

SAMPLE BUSINESS PLAN:

Moose Mountain Café

Moose Mountain Café

The purpose of this business plan is to obtain debt-based capital and to secure private equity funding. The total amount of capital needed is \$30,000

The Business

Moose Mountain Café has selected the sole proprietorship as its formal legal entity. This structure was chosen because of its operational simplicity. Although this structure exposes the owner to unlimited liability, risk management and insurance protection will be established to offset this risk.

Moose Mountain Café will be an independent, start-up venture. The proposed starting date for the venture will be 07/04/2010. This business plan documents the precise strategies and activities that will be taken in order to commence operations of the business.

The Moose Mountain Café will be located at 200 Main Street, Moose Mountain, NH, with seating for 20 patrons. The rent is \$600 a month, with a five-year lease available. The site consists of a 20 x 20 square-foot dining room, a 15 x 15 square-foot kitchen, two bathrooms, and a storage room in back. To be used as a restaurant, this storefront needs to be plumbed and wired appropriately. Painting, new floors, and countertops are also needed. With materials bought on sale and volunteer labor, the cost to renovate will be \$5,000.

The kitchen will be equipped with a commercial stove, refrigerator, freezer, walk-in-cooler, oven, microwave, and small commercial dishwasher. With bargain (but quality) equipment, the cost will be \$20,000. The walk-in cooler will be custom-built. Other start-up expenses will be dishes, furniture, food inventory, rent deposit, and marketing.

The Moose Mountain Café will serve a basic American-style breakfast and lunch, with an emphasis on healthy, tasty food. Low-fat recipes will be used whenever possible in such a way as not to sacrifice taste or appeal. Menu items for breakfast will range from \$1.99 - 4.99. Lunch items will range from \$2.50 - 5.99. Daily soups and specials will be offered. See the attached menu for details. Hours of operation will be 6:30 a.m. - 2:30 p.m., 6 days a week, and 8:00 a.m. - 3:00 p.m., Sundays.

Rosie Jenkins will be head cook, and additional staff will consist of a part-time back-up cook and two waitresses. During slow times, only one waitress will be used. Experienced staff members have already been located.

Marketing

The Industry

Eating out is a growing trend, since people are increasingly pressed for time and enjoy this convenience. Breakfast and lunch are popular, as workers and business owners often choose not to “brown bag” meals. Choosing healthy, low-fat food is a concern, but studies have shown that people are ambivalent about it and continue to choose high-fat foods. The menu will address this by preparing favorites in such a way that people won’t realize that much of the unhealthy fat has been removed.

Objectives, Goals, and Strategies

The Moose Mountain Café will offer a fresh point of view on Main Street. The menu will change frequently, the service will be good, and the food will be the best. The restrooms will be clean.

There are three influential key success factors and activities that will contribute to the accomplishment of Moose Mountain Café's goals. These factors include: our ability to select the best location(s), keeping variable and overhead expenses as low as possible, and building high market visibility through brand building and advertising.

With respect to the business transaction, Moose Mountain Café will deliberately choose to be distinctive and unique in its customer experience.

The Moose Mountain Café will present an image of wholesome, healthy food in an attractive and clean atmosphere. The floors will be black and white tile, the curtains and tablecloths will be red and white check, and work by local artists will hang on the walls. The sign will be large enough to be read from the street, and will be designed to promote the Café’s image. Comment cards will be at each table and will be collected at the register. Suggestions for new or improved meals will be sought, as well as feedback on service and the dining experience.

Target Market

Business Owners & Workers - During the week, 2000 people work in Moose Mountain. Most of them work early in the morning, so the Café will open at 6:30. This group includes managers, factory employees, retail clerks, professionals, tradesmen, laborers, and other food service workers. This group will form the base clientele, as many will be repeat customers. A number of tradesmen have promised to patronize the café every day. Fast, accurate service will be provided, as these customers often have limited time to eat.

Local Residents & Workers - Small ads will be placed weekly in the dining section of the local newspaper. Specials will be promoted with an A-frame sign and, during slow periods, coupons and “2-for-1” deals will be offered. Menus will be distributed to local businesses and faxing in orders will be encouraged. Take-out will be attractively boxed and given equal priority to sit-down services.

Tourists - Menus will be distributed to the local lodging establishments to encourage their guests to come to the Café. Advertisements and listings will be placed in statewide and regional tourist guides and publications. Menus will also be placed at information booths and other spots likely to have tourist traffic.

