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SunShine Café: A Breakfast Restaurant Business Plan

Lillian I. Burrow

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SunShine Café: A Breakfast Restaurant Business Plan

By
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A professional paper in partial fulfillment
of the requirements for the

Master of Hospitality Administration
Department of Hotel Administration

Pro Paper Chairs
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Summer 2011
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PART ONE

Introduction

SunShine Café is a restaurant that is being planned to open in Pasadena, California within the next few years. Pasadena currently has no restaurants the focus on serving breakfast and light lunch, and by creating an environment that is not only comfortable and inviting, but with hospitality and delicious food SunShine Café plans on building a core clientele. Unfortunately, restaurants are one of the most commonly started and mostly likely to fail of new businesses that entrepreneurs open. This holds true in Pasadena, a city of 23 square miles and 362 restaurants, last year there were 30 restaurant openings and 27 restaurant closings (Pasadena Convention & Visitors Bureau, 2010).

One way to help reduce this large risk is with careful planning and proper capital. These ambitions are both best achieved by creating a proper business plan. Start-up businesses today invariably need business plans to help secure financing and set goals and strategies to allow the business to succeed (Burke, Fraser, & Greene, 2010). While business plans are by no means a way of guaranteeing success, studies have found that there is a highly significant relationship ($p < 0.0001$) between planning for a business and financial performance of that business (Bracker, Keats, & Pearson, 1988). Additionally to get financing, most financiers require a business to help evaluate the risk and benefit that the possible endeavor. Finally business plans help a business from its initial planning and gaining financing stages through its infancy as a running business and on towards the long term goals of creating a restaurant group.

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This paper will explore the literature on the restaurant market and the reasons behind creating business plans before creating a business plan for the first restaurant for the "Shine" restaurant group and create a template for future business plans for the Shine Restaurant Group. This restaurant group will focus on breakfast and light lunch, while having a strong focus on hospitality and creating a regular customer base. Pasadena is the ideal location for such a restaurant as despite the large number of restaurants, there are no restaurants that focus on breakfast. A short literature review of breakfast in the popular media will also be included.

The main focus of this paper will be on the nine key areas that most business plans entail. Most basically these are an executive summary, a company description, a description of the target market, a description of the competition, a sales and marketing plan, a section on operations, a section on management structure, future development goals, and finally a section on the financial statements (Barrow, Barrow, & Brown, 2009; Pasadena Convention & Visitors Bureau, 2010). Ultimately this business plan will be written to obtain financing and guide this restaurant from its infancy into the future.

Purpose

The purpose of this paper is to create a business plan for the SunShine Café. While the commonly known statistic of 90% of restaurants fail within the first year is false, approximately 60% of restaurants do fail within their first three years of operation (Parsa, Self, Njite, & King, 2005). The problem for entrepreneurs starting a restaurant is how does one reduce this risk of failure.

One way to minimize this risk is to create a business plan. Thus the main objective of this paper is to create a business plan that will not only help the restaurant

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develop and plan for the future but will also help the restaurant gain capital, the other common reason restaurant fail. As the two most common reasons restaurants fail are poor planning and undercapitalization (Parsa et al., 2005). A business plan is not a static document, but a document that must be modified as the business develops and grows. A subsequent objective of this business plan is to create the foundations of a business plan that can be modified as the business grows out of its infancy of a single restaurant into a more mature and growing restaurant group.

Justifications

With so many restaurants failing the literature shows that one way to reduce the risk of failure is to have a solid business plan cite references here. One can therefore reduce the risk of failure by creating a business plan (Bracker et al., 1988); (Mandabach, Siddiqui, Blanch, & Vanleeuwen, 2011); (Parsa et al., 2005). The other way to reduce the risk of failure within a restaurant is to have capital. Increasing capital can also be associated with having a business plan as most financial institutions require a business plan including a feasibility study to determine if they will finance the business (Parsa, et al., 2005).

Constraints

This paper is not written without some fairly large constraints. The first major constraint is that the business plan is only an estimate of both the costs and needs of the restaurant that is being planned. The need for estimates are based upon the timing of the plan and do not consider how things within the hospitality industry can change very quickly. These changes can be caused by a variety of things, but the most prevalent today is the economy. The economy is having a huge impact on everything in the

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hospitality industry, from numbers of guests to the amount of financing available. By recognizing that the economy and other estimates may change one can create a business plan that is flexible and incorporates many different scenarios

An additional constraint of this business plan is that it is being written by one researcher and not a team of business advisors. This means that the paper may have biases based upon the researchers own opinions and experiences. Other business advisors would help reduce these biases, but as an academic exercise having or hiring advisors would be unethical. This researcher will attempt to remove their personal biases from the paper. If this researcher were to move forward with this plan, a financial advisor would be hired to help prepare formal financial forms and acquire proper financing.

The final constraint recognized by this researcher is the lack of peer-reviewed articles on restaurants serving breakfast, or even business plans for restaurants and their likelihood of success (Mandabach et al., 2011). This researcher will provide information from trade journals on the subject as much as possible, but most information on this subject must be deduced from information on other subjects such as general business.

PART TWO

Literature Review

Introduction

As many as 800,000 new businesses are started in the United States every year and it is estimated that 50% of those fail (Small Business Association, 2011) with some estimating that 90% of restaurants fail (Riesco, 2011). Some of the main reasons that businesses fail are poor planning and lack of start-up capital (Castroiovanni, Justis, & Julian, 1993). Research has shown that business plans can help reduce this risk by both doing the planning and helping a small business gain capital. This paper will also explore the different types of business plans and look into the trade literature on restaurants and business plans.

Why Use a Business Plan

Bracker, Keats, and Pearson (1988) found that approximately 400,000 small businesses fail each year; in 2010 that number was closer to 96,000 business failures in the first quarter (Small Business Association, 2011). Furthermore, 65% of start-up firms close within five years (Bracker & Pearson, 1986). Entrepreneurs must be aware of these risks and do all they can to reduce them so that their business will thrive.

One of the ways that has been shown to help reduce this risk is having a business plan. Business plans have been defined multiple ways, but are generally recognized as formal written documents, that describes the current and future goals of the business in question (Honig & Karlsson, 2004). Business plans can take on different forms but seem to have a positive influence on the financial strength of a business. Multiple studies have been done to examine the correlation between business planning and financial strength

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including Castrogiovanni (1996), which summarized the previous literature on business plans and the value they give. While there are somewhat mixed conclusions, most research shows a correlation between business plans and business performance (Ackelsberg & Arlow, 1985); (Bracker et al., 1988); (Bracker & Pearson, 1986); (Schwenk & Shrader, 1993). One of the earliest studies of this correlation was Thune and House (1970) that found that firms with business plans had 44% higher earnings per share than firms without business plans.

Alternately, some studies have reported no benefit to firms if they have a business plan (Robinson & Pearce, 1983); (Shrader, Mulford, & Blackburn, 1989). Pearce, Freeman, and Robinson (1987) found that this difference in results of business planning might stem from the different contexts of the business's effects the business plans and the businesses organization. This was further explored by Mintzberg (1994) who concluded that there are different types of planning in different types of businesses. Overall it has been suggested that industry specific studies of business planning and would give the most accurate results (Boyd, 1991).

Despite the conflicting research, most investors and financiers require a business plan to even consider investing in a small business (Mason & Harrison, 1996); (Mason & Stark, 2004); (Mintzberg, 1994). Thus if a business wishes to get outside financing, one must create a business plan to even be considered for financing. This has led to as many as 44% of businesses surveyed claimed they only created a business plan to first acquire financing rather than for actual planning purposes (Mason & Harrison, 1996).

Benefits

There are many more traditional benefits to creating a business plan for a new business, which can be broken down into three main areas: symbolism, learning and efficiency. Symbolism is the ability to communicate the needs and desires of the new venture to that financiers want to see. The first benefit of symbolism to a business plan is being able to communicate the vision and legitimize a new venture proposal. This also improves communication of the plan to both internal and external stakeholders by laying out the needs and desires of the firm. Financiers often want to see the specifics of a new firm so that they can make an educated decision about the likelihood of success of the new venture. For most financiers this means a business plan (Castrogiovanni, 1996).

Business plans lead to the new venture learning and communicating the business concept to match both internal goals and external conditions. This can lead to internal growth, managerial development, opportunity evaluation and better understanding of the risks an entrepreneur must undertake (Shrader, Mulford, & Blackburn, 1989). Learning can also lead to better planning that is related to long-term business survival by being better able to react to environmental changes (Castrogiovanni, 1996).

Efficiency of a business is greatly enhanced by having a business plan. Communication and cost savings are improved by having well-coordinated plans as coordination is already arranged through the plan (Grinyer, Al-Bazzaz, & Yasai-Ardekani, 1985). Another benefit of efficiency is the details of the start-up are done before the business opens. Also, this means that resources are better conserved and not wasted during the start-up, as all the needs for the business have already been determined (Castrogiovanni, 1996).

Considerations of a Business Plan

A business plan must include many considerations not only of the goals of the business, but also of the environment the business with exist in and founding conditions that exist (Castrogiovanni, 1996). The environmental conditions include uncertainty, which increases the amount of planning desired as entrepreneur’s want to learn more about the environment to help develop their business (Grinyer et al., 1985). The industry’s maturity is also a consideration that affects the business plan. Emerging or fragmented industries tend to be more easily entered for small businesses as compared to mature industries (Porter, 1980), and thus planning must take this into consideration.

Founding conditions are another set of conditions that must be considered when creating a business plan (Castrogiovanni, 1996). The two main founding conditions are founder knowledge and capital. Founder knowledge is how much experience and knowledge the founder has in the industry in question. Financiers may overly consider the symbolism of this founder knowledge as they tend to weigh this knowledge heavily (Stuart & Abetti, 1990). It is supposed that if someone has had the experience before that they will be better able to deal with the same situation better in the future (Mintzberg, 1994). However the founder’s knowledge may decrease the likelihood of a good business plan as they may feel that they already know everything that a plan entails (Castrogiovanni, 1996).

A founder invests capital in their business, which serves to purchase the assets needed to open and operate the business, to keep the business open in the early start-up period, and to help hedge against changing conditions both within the company and in the external environment (Castrogiovanni, 1996). The amount of start-up capital invested by

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the founders is positively related to the success of a new small business. However excess start-up capital can reduce the likelihood for proper planning and thus decrease the long-term success of a small business.

Structure of a Business Plan

Business plans traditionally were one of two different structures, the working business plan and the investment business plan. Working business plans focus on the internal needs of a business, like the operational decisions and employee involvement. Investment plans focus on "selling the business" to external investors and tends to focus on financial needs (Fry & Stoner, 1985). Both plans require detailed information about the business external environment including social trends, economic trends, technological developments and competitive analysis, however only working plans require detailed analysis about community. The internal information both plans need include significant strengths and general financial capabilities. Working plans additionally need the internal information about operational capabilities and exploitable weaknesses, while investment plans require information on management qualifications and more specific financial analysis such as balance sheets, income statements and the breakeven point analysis. The reason for the different types of information is due to whom the plan is being prepared for. Working plans are meant to guide the firm internally and thus need more information on operations, while investment plans are meant to entice outside investor to invest and thus need to give them the information that will be most appropriate to help them make those decisions.

Today many business plans are a hybrid plan that incorporates the best parts of each of these plans (Barrow et al., 2009). Rhyne (1986) found that good business plans

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were created on a planning continuum. This continuum has five points with good business plans incorporating all five pieces, including short term planning, budgeting, annual planning, long-range planning and strategic planning (Rhyne, 1986). This was further delineated by Bracker and Pearson in 1986 into eight particular planning components including objective setting, environmental analysis, SWOT analysis (strength, weakness, opportunity, and threat), strategy formulation, financial projections, financial budgets, operating performance measures, and control and corrective procedures. These eight planning components combine the usefulness of both working business plans and investment business plans.

There are many articles and books written on creating a good business plan, and while one could attempt to review and use all of them the workbook by Barrow et al. (2009) seems to be one of the most respected. It focuses the entrepreneur to do research before writing the business plan. Additionally it encourages the writer of the plan to look beyond just the investor and into the operational goals of the business at hand.

This vision agrees with Timmons (1980), who wrote about how a business plan needs to be more than just a financing device. According to Timmons, business plans while needing to convince investors, were also a reference for the business. This means that the plan needs to be more than just a vague explanation of what the goals are. Timmons also argued for a plan that was kept as short as possible, with language familiar to a lay person, and that actually divested of current problems.

