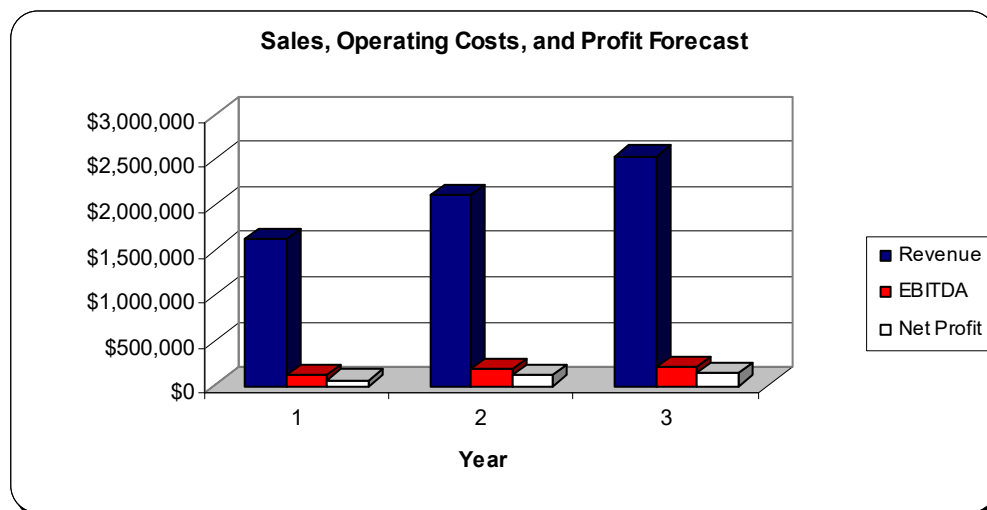
7.5 Profit and Loss Statements

Proforma Profit and Loss (Yearly)			
Year	1	2	3
Revenue	\$1,625,760	\$2,113,488	\$2,536,186
Cost of Revenue	\$469,116	\$609,851	\$731,821
Gross Margin	71.14%	71.14%	71.14%
Gross Profit	\$1,156,644	\$1,503,637	\$1,804,365

Expenses			
Payroll	\$912,500	\$1,171,625	\$1,418,954
General and Administrative	\$10,000	\$10,300	\$10,609
Marketing Expenses	\$3,500	\$3,605	\$3,713
Professional Fees and Licensure	\$2,500	\$2,575	\$2,652
Insurance Costs	\$12,000	\$12,360	\$12,731
Travel and Vehicle Costs	\$7,500	\$7,725	\$7,957
Facility Costs	\$25,000	\$25,750	\$26,523
Miscellaneous Costs	\$1,500	\$1,545	\$1,591
Payroll Taxes	\$69,806	\$89,629	\$108,550
Total Operating Costs	\$1,044,306	\$1,325,114	\$1,593,280

EBITDA	\$112,338	\$178,523	\$211,085
Federal Income Tax	\$23,340	\$40,071	\$48,410
State Income Tax	\$4,668	\$8,014	\$9,682
Interest Expense	\$8,264	\$7,168	\$6,016
Depreciation Expenses	\$10,714	\$11,071	\$11,429

Net Profit	\$65,352	\$112,199	\$135,548
Profit Margin	4.02%	5.31%	5.34%



7.6 Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly			
Year	1	2	3
Cash From Operations	\$76,066	\$123,270	\$146,977
Cash From Receivables	\$0	\$0	\$0
Operating Cash Inflow	\$76,066	\$123,270	\$146,977