Other – Moose Mountain Community College is nearby. Students there are likely to visit Moose Mountain Café on the weekends, on very nice days and during their holiday periods. Flyers will be distributed on campus during those times, offering the students a percentage discount on certain meals and during certain times.

Competitive Analysis

The Competition - The Competitor Matrix below shows the Moose Mountain Café in comparison to its competitors:

	Seats	Meals	Pricing	Hours	Other
Moose Mountain Café	20	Breakfast/Lunch	*	6:30a.m.- 2:30p.m	
Dunkin Donuts	20	Donuts/Soups	*	24 hours	no full meals
Local Donuts	10	Donuts/Sandwich	**	7:00a.m.- 3:00p.m.	no full breakfast
Auntie Ems	30	3 meals/day	****	7:00a.m.- 9:00p.m	Outdated menu/high priced/ other end of Main Street
The Pinecone	50	3 meals/day	**	7:00a.m.- 9:00p.m	owners ready to retire/old building/ no parking/slow service
Jiffy Stop, Ervins, Shell	none	pastries/coffee	*	24 hours	no seating or full meals

Marketing Strategy

In addition to an overall strategy, different actions and methods will be used for each of the target markets.

Marketing Actions

Local Residents & Workers - Small ads will be placed weekly in the dining section of the local newspaper. Specials will be promoted with an A-frame sign and during slow periods coupons and '2-for-1 deals will be offered. Menus will be distributed to local businesses and the faxing-in of orders will be encouraged. Take-out will be attractively boxed and given equal priority to sit-down services.

Tourists - Menus will be distributed to the local lodging establishments to encourage their guests to come to the Café. Advertisements and listings will be placed in state wide and regional tourist guides and publications. Menus will also be placed at information booths and other spots likely to have tourist traffic.

Other - Pricing will be competitive and customer service excellent. If anyone is not satisfied, the item will be replaced or taken off the bill.

The Café will leverage the internet as part of its marketing presence. Its website is <http://www.moosecoffee.com>.

Management and Operations

Resumes - Attached are resumes for the staff of the Moose Mountain Café. Rosie Jenkins has over fifteen years experience in the restaurant business. Five of those years were spent as manager of the Top Notch Restaurant in Moose Mountain, NH.

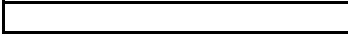
Accounting and Cash Management Systems - An electronic cash register has already been purchased. This register is capable of tracking sales of various items, recording the different operators, and displaying the correct amount of change due for cash transactions. Numbered sales slips will be used, and each book signed for in a log book. All slips will be accounted for. The Moose Mountain Café will accept credit cards and a credit card machine will be purchased.

Rosie Jenkins will prepare deposits and take them to the bank daily. All checks will be written and signed by Ms. Jenkins, and she will keep the restaurant books on the Quick Books software program. Ms. Bea N. Counter, CPA, will prepare tax returns and quarterly payroll and tax reports.

Welcome:

This spreadsheet walks you through the process of developing an integrated set of financial projections. To use this model, simply complete any information asked for found in the [color blue](#). A number found in the [color red](#), is information that has been provided but can be modified. Otherwise any information found in black type is automatically calculated for you.

Also, many cells have comments provided to clarify certain types of information. These comments can be viewed by finding the red arrow as shown below:



By placing your cursor over the cell as shown above, you should be able to see the cell's comments.

Before we begin, we need some information about your business to best customize your financial statements.

Please enter the name of your business in the box below:

Moose Mountain Cafe

The first seven worksheets in this workbook are steps you will need to complete. They are titled:

1. Required Funds
2. Sources of Capital
3. Monthly Budget
4. Gross Margins
5. Sales Forecast
6. Cash Receipts

The seventh step titled, "Current Balance Sheet" is for existing businesses only.

The last four worksheets are your prepared financial statements based upon the information you have entered.

They are as follows:
Income Statement
Cash Flow Statement
Balance Sheet
Break-Even

To begin, click on the first worksheet tab below titled, "Required Funds."

**Moose Mountain Cafe
Initial Required Funds**

How much initial money do you require and what will it be used for?