While being realistic and honest is ideal for any business plan, many new businesses do not have concrete information to create this business plan. This is where "discovery driven planning" has become important in envisioning the unknown in a

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realistic way (McGrath & MacMillan, 1995). All planning requires companies to make assumptions, but being aware of the assumptions that one makes so that they are not too ambitious, is one of the key features of discovery driven planning. This can be done by creating a reverse income statement, determining all the activities needed to run the business, tracking all the assumptions that are made to make these activities run, revise the reverse income statement, and finally planning to test the assumptions at once certain objectives have been met.

Finally it is important to recognize that the business plan is tailored to the audience that it is being created for. This means that is the business plan is for internal operations it should be focused that way but if it is meant to be used to gain investors it should focus on the financial numbers (Mason & Stark, 2004). However it is also noted that most financiers have a specific format and information that they look for in a business plan. Being aware of customizations that may be necessary for different financiers is important in creating a good business plan.

Business Plans and Restaurants

There is very little peer review literature on restaurants and business plans, however there is quite a bit of trade literature on restaurants and business plans and some peer-reviewed literature on hotel business plans. Brush in 1993 wrote a "how-to manual" for developing a hotel business plan, which followed the traditional business plan model with the exception of being more geared to a hotel. A how-to manual for developing a restaurant business plan can be found at virtualrestaurant.com. This website gives step-by-step directions on how to develop a restaurant business plan but since it is not peer-reviewed it may have biases included. Peters (2008) published in *Restaurant Hospitality* an article about the importance of creating a business plan for restaurants, but the article focused on restaurateurs that already have a restaurant but do not have a formal business plan. The article did lay out the main parts of a business plan but did not expand upon them nor did it make the more specific for restaurants.

Internet sources giving advice on starting a restaurant and helping do so are prolific (Fiorentino, 2011); (Riesco, 2011); (Start a Restaurant Business, 2011); (Sutherland, 2011); (Virtual Restaurant, 1999); (Wazir, 2011). While these sources give valuable information and may be the best available sources for restaurateurs, it is important to remember that as they are not peer-reviewed, they may have biases.

Restaurant Business Plan Needs

Marketing

Marketing for restaurant is an important part of growing a restaurant from a new venture. Not surprisingly there are quite a few textbooks and guidebooks for restaurant owners on the subject of restaurant and foodservice marketing however most of them are

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not based upon peer reviewed literature and rather on personal opinions and proven marketing strategies. The traditional four P's of marketing are important to any new restaurant. Product, Price, Place and Promotion, create the marketing mix for any business and restaurants are not the exception. Finding the proper product for the market, the right price to maximize profits, the right location and finally promoting that product can make or break any new business. Additionally Shoemaker, Lewis and Yesawich (2006) added Processes, People, and Physical environment as P's that apply to services marketing. Getting the right mix of these seven P's are important tools which when creating a business plan a new restaurateur must take into respect.

Research has shown that there are quite a few marketing strategies, which restaurateurs generally take. Differentiation is one of the most common either with food, service or atmosphere (Alamanza, Jaffe, & Lin, 1994); (Auty, 1992); (Barsky, 1992); (Bitner, 1992); (Bojanic & Rosen, 1994); (Dube, Reneghan, & Miller, 1994); (Finkelstein, 1989); (Johns, Tyas, & Ingold, 1996); (Lowenstein, 1995). In Kivela (1997), the author's pilot study of restaurant in Hong Kong and their marketing strategies found that while other things such as ambiance and trendiness influence diners choices, food quality and selection was the main variable for guests when deciding on where to dine out.

Ryu and Han (2011) found that the restaurant environment influences the likelihood of repeat customers, which is always stated as one of the best marketing tools, as new customers require a greater expense than maintaining return customers. Return customers not only bring in their own business over and over again, but also often bring in referrals and word of mouth marketing is often the best and cheapest marketing

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available. Riesco (2010) breaks down the lifetime value of a return customer to be worth approximately \$3000 per person per year. Customer lifetime value is an area of study within itself, with many books and papers written on the subject, with the overwhelming conclusion that return customers are worth significantly more to a business than new customers (Berger, 1998) (Carpenter, 1995) (Dwyer, 1989) (Jacoby & Chestnut, 1973) (Jain & Singh, 2002) (Jones & Sasser, 1995).

A final area of interest in restaurant marketing is appealing to the new generation of diners. Unfortunately, there is not much peer-reviewed literature on the subject, however trade magazines such as the Nations Restaurant News and Restaurant Trends tend to publish on this subject in every issue. Millennial's are much more computer savvy than the previous generations of consumers and this need marketing that focuses on their lifestyles including social media and YouTube (Brandau, 2011). Social media can be used to get new customers by marketing directly to them with coupons or advertising events. This new focus on the millennial generation can lead to growth of a restaurant, as young people seem to be more inclined to dine out rather than cooking for themselves.

Finance

Another important part of running a restaurant is the financing of the restaurant. Restaurant financing can be used to make decisions about restaurant expansion, capital structure and firm stability. Businesses that are poorly planned will not gain financing and those without financing will not be able to survive. This planning requires appropriate prospective financial forms to prove that a potential new restaurant is a good investment. The M and M proposition on capital structure state that of the cheaper the

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cost of debt as compared to equity, the increase in risk and the cost of equity as debt increases, set the tone for all financing decisions since (Modigliani & Miller, 1958), which basically means that with certain assumptions all types of financing are equal. Jang and Kim (2009) found that successful small firms had less long-term debt and held more credit with suppliers than less successful firms. This is particularly true in the restaurant industry where there is reputation of highly risky behavior and statistics show an excessive number of failures of these businesses (Upneja & Dalbor, 2001). Restaurateurs are thus given very few options for financing other than self-financing. A negative relationship between financial leverage and profitability was found by Friend and Hasbrouck (1988). Kim (1997) found a negative relationship between long-term debt and past profitability in the restaurant industry. This leaves restaurant with very few options for financing. The most common type of financing for a start-up restaurant is insider financing or being financed by friends and family (Sahlman, 1990); (Wetzel, 1994). One of the most prophetic ways to increase restaurant performance is management ownership (Gu & Kim, 2001).

Venture Capital can also be used to finance a new restaurant, however venture capital is often very growth oriented, unsecured and not as reliable as other types of financing (Hudson, 1995). Finding flexible financing combining two or more financing options may be the best option for most restaurateurs as they can combine the best options from all the available financing sources and still maintain some autonomy in the running of their business (Brown, 2008). Chittenden, Hall and Hutchinson (1995), reported that small businesses may have to reduce their growth to match their financing rather than having their financing grow to match their growth.

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An additional part of financing is not only gaining funds but also maintaining and creating new funds for those who did finance the business to begin with and reporting these to the investors. This requires a restaurant to know how much profit they are making. Included in this is getting a restaurant valuation. Restaurants require valuations of their operations for a variety of reasons (Fisher, 1991) including getting more financing and making business decisions. The most common way to calculate the value of a restaurant is using the Weighted Average Cost of Capital to determine a restaurant maintainable cash flow. Which determines the restaurant's value by determining the actual cost of capital by calculating the weighted average of the company's cost of debt and cost of equity. This also requires the restaurateur to know the fair market value of their business. Overall knowing about both the current financing and the potential financing needs of a restaurant are imperative to helping the business grow and succeed.

Operations

Restaurant operations are the final important topic for a new restaurant to determine before opening a restaurant. This can include everything from location, management style, and reducing restaurant costs. Most of the operations decisions also relate back to the four P's of the marketing mix, including location, hours of operation, and price, however some important operational decisions like inventory and cost reductions, menu mix, employee management and customer satisfaction are entirely separate. In 2010, Susskind, published an article summarizing much of what the hospitality industry has learned about guest satisfaction. This article focuses on the developments of operations management and guest satisfaction. Noting that maintaining guest satisfaction can improve the operations of a restaurant in the long-term. Doing

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such things as reducing table wait times, (Hwang, 2008), improving the physical environment (Han & Ryu, 2009) and employee behavior (Kattara, Weheba, & El-Said, 2008) can influence guest satisfaction and must be considered when creating a business plan (Mandabach et al., 2011).

Low employee turn over reduces costs to a restaurant and improves the lives of both guests and employees (Ghiselli, La Lopa, & Bai, 2001) and is an important part of restaurant operations. Quality employee management relations, training, internal marketing methods, competitive pay and positive reinforcements for employees can reduce turnover. Turnover has been stated to increase restaurant costs by approximately eight dollars per hour per employee turned over according (Sasha Corporation, 2010). Reducing this cost must be an important part of any business plan both to improve relations but to save costs.

Another important restaurant operations role is to maintain and track inventory while making a menu that is as profitable as possible. Menu engineering can help a restaurant find the most profitable and popular items on a menu and determining how to increase the profit and reduce the costs of menu items. (Kasavana & Smith, 1990). One way to maximize profits in menu engineering is to use Activity-Based costing, tracing overhead costs to individual product units and thus determining where a restaurant's costs actually come from and how they are spread over the entire firm (Kaplan & Cooper, 1992); (Raab, Hertzman, Mayer, & Bell, 2006).

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Business Plan Needs Summary Table

| Marketing | Finance | Operations | Other |
|----------------|------------------|------------------|----------------------|
| Target market | Financial forms | Development plan | Executive summary |
| Market size | Short term goals | Operations plan | Company description |
| Marketing plan | Long-term goals | Management team | Competitive analysis |

PART THREE

Business Plan

Executive Summary

Shine Restaurant Group is a Pasadena, California based business that will operate SunShine Café, a small restaurant serving breakfast and light lunch in Pasadena, California. The company's emphasis will be on creating a comfortable yet elegant environment for guests to share a meal.

The restaurant industry is a very competitive industry with approximately 800 restaurants opening every month nationwide. Despite this staggering number approximately 200 restaurants more are needed to open monthly to keep up with demand (National Restaurant Association, 2011). Culture, modern urban living, and busy lifestyles are some of the reasons given for the every growing popularity of dining at restaurants over dining at home. People see restaurants as an escape from their everyday lives and choose to dine out rather than spend the time cooking themselves, as they have less free time and less (unfortunately) ability to cook. (California Restaurant Association, 2011).

SunShine Café will be offering an extensive menu that can be eaten in or taken as to-go food. Additionally the art on the walls and some small locally handmade goods will be for sale.

The target market for SunShine Café is a diverse group spread over an area of approximately 24 square miles and a population of roughly 250,000 (Pasadena Convention & Visitors Bureau, 2010). Overall it is a highly educated community with surplus money to spend on such things as eating out. Pasadena is home to the Rose Bowl

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and Tournament of Roses parade bringing approximately tourists to Pasadena annually, all whom require places to dine on their vacations. Pasadena is known for its variety of restaurants, shopping, and Mediterranean climate in a more traditional atmosphere than the rest of the Los Angeles area.

With over 500 restaurants in Pasadena, Sunshine Café will have competition, however many of these restaurants will not be competitors as most restaurants do not serve breakfast and those that do serve breakfast have a completely different prices or serve a very limited menu as compared to SunShine Café's menu. By quickly filling this gap in the market, SunShine Café can be the standard to which all other breakfast places in the Pasadena area are compared.

As a new business in an industry that businesses open (and close) quite frequently, it is important to market SunShine café properly to gain a market share. It is the goal that people associate their mornings with us, thus "Morning, SunShine" will be the slogan with which we address everyone. This familiar saying will take on a new meaning to our customers as they realize that their mornings are better with SunShine Café. People will find that SunShine café being a fun, comfortable, elegant and friendly place has made their mornings better.

Company Description

Mission Statement

Shine Restaurant Group endeavors to be the "go-to" restaurant group in Pasadena, California, by serving delicious food and creating memories with our guests and staff and making a profit for its owner. Shine Restaurant Group will foster a family-like

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atmosphere where everyone feels comfortable and welcome by treating its staff like family and creating a fun and profitable place for them to work.

Development and Status

As a seed company, where the business concept has been developed but we have yet to create any product or sales Shine Restaurant Group is in the process of finding investors to help this business become a reality and fill the need for a quality breakfast location in Pasadena. The founder, Lillian Burrow, sole proprietor, has loaned \$75,000 of her own money into the start-up and research costs.