Other Cash Inflows

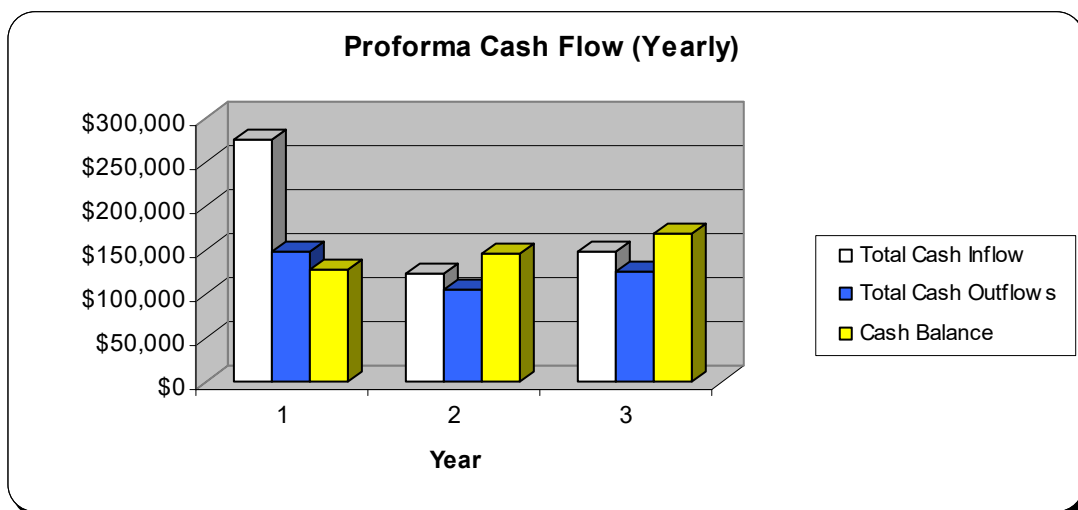
Equity Investment	\$25,000	\$0	\$0
Increased Borrowings	\$175,000	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0
A/P Increases	\$1,000	\$1,150	\$1,323
Total Other Cash Inflows	\$201,000	\$1,150	\$1,323

Total Cash Inflow	\$277,066	\$124,420	\$148,299
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Cash Outflows

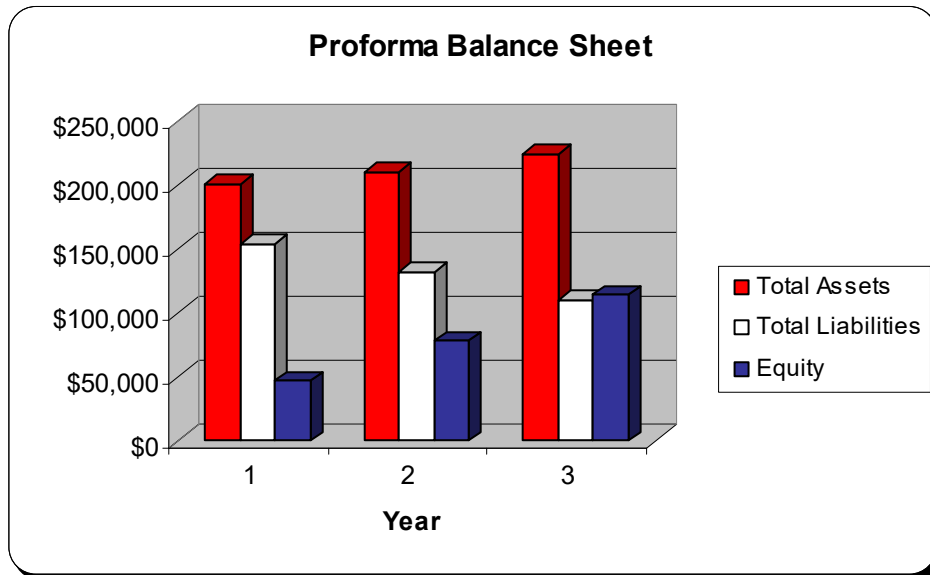
Repayment of Principal	\$21,418	\$22,513	\$23,665
A/P Decreases	\$500	\$600	\$720
A/R Increases	\$0	\$0	\$0
Asset Purchases	\$82,500	\$2,500	\$2,500
Dividends	\$43,719	\$80,605	\$98,649
Total Cash Outflows	\$148,136	\$106,219	\$125,535

Net Cash Flow	\$128,930	\$18,201	\$22,765
Cash Balance	\$128,930	\$147,131	\$169,896