<u>Item</u>	<u>Amount</u>	<u>Totals</u>	<u>Depreciation</u>
Fixed Assets			
-Real Estate	-		
-Buildings	-		20 years
-Leasehold Improvements	5,000		7 years
-Equipment	20,500		7 years
-Furniture and Fixtures	1,000		5 years
-Vehicles	-		5 years
-Other Fixed	-		5 years
		26,500	
Operating Capital			
-Salaries and Wages	-		
-Insurance Premiums	2,400		
-Beginning Inventory	5,000		
-Legal and Accounting Fees	-		
-Rent Deposits	600		
-Utility Deposits	-		
-Supplies	500		
-Advertising and Promotions	1,000		
-Licenses	-		
-Other Initial Costs	2,000		
-Working Capital (Cash On Hand)	2,000		
		13,500	
			Amortization
			- years
Total Funds Required		\$ 40,000	

Moose Mountain Cafe
Sources of Capital

Funds Required: (from previous statement)	
-Operating Capital	40,000
-Buildings and Real Estate Mortgage	-
Total Funds Required	\$ 40,000

Owner's Injection:

-How much will the owner(s) put into the business?	\$ 10,000
-Recommended Minimum Level	\$ 8,000
-Owner's injection as a percent of the total	25.00%

Outside Financing Required: \$ 30,000

Recommended Financing Structure:

-Commercial Loan	\$ 30,000	
-Interest Rate	11.00%	
-Term in Months	60	
-Monthly Loan Payment Amount		\$ 652.27
-Commercial Mortgage	\$ -	
-Interest Rate	9.00%	
-Term in Months	240	
-Monthly Loan Payment Amount		\$ -

Total Monthly Loan Payments \$ 652.27

Cross Checking: Amount of Required Funds Not Accounted For: -

**Moose Mountain Cafe
Monthly Operating Budget**

Number of Fixed Salary Employees

Salaries and Wages	Monthly	Annual	Wage Base Limit
Owner's Compensation	3,000	36,000	
Salaries	3,574	42,888	
Social Security	6.20% 408	4,891	\$ 90,000
Medicare	1.45% 95	1,144	
Federal Unemployment Tax	0.80% -	-	\$ 7,000
State Unemployment Tax	2.70% 16	189	\$ 7,000
Worker's Compensation	117	1,400	
Employee Benefit Programs	-	-	
Total Salaries and Wages	7,209	86,512	
Business Expenses			
Advertising	200	2,400	
Car and Truck Expenses	-	-	
Credit Card Charges	-	-	
Insurance	250	3,000	
Legal and Accounting Fees	17	200	
Office Expenses	-	-	
Postage and Shipping	-	-	
Rent on Business Property	600	7,200	
Rent on Equipment	-	-	
Repairs	50	600	
Supplies	167	2,000	
Telephone	100	1,200	
Travel	-	-	
Utilities	400	4,800	
Miscellaneous Expenses	-	-	
Total Business Expenses	1,783	21,400	
Total Operating Expenses	8,993	107,913	

Year Two

Salary and Wages Percent Change 0%
Business Expenses Percent Change 0%

Year Three

Salary and Wages Percent Change 0%
Business Expenses Percent Change 0%

Moose Mountain Cafe
Gross Margins

What are the direct costs for producing your products and services and what margins will you achieve?

Products		<u>Dollars</u>	<u>Percent</u>
-Type of Units	Food/Beverage		
-Average Price per Unit		\$ 1.00	100.00%
-Average Material Costs per Unit	0.40		
-Average Labor Costs per Unit	<u>-</u>		
-Total Product Costs per Unit		<u>\$ 0.40</u>	40.00%
-Gross Margin per Unit		<u>\$ 0.60</u>	60.00%
-Year Two Price per Unit		\$ 1.00	
-Year Two Total Costs per Unit		\$ 0.40	
-Year Three Price per Unit		\$ 1.00	
-Year Three Total Costs per Unit		\$ 0.40	

Product / Service 2		<u>Dollars</u>	<u>Percent</u>
-Type of Units	Services		
-Average Price per Unit		\$ -	100.00%
-Average Material Costs per Unit	-		
-Average Labor Costs per Unit	<u>-</u>		
-Total Product Costs per Unit		<u>\$ -</u>	0.00%
-Gross Margin per Unit		<u>\$ -</u>	0.00%
-Year Two Price per Unit		\$ -	
-Year Two Total Costs per Unit		\$ -	
-Year Three Price per Unit		\$ -	
-Year Three Total Costs per Unit		\$ -	