An advisory board of local restaurateurs and business people has been designated to aid in shaping Shine Restaurant Group into a thriving business in Pasadena. Members of the Advisory board include Robert Simon a successful Pasadena restaurateur and Alan Whitman a leading investment banker worldwide. They will invest at their own discretion.

After securing financing, Shine Restaurant Group will begin scouting its first location. Some important considerations in addition to location in scouting a location is free rent during construction and the ability to sublease or sell the lease if the business should fail. Once a lease has been settled the completion of the development process can be completed and finally the operations phase can begin.

Industry Analysis

Restaurant Industry

The restaurant industry is one of the fastest growing industries in the United States employing over 12.8 million Americans and the industry is on schedule to add an additional 2.4% of jobs as compared to the national average of 1.8% increase in jobs this year. These workers make up approximately 10% of the United States Workforce and the restaurant industry as a whole represents the second largest private sector employer. The more than 960,000 restaurants make up approximately four percent of the United States domestic product. In 2011, sales are expected to attain a record \$604 billion dollars a growth of approximately 1.1% over 2010. (National Restaurant Association, 2011).

According to The Restaurant Standard (2011) approximately 35% of restaurants in the United States are locally owned independent or owned by small restaurant groups, with three or less restaurants. The 2010 survey by the National Restaurant Association found that 80% of Americans prefer to dine at locally owned restaurants.

Trends and Strategic Opportunities

As people's lives become busier and more hectic, people will depend on restaurants more and more for their food. Projected growth for full service restaurants 2011 is 3.1% above the \$196.4 billion dollars of sales in 2010 (Restaurant TrendMapper, 2011). Trends in restaurants also seem to favor local ingredients, season ingredients and an upscale but casual environment. Additionally seven out of ten adults surveyed stated that healthy options are one of the most important things they look for on a menu, even if they themselves do not choose to order those items (National Restaurant Association, 2011).

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Shine Restaurant Group plans to use local and sustainable products as often as possible thus not only appealing to the customer but also putting money back into the local economy. As a concept an elegant but comfortable atmosphere is the plan for SunShine Café however the with future opening the hope is to allow various concepts to grow and develop into other areas of restaurants and food service.

Products and Related Services

Menu

As a restaurant that focuses on breakfast and light lunch, SunShine Café will have only one menu that will encompass both meal periods, allowing customers to order either breakfast or lunch at any time. The plates will be moderately sized and moderately priced keeping the average per person check to approximately \$10 including meal and beverage. Specials will feature local and seasonal ingredients and will change as the chef sees fit. Items on the menu will focus on the familiar and comfortable food that customers are accustomed to having for breakfast along with favorites from the proprietor's and chef's travels. See Appendix A for a Sample menu.

Production

As much as possible all production will be done from scratch in the kitchen at SunShine Café, however given the expense and ease some items will be purchased from reputable sources. If available, local small businesses will be the source of these items. For instance as SunShine Café is not a bakery; bread will be purchased from an outside source rather than using up valuable resources within the kitchen to make bread daily. Large distribution companies such as Sysco and US Food Service will be suppliers. Produce, dairy and meats will additionally be sourced locally and from the Santa Monica

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Farmers Market and other local fresh markets. Additionally the small restaurant business supplier of Restaurant Link will be a source for finding ways to purchase at a similar price the items that larger chains can.

Service

Service is one of the ways SunShine Café will set itself apart from the rest of the restaurants in Pasadena. All guests will order at the counter and then have the option of either taking a seat at one of the tables or booths and placing a number card on the table or waiting in the designated area for their food to go. Coffee and tea will be available from a self-service area, where guests will select their size of cup and the type of coffee or tea they wish to have. Guests will be charged according to the size of the cup they choose and refills will be free. Additionally espresso beverages will be available for order from the counter and will be delivered to the guest's table.

Target Market

Market Locations

Pasadena is located in the San Gabriel Valley a suburban area that is part of the Greater Los Angeles area. The population density in the area is approximately 5800 residents per square mile (City of Pasadena, 2010). The ideal location for SunShine Café would be between Marengo and Hill Street along the Colorado Boulevard corridor. This would enable much of the population to have access to the restaurant, and would place the location close to public transportation, centers of commerce, shopping and schools. Additionally the location must have ample free parking and not be too close to Pasadena City College to reduce the number of students who come in and only order a coffee and then sit all day.

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Customers

The customer base will come from three main populations, local residents, students at the local colleges and universities, and people from local businesses. The San Gabriel Valley is home to more than two million residents all within a fifteen-minute drive to SunShine Café (US Census Bureau, 2011). If SunShine Café can capture even one tenth of a percent of this population it will meet the goals and have an average of 5000 customers per month. These local residents need a quality breakfast place either during the week when they are on the way to work, or on the weekends when they want to relax and enjoy a meal with friends and family. Located in Pasadena are six colleges and universities, including California Technical Institute (Caltech), Pasadena City College (PCC) with approximately 15,000 students and staff. Lake Street in Pasadena is the financial and business district. Businesses such as JPL, Parsons, Kaiser Permanente, and Bank of America all have offices in Pasadena with scientists and financial experts from all over the world doing business in Pasadena (City of Pasadena, 2010).

Currently there are no options for breakfast in this area that are not traditional coffee shops such as Denny's. These locations do not appeal to the person looking for a more quality meal, in a more elegant setting. Market feasibility studies show that these customers are willing to pay a bit more to receive better food, better service, and a more luxurious setting. Since there is not a breakfast restaurant in the area many of these customers will become regulars, making the comfortable elegance even more comfortable.

Most other cities have breakfast restaurants, including Las Vegas, Henderson, San Diego, Chicago, Santa Fe, Palm Springs, and Atlanta. Pasadena can support a breakfast

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restaurant of its own. With a population size of over 150,000 Pasadena's and up to two million from the neighboring cities, SunShine Café has ample population from which to draw a customer base.

Market Trends

While it is not the intention of Sunshine Café to focus on tourists, tourism is a large part of the economy in Pasadena. Every New Years hundreds of thousands of people come to Pasadena to see the Tournament of Roses Parade and the Rose Bowl game (City of Pasadena, 2010). Opening a restaurant that could potentially serve some of these tourists would bring more money into the Pasadena economy.

Competition

Direct Competitors

There are very few direct competitors in the area, as many restaurants do not serve breakfast, or if they do serve it as an after thought, with their focus being on dinner and perhaps lunch. There are a few independent restaurants in the area that serve breakfast including Café Verde and Green Street. These restaurants both serve a very limited breakfast menu of about fifteen items. Since they focus on a specific ethnic cuisine the food they serve for breakfast follows these same flavors, and while the breakfasts are good they are predominantly known as places for dinner or lunch.

There are also some quick service chains in the area that serve breakfast, most notably Corner Bakery, which again has a fairly limited menu focusing on basics and baked goods. The final group of direct competitors is the traditional coffee shops such as Denny's and Shaker's. While traditional coffee shops have extensive menus, often time

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the atmosphere does not make the restaurants a desirable place to eat and the cuisine is often bland and uninventive.

SunShine Café's competitive strategy is three fold, extensive menu filled with innovative and exciting food, a focus on breakfast as the identity of the restaurant and a fun but elegant atmosphere. SunShine café will be the only restaurant in the area that has its focus on breakfast and thus will become the "breakfast restaurant" in Pasadena rather than an addition to the menu already offered. By offering an extensive menu customers will be able to eat different food daily if they choose to and by having innovative specials focusing on local and seasonal ingredients there will always be something new. Having an elegant yet comfortable atmosphere will set Sunshine café apart from the coffee shops and yet keep it from becoming a restaurant that is known for another meal period. Additionally once a customer has tried the restaurant, they will be excited to return to try other items on the menu, in our fun, comfortable elegant setting.

Indirect Competitors

There are other food service establishments in the area that serve food that can be substituted for the breakfast served at SunShine café. Coffee houses such as Starbucks and Peet's coffee are plentiful in the area. Also there is a dearth of fast food restaurants in the area, which offer breakfast items. Neither of these types of food service establishments offers a full menu or fresh made food. While Starbucks and Peet's may be well known for their coffee, customers who choose to eat there usually do so out of convenience rather than as a place to dine out or eat a quality meal. Fast food places, while convenient rarely have food that people desire or are a meeting spot.

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SunShine Café's competitive advantage with these food service establishments is the differentiation that having an extensive menu where the food and atmosphere is the focus rather than the convenience of being able to grab some food on ones way to work. While the fast food locations may have an advantage in price, the quality of service, and the welcoming atmosphere will appeal to customers who want breakfast to be a real meal and not just something one grabs on their way somewhere else. SunShine Café will be a destination not just a quick stop on the way to somewhere else.

Marketing and Sales Plans

Market Penetration

Entry into the market should not be a problem as SunShine Café will be a market leader, simply filling the demand for a quality breakfast place in Pasadena. We will take advantage of location, networking and local businesses to originally build our clientele. Shine Restaurant group will be offering invitations to local businesses and other people in the network to our preopening events, inspiring people and creating a buzz about SunShine. A startup-marketing budget of \$15,000 has been set aside for such things as pre-opening advertising and email blasts.

Marketing Strategy

Given the restaurant market today, having a mixed marketing strategy is imperative to reach all of the different types of customers SunShine Café desires. A public relations firm will be hired to handle marketing of SunShine café, with the expectation that it will save Shine Restaurant group money by outsourcing the costs, and will increase business due to their expertise. Ideally SunShine Café will use four main forms of marketing. Print advertising will be used in forms of coupons to local businesses

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and residents. Social media marketing using such sites as Facebook and Google+ will be used to expand our network and bring in more guests using keyword advertising placement and using such websites as Groupon to build a brand identity and spread through word-of-mouth advertising. Email marketing will also be used to promote SunShine Café, especially to offer coupons and inform people of special events. Traditional broadcast media will be contacted by the Public Relations firm to gain some publicity for the opening of SunShine Café. Finally, when opportunities such as charity fundraising and social responsibility SunShine Café will be sure to support organizations that pursue the same beliefs and ethics of the Shine Restaurant Group.

Marketing Effort

The marketing plan will be divided into three phases. The first phase will be to do preopening marketing, such as press packets sent to the media, advertising to local businesses, sending emails and social media buzz about SunShine Café's opening and setting up the SunShine Café website. The second phase of the marketing plan is to continue to market SunShine café as above, but also with a further email campaign. This marketing campaign will be monitored regularly to assess the effectiveness and make changes as needed. An ongoing marketing budget of \$10,000 annually has been set aside. Also Shine Restaurant Group will make use of the discount websites such as Groupon, and Restaurants.com to gain customers that might otherwise not try SunShine Café. The final marketing phase is the point-of-sale marketing, in which SunShine Café will use the traditional business card in the fishbowl to build an email list and give out meals to the winner of our monthly drawing. Since Word-of-Mouth is so important to a new restaurant, to encourage customers to bring their friends we will also be offering

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coupons to customers as they pay for a discount if they come back bringing a friend.

Additionally a loyalty program will be offered to customers to create customer loyalty and help build the SunShine Café brand.

Future Plans and Strategic Opportunities

Given the speed of technology today, it is important to keep-up with the ways social media is changing and take advantage of all of the opportunities that present themselves by using social media. As a business, Shine Restaurant group initially does not want to focus on marketing, but as the business grows it may be most cost effective to bring marketing in house and hire a marketing person to work fulltime for the Shine Restaurant Group to market the line of restaurants. Ideally this person would be not only a marketing expert but be technologically forward thinking so that they could keep Shine Restaurant Group in the forefront of social marketing.

Operations

Facilities and Offices

One of the most important features of any restaurant is its location, and this is especially true for a restaurant that specializes in breakfast, as people do not want to travel too far out of their way for breakfast. Finding this location in the 1.5 square mile radius desired is thus very important to the Shine Restaurant Group. It is the hope to find a space that was previously a restaurant, which with a few minor modifications can be brought up to the standards that the Shine Restaurant group has set. Of course the building will need to be brought up to California Building Code with extra care to make sure the entire kitchen and storage areas are properly vented and meet California health code as well. New equipment will be purchased for the kitchen and maintenance on the

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equipment will be a priority to insure that health code is always met. Additionally all furnishings and décor will need to be purchased to meet the design aesthetic of a comfortable yet elegant establishment. The goal is to find old tables and chairs that can be refinished and add modern accessories. Currently Shine Restaurant Group's headquarters and office are located at Lillian Burrow's residence, however they will be moved to the restaurant once construction has been **completed**.