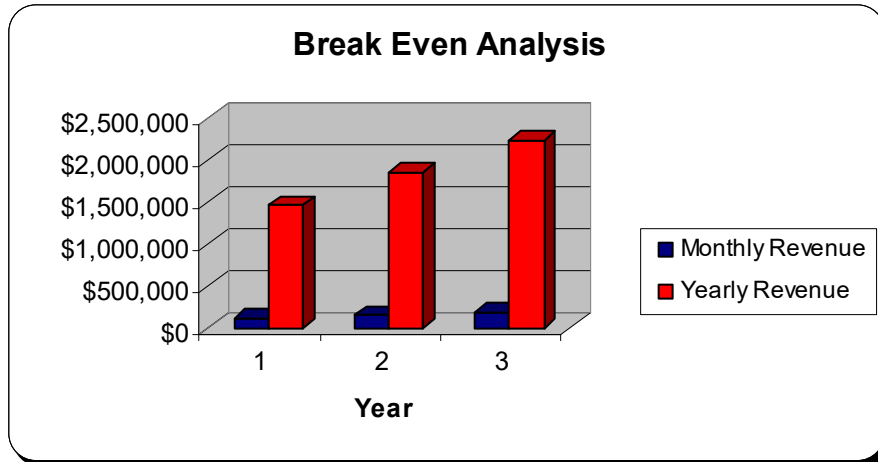
7.7 Balance Sheet

Proforma Balance Sheet - Yearly			
Year	1	2	3
Assets			
Cash	\$128,930	\$147,131	\$169,896
Lease and Security Deposits	\$7,500	\$7,500	\$7,500
FF&E and Vehicles	\$75,000	\$77,500	\$80,000
Accumulated Depreciation	(\$10,714)	(\$21,786)	(\$33,214)
Total Assets	\$200,715	\$210,345	\$224,182
Liabilities and Equity			
Accounts Payable	\$500	\$1,050	\$1,653
Long Term Liabilities	\$153,582	\$131,069	\$108,556
Other Liabilities	\$0	\$0	\$0
Total Liabilities	\$154,082	\$132,119	\$110,208
Equity	\$46,633	\$78,226	\$113,973
Total Liabilities and Equity	\$200,715	\$210,345	\$224,182



7.8 Breakeven Analysis

Monthly Break Even Analysis			
Year	1	2	3
Monthly Revenue	\$122,322	\$155,213	\$186,624
Yearly Revenue	\$1,467,860	\$1,862,559	\$2,239,488



7.9 Business Ratios

Business Ratios - Yearly			
Year	1	2	3
Sales			
Sales Growth	0.0%	30.0%	20.0%
Gross Margin	71.1%	71.1%	71.1%
Financials			
Profit Margin	4.02%	5.31%	5.34%
Assets to Liabilities	1.30	1.59	2.03
Equity to Liabilities	0.30	0.59	1.03
Assets to Equity	4.30	2.69	1.97
Liquidity			
Acid Test	0.84	1.11	1.54
Cash to Assets	0.64	0.70	0.76

Appendix A – SWOT Analysis

Strengths

- Revenues are relatively immune from negative changes in the economy.
- Low operating and overhead costs will ensure that the business remains profitable at all times.
- A qualified Founder/CEO (John Doe) who will be able to guide the operations of the business to profitability.
- Providing both non-medical and skilled care services will provide substantial economic security for the Company.

Weaknesses

- Substantial regulatory and compliance issues that need to be addressed on a daily basis.
- Potential for legal liabilities as a result of injury or malpractice.

Opportunities

- Continued hiring of care givers and nurses that will boost the revenues of the business.
- Acquisition of similar companies in the target market.
- Develop centralized locations in other markets.
- Integration of new services into the Home Healthcare Agency's ecosystem (with a focus on hospice services).

Threats

- Changes in regulation can impact the operations of the business (limited risk)
- A resurgence of COVID-19 (limited risk given that the business' skilled nursing operations).