Product / Service 3		<u>Dollars</u>	<u>Percent</u>
-Type of Units	Hours		
-Average Price per Unit		\$ -	100.00%
-Average Material Costs per Unit	-		
-Average Labor Costs per Unit	<u>-</u>		
-Total Product Costs per Unit		<u>\$ -</u>	0.00%
-Gross Margin per Unit		<u>\$ -</u>	0.00%
-Year Two Price per Unit		\$ -	
-Year Two Total Costs per Unit		\$ -	
-Year Three Price per Unit		\$ -	
-Year Three Total Costs per Unit		\$ -	

**Moose Mountain Cafe
Sales Forecast**

Thinking about seasonality and business growth what are the forecasted unit sales for each category?

Product / Service: Type of Units:	Products Food/Beverage	Product / Service 2 Services	Product / Service 3 Hours
Month 1	12,600	-	-
Month 2	25,200	-	-
Month 3	25,200	-	-
Month 4	25,200	-	-
Month 5	12,600	-	-
Month 6	8,400	-	-
Month 7	12,600	-	-
Month 8	12,600	-	-
Month 9	12,600	-	-
Month 10	8,400	-	-
Month 11	12,600	-	-
Month 12	12,600	-	-
Total Unit Sales	180,600	-	-

Year Two	Products	Product / Service 2	Product / Service 3
ENTER A: Year Two Percent Change	20%	0%	0%
or ENTER B:			
Month 1	30,240	-	-
Month 2	30,240	-	-
Month 3	30,240	-	-
Month 4	30,240	-	-
Month 5	15,120	-	-
Month 6	10,080	-	-
Month 7	15,120	-	-
Month 8	15,120	-	-
Month 9	15,120	-	-
Month 10	10,080	-	-
Month 11	15,120	-	-
Month 12	15,120	-	-
Total Unit Sales	231,840	-	-

Year Three	Products	Product / Service 2	Product / Service 3
ENTER A: Year Three Percent Change	35%	0%	0%
or ENTER B:			
Month 1	40,824	-	-
Month 2	40,824	-	-
Month 3	40,824	-	-
Month 4	40,824	-	-
Month 5	20,412	-	-
Month 6	13,608	-	-
Month 7	20,412	-	-
Month 8	20,412	-	-
Month 9	20,412	-	-
Month 10	13,608	-	-
Month 11	20,412	-	-
Month 12	20,412	-	-
Total Unit Sales	312,984	-	-

Moose Mountain Cafe
Cash Receipts and Disbursements

Once a sale is made, what percent of the money do you collect during the following time periods?

0 to 30 days	100.00%
31 to 60 days	0.00%
More than 60 days	<u>0.00%</u>
	100.00%

Line of Credit Preferences:

Desired Minimum Cash Balance:	\$	-
Line of Credit Interest Rate:		10.00%

Income Tax Assumptions:

Effective Income Tax Rate:	0.00%
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Moose Mountain Cafe
Current Balance Sheet (Existing Business Only)
 For the period ending on 12/31/2004

Please list the value of your business assets in dollars:

Assets (Stuff you have)

-Cash	-
-Accounts Receivable	-
-Inventory	-
-Prepaid Expenses	-
-Other Current Assets	-
-Improvements	-
-Furniture and Fixtures	-
-Equipment	-
-Real Estate	-
-Buildings	-
-Other Fixed	-
-Accumulated Depreciation	-
Total Assets	\$ -

Please list the value of your business liabilities:

Liabilities (What you owe)

-Accounts Payable	-
-Notes Payable	-
-Mortgage Payable	-
-Other Liabilities	-
Total Liabilities	-

Please list the

Owner's Equity (What you own)

-Common Stock	-
-Retained Earnings	-
Total Owner's Equity	-

Total Liabilities and Equity	\$ -
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Cross Checking Balance: \$ - must be zero