Comment [CR1]: We need a projection and budget for occupational costs, depreciation interest etc for the facility part.

Hours of Operation

SunShine Café will be open at 6:30 am daily, and last seating in will be at 2:30 pm. The entire menu will be available during all open hours. The restaurant will be closed on Thanksgiving and Christmas. It is foreseeable that the management may choose to modify the hours of operation based upon demand.

Employee Training and Education

The key to effectively running any restaurant is proper training for the employees. Employees will be trained on the specifics of their job and the service standards that Shine Restaurant Group has set. Employees will also be cross-trained to work in many different areas so that they can provide service to our guests no matter the issue and be comfortable covering shifts as needed. On going training will be held focusing on how the team can grow to provide the best service for our guest. Training by the chef on the different types of food and on the specials will be held to make sure the employees know about the cuisine that they are providing for the guests. Additionally employees will be trained on the company culture to help them embrace the ideas of a fun breakfast place. Teambuilding will be an important part of training including company picnics and

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barbeques to build the importance of a family rather than just a group of people who work together.

Education is a very important part of any person's life. Shine Restaurant Group believes in encouraging people to expand their lives through education and will provide scholarships to employees who wish to continue their education no matter the field or area of study. Shine Restaurant Group recognizes that this may require creative scheduling for the employees and will do as much as possible to accommodate the needs of any employees school schedule.

Systems and Controls

Food cost is one of the major costs for any restaurant. Keeping an accurate inventory and reducing food waste is one way to try to combat this extensive cost. Full inventory will be done weekly with the chef doing a basic food inventory daily before placing the food order. The full inventory will include such things as flatware and glasses along with the detailed food inventory. Inventory will be double-checked by management and will be modified as needed.

Food Production

Most food will be made from scratch in house; however there will be some exceptions such as bread, where high quality local product can be purchased at a cost that will save significant amounts of money. All dishes will be made to order so that the food is always as delicious as it can be. High standards for cleanliness and food safety will be upheld at all times.

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Management Structure

Key Employees and Principals

Lillian Burrow, owner. Lillian Burrow has a master's degree from UNLV's Harrah School of Hotel Management and a Master's in Business Administration. She has four years restaurant management experience. Once she realized this gap in the Pasadena restaurant market she made it her goal to open a restaurant that would fill this gap and be profitable

Christina Yamasaki, general manager. Christina comes to Shine Restaurant Group from the very popular food truck industry in Los Angeles. She has been managing, driving and cooking in food trucks for six years and was one of the original staff member of the highly regarded Border Grill food truck, where she moved her way up to general manager before leaving to start her own food truck the "Poutine Truck". As a lifelong Pasadena resident, she knows the Pasadena food market well and hopes to use her knowledge to make SunShine Café successful.

Luca Banfi, Executive Chef. Chef Luca comes to Shine Restaurant group after a two-year stint with Le Cirque, as their executive chef at Casa de Campo resort in the Dominican Republic. Chef Luca will focus his time on managing the kitchen and creating innovative dishes. A combination of experienced chefs and new graduates of Le Cordon Bleu (a local school) will back him. He is looking forward to being a longtime member of Shine Restaurant Group and hopes to open more restaurants that may better feature is food sensibility

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Compensation and Incentives

Shine Restaurant Group will offer competitive wages and benefits to all employees. As opposed to most restaurants, Shine Restaurant group will follow the path set forth by Starbucks, all employees who work more than twenty hours a week will be offered benefits. It is the goal of Shine Restaurant Group that employees become family and thus they must be treated as so. While it is recognized that offering benefits to all employees will be costly it is our social responsibility to help out or community and our belief that this may help reduce employee turnover, thus reducing employee costs overall.

Consultants and Professional Support Resources

An impressive group of restaurateurs and business people from Pasadena and elsewhere has been established as an advisory board. Meeting will be scheduled monthly for the first year to help Shine Restaurant group grow and development. An attorney will be placed on retainer to help advise Shine Restaurant Group in business decisions. Additionally an outside public relations firm will be hired to handle public relations so that the management team can focus on daily operations and growing the business. A bookkeeper and a human resources professional may be added at a later date to handle accounting, payroll, and human resources.

Management Structure

Lillian Burrow will be the owner and Chief Operating Officer. Christina Yamasaki, general manager and Luca Banfi, executive Chef will report directly to her. All other employees will report to their respective superiors.

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Ownership

Lillian Burrow will retain ownership with the goal to offer stock and partial ownership to others who are deemed appropriate in the future, including Christina Yamasaki and Chef Luca.

Future Development and Exit Plan

Goals

Sunshine Café is looking to enter a currently unreached market in Pasadena. It is the assumption of the Shine Restaurant Group that this market exists based upon experiences of this type of restaurant in other locations. The goal to grow the Shine brand quickly and have SunShine Café be the place for breakfast in Pasadena and the entire San Gabriel Valley. The goal of creating a reputation that people associate with quality, service, and comfort is at the forefront of all that the Shine Restaurant Group does. In five years it is expected that when people hear “morning Sunshine” they will think, that is a great place, let’s go there now.

Strategies

Creating a word of mouth and social media marketing campaign is one of the major strategies Shine Restaurant Group plans to use. Additionally appealing to local businesses and residents to make SunShine Café their go to breakfast place will be an important way to gain this market originally. With people such as Christina Yamasaki, and her experience on a food truck and their unique form of marketing we hope to gain a market share quickly and continue to build upon it. Being innovative but comfortable is a requirement in today’s market and Shine Restaurant group will be the epitome of that concept.

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Milestones

There are many milestones a new restaurant faces. The first is groundbreaking the construction. The second is opening the restaurant. The third major milestone is reaching one year, at which point in time Shine Restaurant will begin to look into expanding the brand into a more diverse concept. By diversifying the concept each restaurant will stand-alone but will belong to a greater plan of the whole.

Risk Evaluation

New ventures are always risky. Being successful requires innovation and a market that is ready for a dedicated breakfast restaurant. While it is expected that other restaurant may attempt to follow this model, as it has not currently been attempted, Shine Restaurant Group hope to be the market leader. Of course Shine Restaurant group will be continuously monitoring the market and be willing to make changes to best fit the markets needs.

Exit Plan

Unfortunately every business must have an exit plan. Ideally Shine Restaurant group will be so successful that it is expanded and at which time we will consider selling to a larger company. Despite this ideal many restaurants do not succeed so Shine Restaurant group must make plans to close the business and sell or sublet the lease of our location. Also we will be willing to sell all fixtures and equipment to pay back our investors first.

Financials and Projections

Please see Appendix B for financial statements.

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Conclusion

While this business plan is somewhat an academic exercise, the hope is to bring this plan to fruition. A lifelong goal of this researcher is to open a restaurant and finding an opportunity such as this, with an ideal locale, target market, and unfilled niche is rare. The one-year goal is to secure financing for SunShine Café, with operations to open within a year after that. This researcher is honored to have so many advisors and mentors to help make this goal a reality.

The five year plan is as follows: If after a year of operations if the income statement and cash flow analysis are meeting expectations, Shine Restaurant Group will begin scouting locations for a second location to open a dual-purpose space that caters to a casual nightlife concept "MoonShine" as well as the SunShine Café during the daytime. The five-year goal is to have both of these locations running at a profit and to be scouting a third location, while running at a profit of between \$100,000 and \$250,000 annually.

Future Opportunities

While the plan initially is for dine in and to-go food only, catering is something that is a potential opportunity especially catering of items such as sandwich platters and salads for lunch. The suggestion that delivery be available would also be a consideration, but due to the sensitive nature of most breakfast foods only really being delicious when they are hot, delivery may not be a great way to show off the delicious food the kitchen prepares. Alternately SunShine café would welcome any other service and menu suggestions that would increase business without having to increase staff or production space.

Appendix A
SunShine Café
Sample Menu

Eggs

TRADITIONAL DAY STARTERS

Two eggs cooked to order*, country potatoes & an English muffin
\$4.95

- With 4 slices of Sugar Cured Bacon or a ¼ lb. slice of lean Ham \$7.50
- With a hearty casserole of Corned Beef Hash \$7.95
- With 3 With 3 large links of Special Recipe Sausage \$7.95
- With 4 Turkey Sausage patties. \$8.95

BREAKFAST COMBO

Your choice of two petite pancakes or a thick slice of cinnamon French toast served w/two eggs cooked to order* & four slices of bacon. \$7.50

- Instead of bacon – w/3 links of sausage \$7.95
- w/4 turkey sausage patties \$8.95

BISCUITS AND GRAVY

Two eggs cooked to order*, country potatoes, buttermilk biscuits under a creamy sausage gravy sprinkled w/diced sausage. \$7.50

BREAKFAST SANDWICH

- Choose your eggs (2) eggs cooked to order*.
- Choose your meat – ham, bacon, sausage or turkey sausage.
- Choose your bread- toast, bagel, bialy, croissant, biscuits
- We'll top it w/melted cheeses & serve it w/a side of country potatoes. \$8.50

SKILLET BREAKFASTS

2 eggs cooked to order* on top of potatoes or black beans, melted cheeses & your favorite ingredients from below. Served w/an English muffin.

- **VEGGIE "X"** Spinach, Broccoli, Mushrooms, Grilled Onion, Zucchini \$6.95
- **HAM "X"** Ham, Mushroom, Grilled Onion & Green Bell Pepper \$7.50
- **BACON "X"** Bacon, Grilled Onion, Sour Cream, Scallions, Diced Tomato \$7.95

GO MEAT

Bacon, ham, sausage, mushroom, onion, tomato, bell pepper, potatoes, melted cheeses, topped w/2 eggs cooked to order* & black olives. \$8.95

Get even wilder, yet & add sausage gravy or sour cream for \$0.95

OLD PUEBLO

Chorizo & mild green chilies on top of potatoes under melted cheeses, topped w/2 eggs cooked to order* & Pico De Gallo. Salsa & flour tortillas on the side. \$7.50

Beef Barbacoa or Chicken Carnitas instead of Chorizo add ...1.00

Omelets

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THREE CHEESES

Jack, sharp Cheddar & imported Swiss. \$6.50

- Add any diced meat (Bacon, Ham, Sausage or Turkey Sausage)... \$1.00
- Add any Veggie (Broccoli, Mushrooms, Spinach, Onion, etc.). \$0.50

DENVER

The all-time favorite from the mile-high city featuring a blend of ham, bell pepper, onion & melted cheeses. \$7.50

Add a sour cream snowcap for \$0.95

SPANISH

Mild green chilies, onions, salsa, melted cheeses, sour cream, Pico De Gallo and a side of Veracruz sauce. OLE! OLE! \$7.95

Add guacamole for \$1.00

VERY VEGGIE

Broccoli, mushroom, onion, spinach & zucchini inside, melted cheeses, sour cream, scallions & diced tomato on top. \$7.95

BACADO

Bacon & Jack cheese inside slices of avocado sprinkles of diced bacon & tomato w/more Jack Cheese on top. Served w/a side of Hollandaise or salsa. \$8.50

COUNTRY COMBO

Ham, sausage, bacon, Jack & sharp Cheddar. \$8.50

Top it off with a blanket of sausage gravy for \$0.95

CASTROVILLE

Artichoke hearts, tomato, onion, mushroom, spinach & Jack cheese, garnished w/grilled asparagus & Hollandaise sauce. \$8.50

EGG WHITE & THE 7 VEGGIES

Egg whites, Broccoli, mushroom, grilled onion, spinach, zucchini inside, melted Brie, diced tomato and scallions on top. \$8.95

BLEU and BRIE

Honey smoked turkey, spinach, broccoli, mushroom, grilled onion, water chestnuts and creamy Brie inside, under melted Jack cheese, Bleu cheese, diced tomato and a sprinkle of diced bacon. \$8.95

MONTEREY

Honey smoked turkey, diced bacon & Monterey Jack cheese folded into 3 fluffy egg whites, topped w/diced tomato & sliced avocado. \$8.95

CAPRESE

Spinach, mushroom, zucchini, grilled onion, roasted tomatoes inside, sliced Mozzarella & tomato, Kalamata olives and fresh basil decorated with our sweet-n-tangy balsamic vinegar glaze on top. \$9.50

SANTA FE

Green chilies, guacamole, chorizo, grilled onions & Jalapenos inside, corn tortilla strips, black beans, melted cheeses, Veracruz sauce, sour cream, Pico De Gallo & cilantro on top. Served w/a side of salsa. \$9.50