Appendix B - Three Year Profit and Loss Statement

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Revenue	\$114,000	\$120,000	\$120,000	\$122,640	\$128,640	\$131,280	\$139,920
Cost of Revenue	\$32,730	\$34,590	\$34,590	\$35,304	\$37,164	\$37,878	\$40,452
Gross Margin	71.3%	71.2%	71.2%	71.2%	71.1%	71.1%	71.1%

Gross Profit	\$81,270	\$85,410	\$85,410	\$87,336	\$91,476	\$93,402	\$99,468
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Expenses

Payroll	\$76,042	\$76,042	\$76,042	\$76,042	\$76,042	\$76,042	\$76,042
General and Administrative	\$833	\$833	\$833	\$833	\$833	\$833	\$833
Marketing Expenses	\$292	\$292	\$292	\$292	\$292	\$292	\$292
Professional Fees and Licensure	\$208	\$208	\$208	\$208	\$208	\$208	\$208
Insurance Costs	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Travel and Vehicle Costs	\$625	\$625	\$625	\$625	\$625	\$625	\$625
Facility Costs	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083
Miscellaneous Costs	\$125	\$125	\$125	\$125	\$125	\$125	\$125
Payroll Taxes	\$5,817	\$5,817	\$5,817	\$5,817	\$5,817	\$5,817	\$5,817
Total Operating Costs	\$87,026	\$87,026	\$87,026	\$87,026	\$87,026	\$87,026	\$87,026

EBITDA	-\$5,756	-\$1,616	-\$1,616	\$310	\$4,450	\$6,376	\$12,442
Federal Income Tax	\$1,637	\$1,723	\$1,723	\$1,761	\$1,847	\$1,885	\$2,009
State Income Tax	\$327	\$345	\$345	\$352	\$369	\$377	\$402
Interest Expense	\$729	\$722	\$715	\$707	\$700	\$693	\$685
Depreciation Expense	\$893	\$893	\$893	\$893	\$893	\$893	\$893

Net Profit	-\$9,341	-\$5,298	-\$5,290	-\$3,402	\$642	\$2,529	\$8,454
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Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	1
Revenue	\$142,560	\$145,200	\$153,840	\$153,840	\$153,840	\$1,625,760
Cost of Revenue	\$41,166	\$41,880	\$44,454	\$44,454	\$44,454	\$469,116
Gross Margin	71.1%	71.2%	71.1%	71.1%	71.1%	71.1%
Gross Profit	\$101,394	\$103,320	\$109,386	\$109,386	\$109,386	\$1,156,644

Expenses

Payroll	\$76,042	\$76,042	\$76,042	\$76,042	\$76,042	\$912,500
General and Administrative	\$833	\$833	\$833	\$833	\$833	\$10,000
Marketing Expenses	\$292	\$292	\$292	\$292	\$292	\$3,500
Professional Fees and Licensure	\$208	\$208	\$208	\$208	\$208	\$2,500
Insurance Costs	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Travel and Vehicle Costs	\$625	\$625	\$625	\$625	\$625	\$7,500
Facility Costs	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$25,000
Miscellaneous Costs	\$125	\$125	\$125	\$125	\$125	\$1,500
Payroll Taxes	\$5,817	\$5,817	\$5,817	\$5,817	\$5,817	\$69,806
Total Operating Costs	\$87,026	\$87,026	\$87,026	\$87,026	\$87,026	\$1,044,306
EBITDA	\$14,368	\$16,294	\$22,360	\$22,360	\$22,360	\$112,338
Federal Income Tax	\$2,047	\$2,085	\$2,209	\$2,209	\$2,209	\$23,340
State Income Tax	\$409	\$417	\$442	\$442	\$442	\$4,668
Interest Expense	\$678	\$670	\$663	\$655	\$648	\$8,264
Depreciation Expense	\$893	\$893	\$893	\$893	\$893	\$10,714
Net Profit	\$10,342	\$12,230	\$18,155	\$18,162	\$18,170	\$65,352

Profit and Loss Statement (Second Year)					
2					
Quarter	Q1	Q2	Q3	Q4	2
Revenue	\$486,102	\$528,372	\$549,507	\$549,507	\$2,113,488
Cost of Revenue	\$140,266	\$152,463	\$158,561	\$158,561	\$609,851
Gross Margin	71.1%	71.1%	71.1%	71.1%	71.1%