Moose Mountain Cafe

PROJECTED INCOME STATEMENT

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals	%
Income:														
Products	12,600	25,200	25,200	25,200	12,600	8,400	12,600	12,600	12,600	8,400	12,600	12,600	180,600	
Product / Service 2	-	-	-	-	-	-	-	-	-	-	-	-	-	
Product / Service 3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Income	12,600	25,200	25,200	25,200	12,600	8,400	12,600	12,600	12,600	8,400	12,600	12,600	180,600	100.00%
Cost of Sales:														
Products		10,080	10,080	10,080	5,040	3,360	5,040	5,040	5,040	3,360	5,040	5,040	67,200	
Product / Service 2	-	-	-	-	-	-	-	-	-	-	-	-	-	
Product / Service 3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cost of Sales	-	10,080	10,080	10,080	5,040	3,360	5,040	5,040	5,040	3,360	5,040	5,040	67,200	37.21%
Gross Margin	12,600	15,120	15,120	15,120	7,560	5,040	7,560	7,560	7,560	5,040	7,560	7,560	113,400	62.79%
Salaries and Wages:														
Owner's Compensation	1,500	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	34,500	
Salaries	1,787	3,574	3,574	3,574	3,574	3,574	3,574	3,574	3,574	3,574	3,574	3,574	41,101	
Payroll Taxes	519	519	519	519	519	519	519	519	519	519	519	519	6,224	
Worker's Compensation	117	117	117	117	117	117	117	117	117	117	117	117	1,400	
Employee Benefit Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Salaries and Wages	3,922	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	83,225	46.08%
Business Expenses:														
Advertising		200	200	200	200	200	200	200	200	200	200	200	2,200	
Car and Truck Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Credit Card Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	
Insurance	250	250	250	250	250	250	250	250	250	250	250	250	3,000	
Legal and Accounting Fees	17	17	17	17	17	17	17	17	17	17	17	17	200	
Office Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Postage and Shipping	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent on Business Property	600	600	600	600	600	600	600	600	600	600	600	600	7,200	
Rent on Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repairs		50	50	50	50	50	50	50	50	50	50	50	550	
Supplies		167	167	167	167	167	167	167	167	167	167	167	1,837	
Telephone	100	100	100	100	100	100	100	100	100	100	100	100	1,200	
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	
Utilities	400	400	400	400	400	400	400	400	400	400	400	400	4,800	
Miscellaneous Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Amortized Start-up Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation	320	320	320	320	320	320	320	320	320	320	320	320	3,843	
Total Business Expenses	1,687	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	24,830	13.75%
Less Interest Expense:														
Commercial Loan	275	272	268	265	261	257	254	250	246	243	239	235	3,065	
Commercial Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	
Line of Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Interest Expense	275	272	268	265	261	257	254	250	246	243	239	235	3,065	1.70%
Net Operating Profit	6,716	5,535	5,539	5,542	(2,014)	(4,531)	(2,007)	(2,003)	(2,000)	(4,516)	(1,992)	(1,988)	2,280	
Less: Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit (Loss)	6,716	5,535	5,539	5,542	(2,014)	(4,531)	(2,007)	(2,003)	(2,000)	(4,516)	(1,992)	(1,988)	2,280	1.26%

Moose Mountain Cafe**Pro Forma Balance Sheet**

	<u>Base Period</u>	<u>End of Year One</u>
Assets		
Current Assets		
Cash	-	3,360
Accounts Receivable	-	-
Inventory	-	5,000
Prepaid Expenses	-	4,500
Other Current	-	2,000
Total Current Assets	-	14,860
Fixed Assets		
Improvements	-	5,000
Furniture and Fixtures	-	1,000
Equipment	-	20,500
Real Estate	-	-
Buildings	-	-
Other Fixed	-	-
Total Fixed Assets	-	26,500
Less: Accumulated Depreciation	-	3,843
Total Assets	<u>-</u>	<u>37,517</u>
Liabilities and Owner's Equity		
Liabilities		
Accounts Payable	-	-
Notes Payable	-	25,237
Mortgage Payable	-	-
Line of Credit Balance	-	-
Total Liabilities	-	25,237
Owner's Equity		
Common Stock	-	10,000
Retained Earnings	-	2,280
Total Owner's Equity	-	12,280
Total Liabilities and Owner's Equity	<u>-</u>	<u>37,517</u>

Statement Balances

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Moose Mountain Cafe
Break-Even Analysis Statement

Annual Fixed Costs:	\$	111,120
Cost of Sales as a Percent of Sales:		37.21%
Contribution Margin as a Percent of Sales:		<u>62.79%</u>
		100.00%
Break-Even Sales Calculation:	\$	<u>111,120</u>
		62.79%

Break-Even Sales in Dollars:	\$	176,969
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Financial Diagnostics

This sheet performs a few tests on your numbers to see if they seem within certain reasonable ranges. Remember, no computer can tell whether your projections are truly well-constructed, only a human can do that. But these tests can at least look for values that are critically out of range.