Beef Barbacoa or Chicken Carnitas instead of chorizo... \$1.00

KITCHEN SINK

A 6 egg omelets w/sausage, bacon, ham, broccoli, spinach, onion, mushroom, zucchini & bell pepper topped w/melted cheeses, diced tomato, olives, sour cream & scallions. The only thing missing is the kitchen sink! \$12.95

Crepe Eggs

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LIGHT ONE

Filled w/fresh spinach, sliced avocado, sliced mushrooms, Jack & sharp Cheddar cheese, served w/a side of homemade Poppy Seed dressing, English muffin & a cup of fruit. \$7.50

HEALTHY ONE

Diced braised turkey breast, fresh broccoli, tomato, spinach & mushroom. Served w/a side of Hollandaise, English muffin & a cup of fruit. \$8.50

KRABBY ONE

Spinach, mushroom, onion, Brie, imitation crab & Bay shrimp inside, creamy Hollandaise sauce, diced tomato & scallions on top. Served w/an English muffin & a cup of fruit. \$9.50

Eggs Benedicts

TRADITIONAL BENEDICT

2 poached eggs*, ¼ lb. slice of grilled ham on an English muffin under creamy Hollandaise sauce. Served with country potatoes. \$7.95

SUNRISE BENEDICT

Grilled honey smoked turkey, sliced avocado, tomato & 2 poached eggs* on an English muffin w/Hollandaise. Served w/country potatoes. \$8.50

MEXICAN BENEDICT

2 poached eggs*, chorizo, black beans, guacamole & crispy corn tortillas on top of potatoes under a blanket of spicy Veracruz sauce w/sour cream, Pico De Gallo, grilled Jalapeno, salsa and flour tortillas. OLE! \$8.95
Beef Barbacoa or Chicken Carnitas instead of Chorizo add ...1.00

FLORENTINE BENEDICT

An English muffin, sautéed spinach, mushroom & onion, grilled asparagus and 2 poached eggs* under Hollandaise w/a sprinkle of diced bacon & tomato. Served w/country potatoes. \$9.50
Add imitation crab & Bay shrimp for \$2.00

FARMHOUSE BENEDICT

2 poached eggs* and sausage gravy top off a split buttermilk biscuit with shaved ham, 2 slices of bacon & 2 turkey sausage patties. Served w/country potatoes. You best be hungry! \$9.50

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Pancakes

PANCAKES

Your choice of buttermilk or whole-wheat batter. Served with creamy whipped butter on top.

- SINGLE (1) \$4.50
- SHORT (2) \$5.95
- FULL (3) \$7.50

Add \$0.50 for each item from the list below:

Bananas, Blueberries, Craisins, Coconut, Fuji Apples & Cinnamon, Granola, Mandarin Oranges, Oatmeal, Peaches, Pineapple, Raisins, Strawberries, Trail Mix, Wheat Germ, Whipped cream

Sweets: Ghirardelli chips, Oreo's, Reese's PB chips, M&M's, Snickers

Nuts: Cashews, Caramelized Pecans, Honey Glazed Almonds, Walnuts

- Protein Powder: We will gladly mix in vanilla protein powder.\$1.00
- 100% Natural Vermont maple syrup is available for \$2.00 Bottle

EYE OPENER COMBO

Your choice of two petite pancakes or a thick slice of cinnamon French toast served w/two eggs cooked to order* & four slices of bacon. \$7.50

- Instead of bacon: w/3 links of sausage \$7.95
- With 4 turkey sausage patties \$8.95

SIDE KICK – SIDE CAKES

Partner your entree with two petite side kick-side cakes served with warm syrup and topped with whipped butter. Choose whole wheat or buttermilk batter \$3.95

French Toast

FRENCH TOAST

Thick sliced cinnamon bread, battered, grilled & dusted w/powdered sugar. Served w/whipped butter & strawberry compote.

- One slice \$2.95
- Two slices \$4.95
- Three slices \$6.95

FRUITY FRENCH TOAST

A mountain range of four French toast halves, decorated w/fresh sliced strawberries & bananas, blueberries, caramelized pecans, caramel sauce, cream cheese frosting, powdered sugar, whipped cream, cinnamon & nutmeg. \$8.50

APPLE CRUNCH CREPES

Three crepes filled & folded w/toasted Fuji apples, cinnamon, brown sugar & cottage cheese, topped w/apple honey granola, walnuts, powdered sugar, caramel yogurt sauce, craisins & a dollop of whipped cream. \$8.50

BERRY BREAKFAST BLINTZ

Delicate crepes w/cool mixed berries, cream cheese, cottage cheese & low-fat blueberry yogurt, topped w/warm blueberry compote, whipped cream, powdered sugar, caramelized pecans & a dash of cinnamon & nutmeg. \$7.50

SUNSHINE CAFÉ

Lighter Fare

YOGURT & GRANOLA (YOGI)

Choose low-fat blueberry, strawberry or peach yogurt, served w/matching fruit on top of crunchy granola in a Parfait glass garnished w/sliced apples, & trail mix. (Vanilla yogurt is also available) \$4.95

Add a muffin or bagel for \$1.95

FRUIT PLATTER

An abundant assortment of seasonal fruits, served w/your choice of low-fat yogurt or cottage cheese. \$6.95

Add a muffin or bagel for \$1.95

NURSE'S BIALY BREAKFAST

3 egg whites scrambled w/turkey, spinach & onion, topped w/diced tomato. Served w/a toasted bialy, low-fat cream cheese & a cup of fruit. Just what the doctor ordered. \$8.95

LA CASA POTENCIA (The Power House)

6 egg whites scrambled w/ diced turkey breast, fire roasted green chilies, and red bell peppers topped w/fresh Pico De Gallo. Served w/salsa, a low-carb tortilla & a side of black beans. \$9.95

GREAT GRAINS

Hearty breakfast bowls that are anything but bland or boring. We top them w/freshly sliced strawberries & bananas, blueberries, trail mix, honey-glazed almonds, caramelized pecans, cinnamon & nutmeg. Served w/milk & brown sugar. Choose McCann's Irish Oatmeal or our Roasted 7 Grain Bowl of Wheat \$4.95

JUST THE BASICS

Choose McCann's Irish Oatmeal or our Roasted 7 Grain Bowl of Wheat (nothing fancy, just milk, brown sugar & a spoon on the side) \$3.95

SMOOTHIES

We blend low-fat yogurt, fruit & fruit juice w/ice, to create a healthy refreshing treat.

• **BANANA WHIP**

Banana, apple juice, strawberry yogurt & honey.

Reg \$3.50 - Lg \$4.95

• **BERRY - BERRY**

Strawberries & blueberry yogurt, Ocean Spray cran-raspberry juice.

Reg \$3.50 - Lg \$4.95

Protein powder instead of Yogurt for \$1.00

Reduce the fat, cholesterol or carbs. Any egg entree can be prepared w/egg whites or a no-fat, no cholesterol egg substitute.

Add \$0.50

SUNSHINE CAFÉ

Frittatas

PLAYA DEL SOL

Egg whites, imitation crab w/bay shrimp, sautéed with red bell peppers and grilled onion under melted Brie, slices of avocado and our fresh mango cantaloupe salsa. Served w/a low-carb tortilla and a cup of fruit. \$8.95

CLOUD NINE

Fluffy egg whites, spinach, mushrooms, grilled onion and cream cheese topped w/ slices of Mozzarella, diced tomato and a sprinkle of fresh basil. Served with a cup of fruit and an English muffin. \$9.50

LUMBERJACK

Ham, bacon, sausage, mushrooms, onions, bell peppers, potatoes, melted cheeses, a blanket of sausage gravy & scallions on top. Served w/a buttermilk biscuit, honey & butter. \$9.50

Southwestern Fare

HUEVOS RANCHEROS

A skillet of potatoes, corn tortilla strips, black beans & melted cheeses, w/two eggs cooked to order*, Pico De Gallo, sour cream & fresh cilantro. \$7.50
Flour tortillas & salsa on the side. Add spicy chorizo sausage for \$1.00

OLD PUEBLO SKILLET

Chorizo & mild green chilies on top of potatoes under a blanket of melted cheeses, topped w/two eggs cooked to order* & Pico De Gallo. Served with salsa & flour tortillas on the side. \$7.50

HOT JUAN(FRITTATA or BURRITO)

3 eggs, chorizo, onion, Jalapenos, Veracruz sauce, cheese, sour cream, Pico De Gallo & a flour tortilla. Served w/potatoes or black beans & salsa. \$8.50

WILD WEST SCRAMBLE

Scrambled eggs, corn tortilla strips, chorizo, green chilies & onion, black beans, melted cheeses, Veracruz sauce, sour cream & scallions. Served w/salsa & flour tortillas on the side. \$8.95

MEXI-CALI BURRITO

Guacamole, sautéed spinach, mushroom, onion, red bell pepper & green chilies in a tomato basil wrap topped w/melted cheeses, salsa, Pico de Gallo, black olives, sour cream & fresh cilantro. Served on a bed of black beans w/sides of Ancho Chili & Veracruz sauces. \$8.50

Add Beef Barbacoa, Chicken Carnitas or a grilled Chicken breast \$2.00

KICKIN' CHICKEN QUESADILLA

Choose beef Barbacoa or chicken Carnitas, w/ grilled onions & Jalapenos, fire roasted green chilies & lots of melted cheeses in a grilled flour tortilla under both Vera Cruz & Ancho Chili sauces, served w/black beans, sour cream, cilantro & Pico de Gallo. You'll need a fork and knife for this one!!! \$9.50

TACO SALAD

Mixed greens, sweet corn, Pico de Gallo, black olives, red bell peppers, cheeses, lime cilantro pepitas, sliced avocado, corn tortilla strips, sour cream & cilantro. Spicy Ancho Chili dressing, salsa & flour tortillas on the side. \$8.50

Add Beef Barbacoa, Chicken Carnitas or a grilled Chicken breast \$2.00

SUNSHINE CAFÉ

Sandwiches

CALIFORNIA TUNA or CHICKEN SALAD

Albacore tuna or chicken salad made w/low-fat mayo, Swiss, avocado, cucumber, red onion, lettuce & tomato on a grilled Croissant. \$8.95

- Old School Tuna or Chicken salad on 9 grain toast \$7.50

CLASSIC CLUB

9-grain whole-wheat toast, low-fat mayo & ½ a pound of sliced meats – bacon, ham & honey smoked turkey. Served w/ layers of lettuce, tomato & imported Swiss. \$8.95

Kick it up a notch & make it a Croissant club add \$1.00

GARDEN OF EDEN WRAP

Cucumbers, carrots, red onion, mushroom, lettuce, tomato, avocado, low-fat mayo & imported Swiss cheese, in a grilled whole wheat wrap. Served w/a side of Poppy Seed dressing. \$7.50

Add sliced turkey \$1.00

TURKEY BIALY

Braised turkey breast, sliced cucumber, red onion, lettuce, tomato & imported Swiss. Served on a toasted bialy bun w/no-fat honey mustard on the side. \$8.50

VEGGIE PANINI

Grilled & pressed Sourdough, slices of Mozzarella, sautéed spinach, mushrooms, grilled onion, Kalamata olives, basil & roasted tomatoes. \$7.50

Add an 8 oz. chicken breast or Angus beef patty \$2.00

SANTA FE

Choose from braised turkey breast, beef Barbacoa or chicken Carnitas, w/ bacon, Ancho chipotle Aioli, fire roasted green chilies, Sonoran cole slaw & melted cheeses on grilled sourdough. Spicy Ancho Chili dressing for dipping on the side. \$8.50

BLT SUPREME

9 grain whole wheat toast piled high w/crispy bacon, lettuce, tomato, sliced avocado, low-fat mayo & imported Swiss. Delicious! \$8.95

REAL REUBEN OR PATTY MELT

Sliced Corned beef & sauerkraut or an Angus beef patty & sautéed onions on grilled rye w/imported Swiss & a side of Thousand Island dressing. \$8.95

HEARTY HALF POUNDERS

Choose from an 8 oz. chicken breast, Angus beef patty cooked to order*, turkey burger or (2) 4 oz. veggie burgers. Served on a toasted wheat bun w/imported Swiss, crisp lettuce, tomato, red onion & low-fat mayo. \$8.95