Gross Profit	\$345,837	\$375,909	\$390,946	\$390,946	\$1,503,637
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Expenses

Payroll	\$269,474	\$292,906	\$304,623	\$304,623	\$1,171,625
General and Administrative	\$2,369	\$2,575	\$2,678	\$2,678	\$10,300
Marketing Expenses	\$829	\$901	\$937	\$937	\$3,605
Professional Fees and Licensure	\$592	\$644	\$670	\$670	\$2,575
Insurance Costs	\$2,843	\$3,090	\$3,214	\$3,214	\$12,360
Travel and Vehicle Costs	\$1,777	\$1,931	\$2,009	\$2,009	\$7,725
Facility Costs	\$6,438	\$6,438	\$6,438	\$6,438	\$25,750
Miscellaneous Costs	\$355	\$386	\$402	\$402	\$1,545
Payroll Taxes	\$20,615	\$22,407	\$23,304	\$23,304	\$89,629
Total Operating Costs	\$305,291	\$331,279	\$344,272	\$344,272	\$1,325,114

EBITDA	\$41,060	\$44,631	\$46,673	\$46,673	\$178,523
Federal Income Tax	\$9,216	\$10,018	\$10,418	\$10,418	\$40,071
State Income Tax	\$1,843	\$2,004	\$2,084	\$2,084	\$8,014
Interest Expense	\$1,897	\$1,827	\$1,757	\$1,686	\$7,168
Depreciation Expense	\$2,768	\$2,768	\$2,768	\$2,768	\$11,071

Net Profit	\$25,336	\$28,014	\$29,646	\$29,717	\$112,199
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Profit and Loss Statement (Third Year)					
3					
Quarter	Q1	Q2	Q3	Q4	3
Revenue	\$583,323	\$634,046	\$659,408	\$659,408	\$2,536,186
Cost of Revenue	\$168,319	\$182,955	\$190,273	\$190,273	\$731,821
Gross Margin	71.1%	71.1%	71.1%	71.1%	71.1%

Gross Profit	\$415,004	\$451,091	\$469,135	\$469,135	\$1,804,365
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Expenses

Payroll	\$326,359	\$354,738	\$368,928	\$368,928	\$1,418,954
General and Administrative	\$2,440	\$2,652	\$2,758	\$2,758	\$10,609
Marketing Expenses	\$854	\$928	\$965	\$965	\$3,713
Professional Fees and Licensure	\$610	\$663	\$690	\$690	\$2,652
Insurance Costs	\$2,928	\$3,183	\$3,310	\$3,310	\$12,731
Travel and Vehicle Costs	\$1,830	\$1,989	\$2,069	\$2,069	\$7,957
Facility Costs	\$6,631	\$6,631	\$6,631	\$6,631	\$26,523
Miscellaneous Costs	\$366	\$398	\$414	\$414	\$1,591
Payroll Taxes	\$24,966	\$27,137	\$28,223	\$28,223	\$108,550
Total Operating Costs	\$366,985	\$398,320	\$413,987	\$413,987	\$1,593,280

EBITDA	\$48,019	\$52,771	\$55,147	\$55,147	\$211,085
Federal Income Tax	\$11,134	\$12,103	\$12,587	\$12,587	\$48,410
State Income Tax	\$2,227	\$2,421	\$2,517	\$2,517	\$9,682
Interest Expense	\$1,614	\$1,541	\$1,468	\$1,393	\$6,016
Depreciation Expense	\$2,857	\$2,857	\$2,857	\$2,857	\$11,429

Net Profit	\$30,187	\$33,850	\$35,719	\$35,793	\$135,548
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Appendix C - Three Year Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	-\$8,449	-\$4,405	-\$4,397	-\$2,510	\$1,534	\$3,422	\$9,347	\$11,235
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	-\$8,449	-\$4,405	-\$4,397	-\$2,510	\$1,534	\$3,422	\$9,347	\$11,235

