AROUND TRANSPORTATION SERVICE
Accessible & Non-Emergency Medical Transportation – Raleigh, NC

DSCR SUPPORT WORKSHEET – SBA EXPANSION LOAN

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1. Loan Summary

- **Borrower:** Around Transportation Service
- **Borrower/Owner:** Eric Montague
- **Use of Proceeds:** Fleet expansion (10-vehicle build-out), working capital, related costs
- **Requested Loan Amount:** $550,000
- **Assumed Term (for projections):** 7 years
- **Estimated Annual Debt Service (Principal + Interest): $96,000**

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2. DSCR Definition and Formula

Debt Service Coverage Ratio (DSCR) measures the business's ability to cover its annual loan payments from operating cash flow.

DSCR=Cash Flow Available for Debt ServiceTotal Annual Debt Service

DSCR=

Total Annual Debt Service

Cash Flow Available for Debt Service

- **Cash Flow Available for Debt Service:** Projected cash flow from operations before loan principal and interest.
- **Total Annual Debt Service:** Total projected annual principal and interest payments on this SBA expansion loan (and any other term debt, if applicable).

Most SBA-type lenders look for a **DSCR of at least 1.25**×.

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3. Projected DSCR – Years 1–3

Based on the detailed 3-year projections in the business plan, the DSCR is as follows:

Year	Cash Flow Available for Debt Service	Annual Debt Service	Calculated DSCR
Year 1	$108,000	$96,000	1.13×
Year 2	$144,000	$96,000	1.50×
Year 3	$150,000	$96,000	1.56×

Sample calculation (Year 2):

$$DSCR_{Y2} = \frac{144,000}{96,000} = 1.50\times$$

DSCR

Y2

=

96,000

144,000

=1.50×

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4. Interpretation for Lenders

- **Year 1**: DSCR of **1.13×**, reflecting initial ramp-up as new vehicles and drivers are added.
- **Year 2**: DSCR of **1.50×**, exceeding the common SBA threshold of 1.25× as utilization and institutional contracts grow.
- **Year 3**: DSCR of **1.56×**, maintaining a strong cushion above required debt service.

These projections are based on conservative assumptions for utilization, pricing, and staffing, and tie directly to the revenue and cost tables in the business plan.

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5. Borrower Acknowledgment

The undersigned confirms that this DSCR schedule is derived from the attached financial projections and is provided to assist the lender in evaluating Around Transportation Service's capacity to service the requested SBA-backed expansion loan.

Borrower/Owner: Eric Montague

Title: Borrower/Owner

Signature: _

Date: _