THE BIG DIPPER

½ lb. of shaved Prime Rib, grilled onion & sautéed mushrooms on a grilled French roll, horseradish, Au Jus. \$12.95

1/2 SANDWICH COMBO

Half of a BLT, Egg salad, Old School Tuna or Chicken, or Chicken salad sandwich & your choice of two items from the list below:

- Sonoran Cole Slaw
- Country Potatoes
- Tomato Slices
- Soup of the day
- Cup of fruit
- Tossed Salad
- Potato Chips
- Cup of Yogurt
- Cottage Cheese w/tomato
- Black Beans w/cheese & Pico de Gallo

\$8.95

Salads

SUNSHINE CAFÉ

CAESAR

Romaine hearts, crunchy croutons, 4 Italian cheeses (Parmesan, Provolone, Asiago & Fontina), black olives, diced tomato & a sliced hard-boiled egg. Tossed w/ traditional Caesar dressing – of course. \$7.95

Add a marinated & grilled chicken breast for \$2.00

SAN FRANCISCO SPINACH

Spinach, diced bacon, honey-glazed almonds, mushrooms, dried cranberries, slices of hard boiled egg & chunks of Bleu cheese. Tossed w/our house-made Poppy seed dressing – a favorite since. \$8.95

Add a marinated & grilled chicken breast for \$2.00

STRAWBERRY-BERRY FIELDS

Organic field greens, diced bacon and braised turkey breast, dried cranberries, Feta, red onion, caramelized pecans & strawberries. Tossed w/non-fat raspberry walnut vinaigrette – sweet, tangy & guilt free. \$8.95

SWEET-N-SPICY ASIAN

Spinach, carrots, red onion, red bell pepper, cucumber, water chestnuts, cashews, pineapple & Mandarin oranges. Tossed w/non-fat sweet & spicy chili vinaigrette \$8.50

Add a grilled chicken breast w/sweet chili glaze for \$2.00

TACO

Mixed greens, sweet corn, Pico de Gallo, black olives, red bell peppers, cheeses, black beans, avocado, corn tortilla strips, sour cream, cilantro, a side of salsa and a flour tortilla. Ancho Chili – rich and creamy w/ lots of Southwest zest. \$8.50

Add a marinated & grilled chicken breast or chorizo for \$2.00

MEDITERRANEAN

Organic field greens, slices of Mozzarella, red bell pepper, cucumber, artichoke hearts, red onion, Kalamata olives, fresh basil & roasted tomatoes. Tossed w/balsamic vinaigrette \$8.95

Add a grilled chicken breast w/balsamic glaze for \$2.00

CHINESE CHICKEN

Organic field greens, corn, red bell pepper, avocado, Chipotle walnuts, black beans, Pico De Gallo, cilantro, Mandarin oranges. Tossed w/ salsa, served w/wedges of lime. \$8.95

add a marinated & grilled chicken breast for \$2.00

DYNAMIC DUO

Choose Good Egg Salad, Albacore Tuna salad or Chicken salad: 2 scoops served atop mixed greens w/tomato & avocado. Poppy Seed dressing – so good, so nice, we thought we'd use it twice. \$9.50

WILD WILD WEDGE

3 cool crisp iceberg wedges, slices of tomato, cucumber & avocado, diced red onion & bacon, Bleu cheese crumbles & a hard boiled egg Chop House Bleu Cheese dressing on top – Sometimes more is better. \$9.50

CHEF

Ham, bacon, honey smoked turkey, Jack & sharp Cheddar cheeses, garden vegetables, mixed greens & a hard-boiled egg. We highly recommend our Buttermilk Ranch \$9.50

SOUP-N-SALAD COMBO

A bowl of soup Baja Chicken Enchilada or Vegan Veggie & your choice of either a large house salad or a half portion of any of our specialty salads. \$8.95

DRESSING

- Buttermilk Ranch
- Danish Bleu Cheese
- Poppy Seed
- Thousand Island
- Chop House Bleu Cheese
- Balsamic Vinaigrette
- Caesar
- Spicy Ancho Chili

Beverages and Sides

SUNSHINE CAFÉ

COFFEE

A medium roast, freshly ground, brewed & served in a bottomless carafe. House Blend, Decaffeinated or Flavor of the day.

JUICES, MILK, ETC

Orange, Grapefruit or Fuji Apple, Vegetable, Cran-Raspberry

SM \$1.95 - LG \$2.95

Milk - (Skim, 2% or 1% Chocolate)

SM \$1.95 - LG \$2.95

Hot Chocolate & Whipped Cream \$2.95

Hot Tea (regular or herbal) \$1.95

Soft Drinks and Iced Tea (Free refills, free 32 oz to-go cup) \$2.50

Lemonade on ice or frozen (Regular or choose 1 of 5 flavors) \$2.95

SIDES

- Single Egg \$1.00
- Two Eggs \$1.95
- Toast \$1.95
- Bacon \$3.50
- Ham \$3.50
- Sausage \$3.95
- Chorizo \$3.95
- Corned Beef Hash \$3.95
- 1/2 Pounder \$3.95
- Biscuits & Gravy \$3.95
- Hollandaise \$0.95
- Cinnamon Roll \$2.95
- Cup of yogurt \$1.95
- Country Shortcake \$3.95
- Skillet of Potatoes \$2.95
- Potatoes (small side) \$1.95
- Biscuit (w/honey & butter) \$1.95
- English Muffin \$1.75
- Sliced Tomatoes \$1.95
- Sour Cream \$0.95
- Garden Salad \$4.95
- Side of Salad Dressing \$0.95
- Cream Cheese \$0.50
- Cottage Cheese \$1.95
- Soup of the Day \$4.95
- Fresh Fruit (in season) \$3.95
- 1/2 Bowl of fruit \$2.95

(The Good Egg, 2011)

SUNSHINE CAFÉ

Appendix B

| Sales Projections | | 2011 | | | | 2012 | | | | | | | | TOTAL |
|--------------------------|----------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| | Assumptions | September | October | November | December | January | February | March | April | May | June | July | August | |
| Unit Volume | 2.0% increase/ month | 4500 | 4590 | 4682 | 4775 | 4871 | 4968 | 5068 | 5169 | 5272 | 5378 | 5485 | 5595 | 60354 |
| Unit Price | | \$10 | \$10 | \$10 | \$10 | \$10 | \$10 | \$10 | \$10 | \$10 | \$10 | \$10 | \$10 | |
| Gross Sales | | \$45,000 | \$45,900 | \$46,818 | \$47,754 | \$48,709 | \$49,684 | \$50,677 | \$51,691 | \$52,725 | \$53,779 | \$54,855 | \$55,952 | \$603,544 |
| (Returns and Allowances) | 3% | \$1,350 | \$1,377 | \$1,405 | \$1,433 | \$1,461 | \$1,491 | \$1,520 | \$1,551 | \$1,582 | \$1,613 | \$1,646 | \$1,679 | \$18,106 |
| Net Sales | | \$43,650 | \$44,523 | \$45,413 | \$46,322 | \$47,248 | \$48,193 | \$49,157 | \$50,140 | \$51,143 | \$52,166 | \$53,209 | \$54,273 | \$585,438 |
| (Cost of Goods Sold) | 20% | \$9,000 | \$9,180 | \$9,364 | \$9,551 | \$9,742 | \$9,937 | \$10,135 | \$10,338 | \$10,545 | \$10,756 | \$10,971 | \$11,190 | \$120,709 |
| GROSS PROFIT | | \$34,650 | \$35,343 | \$36,050 | \$36,771 | \$37,506 | \$38,256 | \$39,022 | \$39,802 | \$40,598 | \$41,410 | \$42,238 | \$43,083 | \$464,729 |

| Annual Sales Projections | 2012 | 2013 | 2014 | 2015 |
|--------------------------|-----------|-----------|-------------|-------------|
| Unit Volume | 75,644 | 97,076 | 123,116 | 156,141 |
| Gross Sales | \$756,440 | \$970,763 | \$1,231,162 | \$1,561,411 |
| (Returns and Allowances) | \$22,963 | \$29,123 | \$36,935 | \$48,842 |
| Net Sales | \$742,477 | \$941,640 | \$1,194,227 | \$1,514,569 |
| (Cost of Goods Sold) | \$153,088 | \$194,153 | \$246,232 | \$312,282 |
| GROSS PROFIT | \$589,389 | \$747,487 | \$947,995 | \$1,202,289 |

SUNSHINE CAFÉ

| Capital Purchases | | | |
|-------------------------|-----------|---------------|------|
| Item | Cost | Purchase Date | |
| Facilities | | Month | Year |
| Marketing start-up | \$15,000 | Sep | 2011 |
| Construction | \$100,000 | Sep | 2011 |
| Equipment and Furniture | \$50,000 | Sep | 2011 |

SUNSHINE CAFÉ

| Staffing Budget | | 2011 | | | | | | | | | | | |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | September | October | November | December | January | February | March | April | May | June | July | August | TOTAL |
| Management | | | | | | | | | | | | | |
| # Employees | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Salary/Wages | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$96,000 |
| Benefits | \$833 | \$833 | \$833 | \$833 | \$833 | \$833 | \$833 | \$833 | \$833 | \$833 | \$833 | \$833 | \$10,000 |
| Payroll Taxes | \$1,200 | \$1,200 | \$1,200 | \$1,200 | \$1,200 | \$1,200 | \$1,200 | \$1,200 | \$1,200 | \$1,200 | \$1,200 | \$1,200 | \$14,400 |
| Total Costs | \$10,033 | \$10,033 | \$10,033 | \$10,033 | \$10,033 | \$10,033 | \$10,033 | \$10,033 | \$10,033 | \$10,033 | \$10,033 | \$10,033 | \$120,400 |
| Operations/Production | | | | | | | | | | | | | |
| # Employees | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Salary/Wages | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$20,000 |
| Benefits | \$2,083 | \$2,083 | \$2,083 | \$2,083 | \$2,083 | \$2,083 | \$2,083 | \$2,083 | \$2,083 | \$2,083 | \$2,083 | \$2,083 | \$25,000 |
| Payroll Taxes | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$18,000 |
| Total Costs | \$13,583 | \$13,583 | \$13,583 | \$13,583 | \$13,583 | \$13,583 | \$13,583 | \$13,583 | \$13,583 | \$13,583 | \$13,583 | \$13,583 | \$163,000 |
| TOTAL | | | | | | | | | | | | | |
| # Employees | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| Salary/Wages | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$216,000 |
| Benefits | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$35,000 |
| Payroll Taxes | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$32,400 |
| GRAND TOTAL COSTS | \$23,617 | \$23,617 | \$23,617 | \$23,617 | \$23,617 | \$23,617 | \$23,617 | \$23,617 | \$23,617 | \$23,617 | \$23,617 | \$23,617 | \$283,400 |

SUNSHINE CAFÉ

| Staffing Budget | 2012 | 2013 | 2014 |
|------------------------------|------------------|------------------|------------------|
| | TOTAL | TOTAL | TOTAL |
| Management | | | |
| # Employees | 2.00 | 2.00 | 2.00 |
| Salary/Wages | \$99,360 | \$102,838 | \$106,437 |
| Benefits | \$10,500 | \$11,025 | \$11,576 |
| Payroll Taxes | \$14,904 | \$15,426 | \$15,966 |
| Total Costs | \$124,764 | \$129,288 | \$133,979 |
| Operations/Production | | | |
| # Employees | 5.00 | 5.00 | 5.00 |
| Salary/Wages | \$124,200 | \$128,547 | \$133,046 |
| Benefits | \$26,250 | \$27,563 | \$28,941 |
| Payroll Taxes | \$18,630 | \$19,282 | \$19,957 |
| Total Costs | \$169,080 | \$175,392 | \$181,944 |
| TOTAL | | | |
| # Employees | 7.00 | 7.00 | 7.00 |
| Salary/Wages | \$223,560 | \$231,385 | \$239,483 |
| Benefits | \$36,750 | \$38,588 | \$40,517 |
| Payroll Taxes | \$33,534 | \$34,708 | \$35,922 |
| GRAND TOTAL COSTS | \$293,844 | \$304,680 | \$315,922 |