Other Cash Inflows

Equity Investment	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$175,000	\$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	\$200,083	\$83	\$83	\$83	\$83	\$83	\$83	\$83

Total Cash Inflow	\$191,635	-\$4,321	-\$4,314	-\$2,426	\$1,618	\$3,506	\$9,430	\$11,318
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Cash Outflows

Repayment of Principal	\$1,744	\$1,752	\$1,759	\$1,766	\$1,774	\$1,781	\$1,788	\$1,796
A/P Decreases	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$82,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$84,286	\$1,793	\$1,800	\$1,808	\$1,815	\$1,823	\$1,830	\$1,837

Net Cash Flow	\$107,349	-\$6,115	-\$6,115	-\$4,234	-\$197	\$1,683	\$7,600	\$9,481
Cash Balance	\$107,349	\$101,234	\$95,120	\$90,885	\$90,688	\$92,371	\$99,971	\$109,452

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	1
Cash From Operations	\$13,123	\$19,048	\$19,055	\$19,063	\$76,066
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$13,123	\$19,048	\$19,055	\$19,063	\$76,066

Other Cash Inflows

Equity Investment	\$0	\$0	\$0	\$0	\$25,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$175,000
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	\$201,000

Total Cash Inflow	\$13,206	\$19,131	\$19,138	\$19,146	\$277,066
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Cash Outflows

Repayment of Principal	\$1,803	\$1,811	\$1,818	\$1,826	\$21,418
A/P Decreases	\$42	\$42	\$42	\$42	\$500
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$82,500
Dividends	\$0	\$0	\$0	\$43,719	\$43,719
Total Cash Outflows	\$1,845	\$1,852	\$1,860	\$45,586	\$148,136

Net Cash Flow	\$11,361	\$17,278	\$17,278	-\$26,440	\$128,930
Cash Balance	\$120,813	\$138,092	\$155,370	\$128,930	\$128,930

Cash Flow Analysis (Second Year)					
2					
Quarter	Q1	Q2	Q3	Q4	2
Cash From Operations	\$28,352	\$30,817	\$32,050	\$32,050	\$123,270
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$28,352	\$30,817	\$32,050	\$32,050	\$123,270

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	\$265	\$288	\$299	\$299	\$1,150
Total Other Cash Inflows	\$265	\$288	\$299	\$299	\$1,150

Total Cash Inflow	\$28,617	\$31,105	\$32,349	\$32,349	\$124,420
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Cash Outflows

Repayment of Principal	\$5,523	\$5,593	\$5,663	\$5,734	\$22,513
A/P Decreases	\$138	\$150	\$156	\$156	\$600
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$575	\$625	\$650	\$650	\$2,500
Dividends	\$18,539	\$20,151	\$20,957	\$20,957	\$80,605
Total Cash Outflows	\$24,776	\$26,519	\$27,426	\$27,497	\$106,219

Net Cash Flow	\$3,841	\$4,586	\$4,923	\$4,852	\$18,201
Cash Balance	\$132,771	\$137,356	\$142,279	\$147,131	\$147,131

Cash Flow Analysis (Third Year)					
3					
Quarter	Q1	Q2	Q3	Q4	3
Cash From Operations	\$33,805	\$36,744	\$38,214	\$38,214	\$146,977
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$33,805	\$36,744	\$38,214	\$38,214	\$146,977

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	\$304	\$331	\$344	\$344	\$1,323
Total Other Cash Inflows	\$304	\$331	\$344	\$344	\$1,323

Total Cash Inflow	\$34,109	\$37,075	\$38,558	\$38,558	\$148,299
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Cash Outflows

Repayment of Principal	\$5,806	\$5,879	\$5,953	\$6,027	\$23,665
A/P Decreases	\$166	\$180	\$187	\$187	\$720
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$575	\$625	\$650	\$650	\$2,500
Dividends	\$22,689	\$24,662	\$25,649	\$25,649	\$98,649
Total Cash Outflows	\$29,236	\$31,346	\$32,439	\$32,514	\$125,535