<u>Test Condition</u>		<u>Value</u>	<u>Findings:</u>
General Financing Assumptions:			
Owner's Injection into the Business	\$	10,000.00	Owner's Injection is adequate
Cash Request as Percent of Total Required Funds		5.00%	Cash request seems reasonable with total request
Loan Assumptions:			
Commercial Loan Interest Rate		11.00%	Interest rate seems reasonable
Commercial Loan Term in Months		60	Loan term seems within range for this type of loan
Commercial Mortgage Interest Rate		9.00%	Interest rate seems reasonable
Commercial Mortgage Term in Months		240	Loan term seems within range for this type of loan
Loan Payments as a Percent of Projected Sales		4.33%	Calculated loan payments as a percent of sales seem resonable
Income Statement:			
Gross Margin as a Percent of Sales		62.79%	Gross margin percentage seems reasonable
Owner's Compensation Lower Limit Check	\$	34,500.00	An owner's compensation amount has been established
Owner's Compensation Upper Limit Check		1513.30%	Owner's compensation may be too high relative to profitability of business
Advertising Expense Levels as a Percent of Sales		1.22%	Advertising as a percent of sales may be too low
Profitability Levels	\$	2,280	The business is showing a profit
Profitability as a Percent of Sales		1.26%	The projection does not seem highly unreasonable
Cash Flow Statement			
Desired Operating Cash Flow Levels	\$	-	The financial projection provides the desired level of cash flow
Line of Credit Drawdowns	\$	-	The business doesn't seem to require a line of credit
Accounts Receivable Ratio to Sales		0.00%	Accounts receivable amount as a percent of sales seems reasonable
Balance Sheet Statement			
Does the Base Period Balance Sheet Balance?		-	The balance sheet does balance
Does the Final Balance Sheet Balance?		-	The balance sheet does balance
Debt to Equity Ratios		2.06	The debt to equity ratio seems reasonable
Break-Even Analysis Statement			
Break-Even Levels	\$	3,631	The sales projection exceeds the projected break-even sales level

**Moose Mountain Cafe
Income Statements**

YEAR END SUMMARY

	Year 1	%	Year 2	%	Year 3	%
Income:						
Products	180,600		231,840		312,984	
Product / Service 2	-		-		-	
Product / Service 3	-		-		-	
Total Income	180,600	100.00%	231,840	100.00%	312,984	100.00%
Cost of Sales:						
Products	67,200		92,736		125,194	
Product / Service 2	-		-		-	
Product / Service 3	-		-		-	
Total Cost of Sales	67,200	37.21%	92,736	40.00%	125,194	40.00%
Gross Margin	113,400	62.79%	139,104	60.00%	187,790	60.00%
Salaries and Wages:						
Owner's Compensation	34,500		36,000		36,000	
Salaries	41,101		42,888		42,888	
Payroll Taxes	6,224		6,224		6,224	
Worker's Compensation	1,400		1,400		1,400	
Employee Benefit Programs	-		-		-	
Total Salaries and Wages	83,225	46.08%	86,512	37.32%	86,512	27.64%
Business Expenses:						
Advertising	2,200		2,400		2,400	
Car and Truck Expenses	-		-		-	
Credit Card Charges	-		-		-	
Insurance	3,000		3,000		3,000	
Legal and Accounting Fees	200		200		200	
Office Expenses	-		-		-	
Postage and Shipping	-		-		-	
Rent on Business Property	7,200		7,200		7,200	
Rent on Equipment	-		-		-	
Repairs	550		600		600	
Supplies	1,837		2,000		2,000	
Telephone	1,200		1,200		1,200	
Travel	-		-		-	
Utilities	4,800		4,800		4,800	
Miscellaneous Expenses	-		-		-	
Amortized Start-up Expenses	-		-		-	
Depreciation	3,843		3,843		3,843	
Total Business Expenses	24,830	13.75%	25,243	10.89%	25,243	8.07%
Less Interest Expense:						
Commercial Loan	3,065		2,514		1,899	
Commercial Mortgage	-		-		-	
Line of Credit	-		-		-	
Total Interest Expense	3,065	1.70%	2,514	1.08%	1,899	0.61%
Net Operating Profit	2,280		24,835		74,136	
Less: Income Taxes	-		-		-	
Net Operating Profit	2,280	1.26%	24,835	10.71%	74,136	23.69%