SUNSHINE CAFÉ

| Income Statements | | | | | | | | | | | | | | 2011 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------|
| | September | October | November | December | January | February | March | April | May | June | July | August | TOTAL | |
| INCOME | | | | | | | | | | | | | | |
| Gross Sales | \$45,000 | \$45,900 | \$46,818 | \$47,754 | \$48,709 | \$49,684 | \$50,677 | \$51,691 | \$52,725 | \$53,779 | \$54,855 | \$55,952 | \$603,544 | |
| (Returns and allowances) | \$1,350 | \$1,377 | \$1,405 | \$1,433 | \$1,461 | \$1,491 | \$1,520 | \$1,551 | \$1,582 | \$1,613 | \$1,646 | \$1,679 | \$18,106 | |
| Net Sales | \$43,650 | \$44,523 | \$45,413 | \$46,322 | \$47,248 | \$48,193 | \$49,157 | \$50,140 | \$51,143 | \$52,166 | \$53,209 | \$54,273 | \$585,438 | |
| (Cost of Goods) | \$9,000 | \$9,180 | \$9,364 | \$9,551 | \$9,742 | \$9,937 | \$10,135 | \$10,338 | \$10,545 | \$10,756 | \$10,971 | \$11,190 | \$120,709 | |
| GROSS PROFIT | \$34,650 | \$35,343 | \$36,050 | \$36,771 | \$37,506 | \$38,256 | \$39,022 | \$39,802 | \$40,598 | \$41,410 | \$42,238 | \$43,083 | \$464,729 | |
| EXPENSES - General and Administrative | | | | | | | | | | | | | | |
| Salaries and wages | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$18,000 | \$216,000 | |
| Employee benefits | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$2,917 | \$35,000 | |
| Payroll taxes | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$2,700 | \$32,400 | |
| Professional services | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$6,000 | |
| Marketing and advertising | \$860 | \$860 | \$860 | \$860 | \$860 | \$860 | \$860 | \$860 | \$860 | \$860 | \$860 | \$860 | \$10,320 | |
| Rent | \$2,300 | \$2,300 | \$2,300 | \$2,300 | \$2,300 | \$2,300 | \$2,300 | \$2,300 | \$2,300 | \$2,300 | \$2,300 | \$2,300 | \$27,600 | |
| Equipment rental | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Maintenance | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$4,800 | |
| Depreciation | \$972 | \$972 | \$972 | \$972 | \$972 | \$972 | \$972 | \$972 | \$972 | \$972 | \$972 | \$972 | \$11,667 | |
| Insurance | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$12,000 | |
| Telephone service | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$125 | \$1,500 | |
| Utilities | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$4,800 | |
| Office supplies | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$4,800 | |
| Postage and shipping | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$600 | |
| TOTAL EXPENSES | \$30,624 | \$30,624 | \$30,624 | \$30,624 | \$30,624 | \$30,624 | \$30,624 | \$30,624 | \$30,624 | \$30,624 | \$30,624 | \$30,624 | \$367,487 | |
| Net income before taxes | \$4,026 | \$4,719 | \$5,426 | \$6,147 | \$6,882 | \$7,633 | \$8,398 | \$9,178 | \$9,974 | \$10,786 | \$11,614 | \$12,459 | \$97,242 | |
| Provision for taxes on income | \$1,007 | \$1,180 | \$1,356 | \$1,537 | \$1,721 | \$1,908 | \$2,099 | \$2,295 | \$2,494 | \$2,697 | \$2,904 | \$3,115 | \$24,311 | |
| NET PROFIT | \$3,020 | \$3,539 | \$4,069 | \$4,610 | \$5,162 | \$5,724 | \$6,298 | \$6,884 | \$7,481 | \$8,090 | \$8,711 | \$9,344 | \$72,932 | |

SUNSHINE CAFÉ

| Income Statements | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|------------------|------------------|------------------|--------------------|--------------------|
| | TOTAL | TOTAL | TOTAL | TOTAL | TOTAL |
| INCOME | | | | | |
| Gross Sales | \$603,544 | \$765,440 | \$970,763 | \$1,231,162 | \$1,561,411 |
| (Returns and allowances) | \$18,106 | \$22,963 | \$29,123 | \$36,935 | \$46,842 |
| Net Sales | \$585,438 | \$742,477 | \$941,640 | \$1,194,227 | \$1,514,569 |
| (Cost of Goods) | \$120,709 | \$153,088 | \$194,153 | \$246,232 | \$312,282 |
| GROSS PROFIT | \$464,729 | \$589,389 | \$747,487 | \$947,995 | \$1,202,286 |
| EXPENSES - General and Administrative | | | | | |
| Salaries and wages | \$216,000 | \$223,560 | \$231,385 | \$239,483 | \$247,865 |
| Employee benefits | \$35,000 | \$36,750 | \$38,588 | \$40,517 | \$42,543 |
| Payroll taxes | \$32,400 | \$33,534 | \$34,708 | \$35,922 | \$37,180 |
| Professional services | \$6,000 | \$6,000 | \$6,000 | \$6,000 | \$6,000 |
| Marketing and advertising | \$10,320 | \$10,320 | \$10,320 | \$10,320 | \$10,320 |
| Rent | \$27,600 | \$27,600 | \$27,600 | \$27,600 | \$27,600 |
| Equipment rental | \$0 | \$0 | \$0 | \$0 | \$0 |
| Maintenance | \$4,800 | \$4,800 | \$4,800 | \$4,800 | \$4,800 |
| Depreciation | \$11,667 | \$11,667 | \$11,667 | \$11,667 | \$11,667 |
| Insurance | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 |
| Telephone service | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 |
| Utilities | \$4,800 | \$4,800 | \$4,800 | \$4,800 | \$4,800 |
| Office supplies | \$4,800 | \$4,800 | \$4,800 | \$4,800 | \$4,800 |
| Postage and shipping | \$600 | \$600 | \$600 | \$600 | \$600 |
| TOTAL EXPENSES | \$367,487 | \$377,931 | \$388,766 | \$400,009 | \$411,674 |
| Net income before taxes | \$97,242 | \$211,458 | \$358,721 | \$547,986 | \$790,612 |
| Provision for taxes on income | \$24,311 | \$52,864 | \$89,680 | \$136,996 | \$197,653 |
| NET PROFIT | \$72,932 | \$158,593 | \$269,041 | \$410,989 | \$592,959 |

SUNSHINE CAFÉ

| Cash Flow | | | | | | | | | | | | | |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|
| 2011 | | | | | | | | | | | | | |
| | September | October | November | December | January | February | March | April | May | June | July | August | TOTAL |
| CASH RECEIPTS | | | | | | | | | | | | | |
| Income from Sales | | | | | | | | | | | | | |
| Cash Sales | \$45,000 | \$45,900 | \$46,818 | \$47,754 | \$48,709 | \$49,684 | \$50,677 | \$51,691 | \$52,725 | \$53,779 | \$54,855 | \$55,952 | \$603,544 |
| Collections | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Cash from Sales | \$45,000 | \$45,900 | \$46,818 | \$47,754 | \$48,709 | \$49,684 | \$50,677 | \$51,691 | \$52,725 | \$53,779 | \$54,855 | \$55,952 | \$603,544 |
| TOTAL CASH RECEIPTS | \$120,000 | \$45,900 | \$46,818 | \$47,754 | \$48,709 | \$49,684 | \$50,677 | \$51,691 | \$52,725 | \$53,779 | \$54,855 | \$55,952 | \$678,544 |
| CASH DISBURSEMENTS | | | | | | | | | | | | | |
| Inventory | \$9,000 | \$9,180 | \$9,364 | \$9,551 | \$9,742 | \$9,937 | \$10,135 | \$10,338 | \$10,545 | \$10,756 | \$10,971 | \$11,190 | \$120,709 |
| Operating Expenses | \$29,652 | \$29,652 | \$29,652 | \$29,652 | \$29,652 | \$29,652 | \$29,652 | \$29,652 | \$29,652 | \$29,652 | \$29,652 | \$29,652 | \$355,820 |
| Commissions>Returns & Allowances | \$1,350 | \$1,377 | \$1,405 | \$1,433 | \$1,461 | \$1,491 | \$1,520 | \$1,551 | \$1,582 | \$1,613 | \$1,646 | \$1,679 | \$18,106 |
| Capital Purchases | \$165,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$165,000 |
| Owner's Draw | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$36,000 |
| TOTAL CASH DISBURSEMENTS | \$208,002 | \$43,209 | \$43,420 | \$43,635 | \$43,855 | \$44,079 | \$44,307 | \$44,541 | \$44,778 | \$45,021 | \$45,268 | \$45,521 | \$695,635 |
| NET CASH FLOW | -\$88,002 | \$2,691 | \$3,398 | \$4,119 | \$4,855 | \$5,605 | \$6,370 | \$7,150 | \$7,946 | \$8,758 | \$9,586 | \$10,431 | -\$17,091 |
| Opening Cash Balance | \$10,000 | -\$78,002 | -\$75,310 | -\$71,912 | -\$67,793 | -\$62,938 | -\$57,334 | -\$50,964 | -\$43,813 | -\$35,867 | -\$27,109 | -\$17,522 | |
| Cash Receipts | \$120,000 | \$45,900 | \$46,818 | \$47,754 | \$48,709 | \$49,684 | \$50,677 | \$51,691 | \$52,725 | \$53,779 | \$54,855 | \$55,952 | |
| Cash Disbursements | \$208,002 | \$43,209 | \$43,420 | \$43,635 | \$43,855 | \$44,079 | \$44,307 | \$44,541 | \$44,778 | \$45,021 | \$45,268 | \$45,521 | |
| ENDING CASH BALANCE | -\$78,002 | -\$75,310 | -\$71,912 | -\$67,793 | -\$62,938 | -\$57,334 | -\$50,964 | -\$43,813 | -\$35,867 | -\$27,109 | -\$17,522 | -\$7,091 | -\$7,091 |

SUNSHINE CAFÉ

| Annual Cash Flow | 2012 | 2013 | 2014 | 2015 |
|----------------------------------|------------------|------------------|--------------------|--------------------|
| | TOTAL | TOTAL | TOTAL | TOTAL |
| CASH RECEIPTS | | | | |
| Income from Sales | | | | |
| Cash Sales | \$765,440 | \$970,763 | \$1,231,162 | \$1,561,411 |
| Collections | \$0 | \$0 | \$0 | \$0 |
| Total Cash from Sales | \$765,440 | \$970,763 | \$1,231,162 | \$1,561,411 |
| TOTAL CASH RECEIPTS | \$766,269 | \$974,647 | \$1,240,146 | \$1,582,009 |
| CASH DISBURSEMENTS | | | | |
| Inventory | \$153,088 | \$170,305 | \$170,305 | \$170,305 |
| Operating Expenses | \$366,264 | \$377,100 | \$388,342 | \$400,007 |
| Commissions>Returns & Allowances | \$22,963 | \$29,123 | \$36,935 | \$46,842 |
| Capital Purchases | \$0 | \$0 | \$0 | \$0 |
| Owner's Draw | \$36,000 | \$36,000 | \$36,000 | \$36,000 |
| TOTAL CASH DISBURSEMENTS | \$578,315 | \$612,528 | \$631,582 | \$653,155 |
| NET CASH FLOW | \$187,954 | \$362,119 | \$608,564 | \$928,854 |
| Opening Cash Balance | | | | \$1,151,546 |
| Cash Receipts | | | | \$1,582,009 |
| Cash Disbursements | | | | \$653,155 |
| ENDING CASH BALANCE | \$180,863 | \$542,982 | \$1,151,546 | \$2,080,400 |

SUNSHINE CAFÉ

| Balance Sheet | |
|--|------------------------|
| Shine Restaurant Group | |
| First Quarter 2011 | |
| ASSETS | |
| Current Assets | |
| Cash | -\$71,912 |
| Accounts Receivable | \$0 |
| Inventory | \$0 |
| Other Current Assets | \$0 |
| Total Current Assets | <u>-\$71,912</u> |
| Fixed Assets | |
| Land | \$0 |
| Facilities | \$165,000 |
| Equipment | \$0 |
| Computers & Telecommunications | \$0 |
| (Less Accumulated Depreciation) | \$2,917 |
| Total Fixed Assets | <u>\$162,083</u> |
| Other Assets | <u>\$0</u> |
| TOTAL ASSETS | <u><u>\$90,171</u></u> |
| LIABILITIES | |
| Current Liabilities | |
| Short-Term Notes Payable | \$0 |
| Income Taxes Due | \$3,543 |
| Other Current Liabilities | \$0 |
| Total Current Liabilities | <u>\$3,543</u> |
| Long-Term Liabilities | |
| Long-Term Notes Payable | \$0 |
| Other Long-Term Liabilities | \$0 |
| Total Long-Term Liabilities | <u>\$0</u> |
| NET WORTH | |
| Paid-In Capital | \$85,000 |
| Retained Earnings | \$1,628 |
| Total Net Worth | <u>\$86,628</u> |
| TOTAL LIABILITIES AND NET WORTH | <u><u>\$90,171</u></u> |