Net Cash Flow	\$4,873	\$5,729	\$6,119	\$6,044	\$22,765
Cash Balance	\$152,004	\$157,732	\$163,852	\$169,896	\$169,896

Appendix D – Loan Amortization Table

Payment Number	Principal Payment	Interest Payment	Balance
1	\$1,744	\$729	\$173,256
2	\$1,752	\$722	\$171,504
3	\$1,759	\$715	\$169,745
4	\$1,766	\$707	\$167,979
5	\$1,774	\$700	\$166,206
6	\$1,781	\$693	\$164,425
7	\$1,788	\$685	\$162,636
8	\$1,796	\$678	\$160,841
9	\$1,803	\$670	\$159,037
10	\$1,811	\$663	\$157,227
11	\$1,818	\$655	\$155,408
12	\$1,826	\$648	\$153,582
13	\$1,834	\$640	\$151,749
14	\$1,841	\$632	\$149,908
15	\$1,849	\$625	\$148,059
16	\$1,857	\$617	\$146,202
17	\$1,864	\$609	\$144,338
18	\$1,872	\$601	\$142,466
19	\$1,880	\$594	\$140,586
20	\$1,888	\$586	\$138,699
21	\$1,896	\$578	\$136,803
22	\$1,903	\$570	\$134,900
23	\$1,911	\$562	\$132,988
24	\$1,919	\$554	\$131,069
25	\$1,927	\$546	\$129,142
26	\$1,935	\$538	\$127,206
27	\$1,943	\$530	\$125,263
28	\$1,952	\$522	\$123,311
29	\$1,960	\$514	\$121,352
30	\$1,968	\$506	\$119,384
31	\$1,976	\$497	\$117,408
32	\$1,984	\$489	\$115,424
33	\$1,993	\$481	\$113,431
34	\$2,001	\$473	\$111,430
35	\$2,009	\$464	\$109,421
36	\$2,018	\$456	\$107,404
37	\$2,026	\$448	\$105,378
38	\$2,034	\$439	\$103,344
39	\$2,043	\$431	\$101,301
40	\$2,051	\$422	\$99,249
41	\$2,060	\$414	\$97,189
42	\$2,068	\$405	\$95,121
43	\$2,077	\$396	\$93,044
44	\$2,086	\$388	\$90,958
45	\$2,094	\$379	\$88,864
46	\$2,103	\$370	\$86,761
47	\$2,112	\$362	\$84,649

48	\$2,121	\$353	\$82,528
49	\$2,130	\$344	\$80,398
50	\$2,138	\$335	\$78,260
51	\$2,147	\$326	\$76,113
52	\$2,156	\$317	\$73,956
53	\$2,165	\$308	\$71,791
54	\$2,174	\$299	\$69,617
55	\$2,183	\$290	\$67,433
56	\$2,192	\$281	\$65,241
57	\$2,202	\$272	\$63,039
58	\$2,211	\$263	\$60,828
59	\$2,220	\$253	\$58,608
60	\$2,229	\$244	\$56,379
61	\$2,239	\$235	\$54,141
62	\$2,248	\$226	\$51,893
63	\$2,257	\$216	\$49,636
64	\$2,267	\$207	\$47,369
65	\$2,276	\$197	\$45,093
66	\$2,286	\$188	\$42,807
67	\$2,295	\$178	\$40,512
68	\$2,305	\$169	\$38,208
69	\$2,314	\$159	\$35,893
70	\$2,324	\$150	\$33,570
71	\$2,334	\$140	\$31,236
72	\$2,343	\$130	\$28,893
73	\$2,353	\$120	\$26,540
74	\$2,363	\$111	\$24,177
75	\$2,373	\$101	\$21,804
76	\$2,383	\$91	\$19,422
77	\$2,393	\$81	\$17,029
78	\$2,402	\$71	\$14,627
79	\$2,412	\$61	\$12,214
80	\$2,423	\$51	\$9,792
81	\$2,433	\$41	\$7,359
82	\$2,443	\$31	\$4,916
83	\$2,453	\$20	\$2,463
84	\$2,463	\$10	\$0