SUNSHINE CAFÉ

| Balance Sheet | | |
|---|------------------|-------------------------|
| Shine Restaurant Group Second Quarter 2011 | | |
| ASSETS | | |
| Current Assets | | |
| Cash | -\$57,334 | |
| Accounts Receivable | \$0 | |
| Inventory | \$0 | |
| Other Current Assets | \$0 | |
| Total Current Assets | <u>-\$57,334</u> | |
| Fixed Assets | | |
| Land | \$0 | |
| Facilities | \$165,000 | |
| Equipment | \$0 | |
| Computers & Telecommunications (Less Accumulated Depreciation) | \$5,833 | |
| Total Fixed Assets | <u>\$159,167</u> | |
| Other Assets | <u>\$0</u> | |
| TOTAL ASSETS | | <u><u>\$101,833</u></u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Short-Term Notes Payable | \$0 | |
| Income Taxes Due | \$8,708 | |
| Other Current Liabilities | \$0 | |
| Total Current Liabilities | <u>\$8,708</u> | |
| Long-Term Liabilities | | |
| Long-Term Notes Payable | \$0 | |
| Other Long-Term Liabilities | \$0 | |
| Total Long-Term Liabilities | <u>\$0</u> | |
| NET WORTH | | |
| Paid-In Capital | \$85,000 | |
| Retained Earnings | \$8,125 | |
| Total Net Worth | <u>\$93,125</u> | |
| TOTAL LIABILITIES AND NET WORTH | | <u><u>\$101,833</u></u> |

SUNSHINE CAFÉ

| Balance Sheet | | |
|---|------------------|-------------------------|
| Shine Restaurant Group Third Quarter 2011 | | |
| ASSETS | | |
| Current Assets | | |
| Cash | -\$35,867 | |
| Accounts Receivable | \$0 | |
| Inventory | \$0 | |
| Other Current Assets | \$0 | |
| Total Current Assets | <u>-\$35,867</u> | |
| Fixed Assets | | |
| Land | \$0 | |
| Facilities | \$165,000 | |
| Equipment | \$0 | |
| Computers & Telecommunications (Less Accumulated Depreciation) | \$8,750 | |
| Total Fixed Assets | <u>\$156,250</u> | |
| Other Assets | <u>\$0</u> | |
| TOTAL ASSETS | | <u><u>\$120,383</u></u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Short-Term Notes Payable | \$0 | |
| Income Taxes Due | \$15,596 | |
| Other Current Liabilities | \$0 | |
| Total Current Liabilities | <u>\$15,596</u> | |
| Long-Term Liabilities | | |
| Long-Term Notes Payable | \$0 | |
| Other Long-Term Liabilities | \$0 | |
| Total Long-Term Liabilities | <u>\$0</u> | |
| NET WORTH | | |
| Paid-In Capital | \$85,000 | |
| Retained Earnings | \$19,787 | |
| Total Net Worth | <u>\$104,787</u> | |
| TOTAL LIABILITIES AND NET WORTH | | <u><u>\$120,383</u></u> |

SUNSHINE CAFÉ

| Balance Sheet | |
|---|-------------------------|
| Shine Restaurant Group Fourth Quarter 2011 | |
| ASSETS | |
| Current Assets | |
| Cash | -\$7,091 |
| Accounts Receivable | \$0 |
| Inventory | \$0 |
| Other Current Assets | \$0 |
| Total Current Assets | <u>-\$7,091</u> |
| Fixed Assets | |
| Land | \$0 |
| Facilities | \$165,000 |
| Equipment | \$0 |
| Computers & Telecommunications (Less Accumulated Depreciation) | \$11,667 |
| Total Fixed Assets | <u>\$153,333</u> |
| Other Assets | <u>\$0</u> |
| TOTAL ASSETS | <u><u>\$146,242</u></u> |
| LIABILITIES | |
| Current Liabilities | |
| Short-Term Notes Payable | \$0 |
| Income Taxes Due | \$24,311 |
| Other Current Liabilities | \$0 |
| Total Current Liabilities | <u>\$24,311</u> |
| Long-Term Liabilities | |
| Long-Term Notes Payable | \$0 |
| Other Long-Term Liabilities | \$0 |
| Total Long-Term Liabilities | <u>\$0</u> |
| NET WORTH | |
| Paid-In Capital | \$85,000 |
| Retained Earnings | \$36,932 |
| Total Net Worth | <u>\$121,932</u> |
| TOTAL LIABILITIES AND NET WORTH | <u><u>\$146,242</u></u> |

SUNSHINE CAFÉ

| Balance Sheet | |
|--|-------------------------|
| Shine Restaurant Group 2012 | |
| ASSETS | |
| Current Assets | |
| Cash | \$180,863 |
| Accounts Receivable | \$0 |
| Inventory | \$0 |
| Other Current Assets | \$0 |
| Total Current Assets | <u>\$180,863</u> |
| Fixed Assets | |
| Land | \$0 |
| Facilities | \$165,000 |
| Equipment | \$0 |
| Computers & Telecommunications | \$0 |
| (Less Accumulated Depreciation) | \$23,333 |
| Total Fixed Assets | <u>\$141,667</u> |
| Other Assets | <u>\$0</u> |
| TOTAL ASSETS | <u><u>\$322,529</u></u> |
| LIABILITIES | |
| Current Liabilities | |
| Short-Term Notes Payable | \$0 |
| Income Taxes Due | \$77,175 |
| Other Current Liabilities | \$0 |
| Total Current Liabilities | <u>\$77,175</u> |
| Long-Term Liabilities | |
| Long-Term Notes Payable | \$0 |
| Other Long-Term Liabilities | \$0 |
| Total Long-Term Liabilities | <u>\$0</u> |
| NET WORTH | |
| Paid-In Capital | \$85,000 |
| Retained Earnings | \$160,354 |
| Total Net Worth | <u>\$245,354</u> |
| TOTAL LIABILITIES AND NET WORTH | <u><u>\$322,529</u></u> |

SUNSHINE CAFÉ

| Balance Sheet | | |
|--|-----------|------------------|
| Shine Restaurant Group | | |
| 2013 | | |
| ASSETS | | |
| Current Assets | | |
| Cash | \$542,982 | |
| Accounts Receivable | \$0 | |
| Inventory | -\$23,847 | |
| Other Current Assets | \$0 | |
| Total Current Assets | | \$519,135 |
| Fixed Assets | | |
| Land | \$0 | |
| Facilities | \$165,000 | |
| Equipment | \$0 | |
| Computers & Telecommunications | \$0 | |
| (Less Accumulated Depreciation) | \$35,000 | |
| Total Fixed Assets | | \$130,000 |
| Other Assets | | \$0 |
| TOTAL ASSETS | | \$649,135 |
| LIABILITIES | | |
| Current Liabilities | | |
| Short-Term Notes Payable | \$0 | |
| Income Taxes Due | \$166,855 | |
| Other Current Liabilities | \$0 | |
| Total Current Liabilities | | \$166,855 |
| Long-Term Liabilities | | |
| Long-Term Notes Payable | \$0 | |
| Other Long-Term Liabilities | \$0 | |
| Total Long-Term Liabilities | | \$0 |
| NET WORTH | | |
| Paid-In Capital | \$85,000 | |
| Retained Earnings | \$397,279 | |
| Total Net Worth | | \$482,279 |
| TOTAL LIABILITIES AND NET WORTH | | \$649,135 |

SUNSHINE CAFÉ

| Balance Sheet | |
|--|---------------------------|
| Shine Restaurant Group 2014 | |
| ASSETS | |
| Current Assets | |
| Cash | \$1,151,546 |
| Accounts Receivable | \$0 |
| Inventory | -\$99,775 |
| Other Current Assets | \$0 |
| Total Current Assets | <u>\$1,051,771</u> |
| Fixed Assets | |
| Land | \$0 |
| Facilities | \$165,000 |
| Equipment | \$0 |
| Computers & Telecommunications | \$0 |
| (Less Accumulated Depreciation) | \$46,667 |
| Total Fixed Assets | <u>\$118,333</u> |
| Other Assets | <u>\$0</u> |
| TOTAL ASSETS | <u>\$1,170,105</u> |
| LIABILITIES | |
| Current Liabilities | |
| Short-Term Notes Payable | \$0 |
| Income Taxes Due | \$303,852 |
| Other Current Liabilities | \$0 |
| Total Current Liabilities | <u>\$303,852</u> |
| Long-Term Liabilities | |
| Long-Term Notes Payable | \$0 |
| Other Long-Term Liabilities | \$0 |
| Total Long-Term Liabilities | <u>\$0</u> |
| NET WORTH | |
| Paid-In Capital | \$85,000 |
| Retained Earnings | \$781,253 |
| Total Net Worth | <u>\$866,253</u> |
| TOTAL LIABILITIES AND NET WORTH | <u>\$1,170,105</u> |

SUNSHINE CAFÉ

| Balance Sheet | |
|--|--------------------|
| Shine Restaurant Group 2015 | |
| ASSETS | |
| Current Assets | |
| Cash | \$2,080,400 |
| Accounts Receivable | \$0 |
| Inventory | -\$241,752 |
| Other Current Assets | \$0 |
| Total Current Assets | <u>\$1,838,648</u> |
| Fixed Assets | |
| Land | \$0 |
| Facilities | \$165,000 |
| Equipment | \$0 |
| Computers & Telecommunications | \$0 |
| (Less Accumulated Depreciation) | \$58,333 |
| Total Fixed Assets | <u>\$106,667</u> |
| Other Assets | <u>\$0</u> |
| TOTAL ASSETS | <u>\$1,945,315</u> |
| LIABILITIES | |
| Current Liabilities | |
| Short-Term Notes Payable | \$0 |
| Income Taxes Due | \$501,505 |
| Other Current Liabilities | \$0 |
| Total Current Liabilities | <u>\$501,505</u> |
| Long-Term Liabilities | |
| Long-Term Notes Payable | \$0 |
| Other Long-Term Liabilities | \$0 |
| Total Long-Term Liabilities | <u>\$0</u> |
| NET WORTH | |
| Paid-In Capital | \$85,000 |
| Retained Earnings | \$1,358,810 |
| Total Net Worth | <u>\$1,443,810</u> |
| TOTAL LIABILITIES AND NET WORTH | <u>\$1,945,315</u> |

SUNSHINE CAFÉ

| Break-even Estimates | |
|---------------------------|------------------|
| Year 1 (2011-2012) | |
| September | \$39,771 |
| October | \$39,771 |
| November | \$39,771 |
| December | \$39,771 |
| January | \$39,771 |
| February | \$39,771 |
| March | \$39,771 |
| April | \$39,771 |
| May | \$39,771 |
| June | \$39,771 |
| July | \$39,771 |
| August | \$39,771 |
| Monthly Average | \$39,771 |
| Year 2 (2012-2013) | |
| Monthly Average | \$40,902 |
| Year 3 (2013-2014) | |
| Quarterly Average | \$126,223 |
| Year 4 (2014-2015) | |
| Quarterly Average | \$129,873 |
| Year 5 (2015-2016) | |
| Annual Average | \$534,642 |

SUNSHINE CAFÉ

| Sources and Uses of Funds | |
|-------------------------------------|------------------|
| SOURCES OF FUNDS | |
| Principal Investment | \$75,000 |
| Equity Investment | \$50,000 |
| Debt Financing | \$100,000 |
| USE OF FUNDS | |
| Capital Expenditures | |
| Lease | \$2,300 |
| Leasehold Improvements | \$100,000 |
| Purchase of Equipment and Furniture | \$50,000 |
| Total Capital Expenditures | \$152,300 |
| Working Capital | |
| Purchase of Inventory | \$20,700 |
| Staffing | \$20,000 |
| Marketing Activities | \$15,000 |
| Other Business Start-up Activities | \$17,000 |
| Total Working Capital | \$72,700 |
| TOTAL USE OF FUNDS | \$225,000 |

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