Moose Mountain Cafe
Financial Ratios

	Year 1	Year 2	Year 3
Liquidity			
Current Ratio	0.59	1.92	7.88
Quick Ratio	0.13	1.34	7.06
Safety			
Debt to Equity	2.06	0.54	0.13
Debt Coverage Ratio	0.24	1.44	5.57
Profitability			
Sales Growth	-	0.28	0.35
COGS to Sales	0.37	0.40	0.40
Gross Profit Margin	0.63	0.60	0.60
SG&A to Sales	0.60	0.48	0.36
Net Profit Margin	0.01	0.11	0.24
Return on Equity	0.19	0.67	0.67
Return on Assets	0.06	0.44	0.59
Owners Compensation to Sales	0.19	0.16	0.12
Efficiency			
Days in Receivables	-	-	-
Accounts Receivable Turnover	-	-	-
Days in Inventory	26.79	19.41	14.38
Inventory Turnover	13.44	18.55	25.04
Sales to Total Assets	4.81	4.06	2.50

Moose Mountain Cafe

YEAR 2 PROJECTED INCOME STATEMENT

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals	%
Income:														
Products	30,240	30,240	30,240	30,240	15,120	10,080	15,120	15,120	15,120	10,080	15,120	15,120	231,840	
Product / Service 2	-	-	-	-	-	-	-	-	-	-	-	-	-	
Product / Service 3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Income	30,240	30,240	30,240	30,240	15,120	10,080	15,120	15,120	15,120	10,080	15,120	15,120	231,840	100.00%
Cost of Sales:														
Products	12,096	12,096	12,096	12,096	6,048	4,032	6,048	6,048	6,048	4,032	6,048	6,048	92,736	
Product / Service 2	-	-	-	-	-	-	-	-	-	-	-	-	-	
Product / Service 3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cost of Sales	12,096	12,096	12,096	12,096	6,048	4,032	6,048	6,048	6,048	4,032	6,048	6,048	92,736	40.00%
Gross Margin	18,144	18,144	18,144	18,144	9,072	6,048	9,072	9,072	9,072	6,048	9,072	9,072	139,104	60.00%
Salaries and Wages:														
Owner's Compensation	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	
Salaries	3,574	3,574	3,574	3,574	3,574	3,574	3,574	3,574	3,574	3,574	3,574	3,574	42,888	
Payroll Taxes	519	519	519	519	519	519	519	519	519	519	519	519	6,224	
Worker's Compensation	117	117	117	117	117	117	117	117	117	117	117	117	1,400	
Employee Benefit Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Salaries and Wages	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	86,512	37.32%
Business Expenses:														
Advertising	200	200	200	200	200	200	200	200	200	200	200	200	2,400	
Car and Truck Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Credit Card Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	
Insurance	250	250	250	250	250	250	250	250	250	250	250	250	3,000	
Legal and Accounting Fees	17	17	17	17	17	17	17	17	17	17	17	17	200	
Office Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Postage and Shipping	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent on Business Property	600	600	600	600	600	600	600	600	600	600	600	600	7,200	
Rent on Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repairs	50	50	50	50	50	50	50	50	50	50	50	50	600	
Supplies	167	167	167	167	167	167	167	167	167	167	167	167	2,000	
Telephone	100	100	100	100	100	100	100	100	100	100	100	100	1,200	
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	
Utilities	400	400	400	400	400	400	400	400	400	400	400	400	4,800	
Miscellaneous Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Amortized Start-up Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation	320	320	320	320	320	320	320	320	320	320	320	320	3,843	
Total Business Expenses	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	25,243	10.89%
Less Interest Expense:														
Commercial Loan	231	227	224	220	216	212	208	204	199	195	191	187	2,514	
Commercial Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	
Line of Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Interest Expense	231	227	224	220	216	212	208	204	199	195	191	187	2,514	1.08%
Net Operating Profit	8,600	8,604	8,607	8,611	(457)	(3,477)	(449)	(445)	(440)	(3,460)	(432)	(428)	24,835	
Less: Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit (Loss)	8,600	8,604	8,607	8,611	(457)	(3,477)	(449)	(445)	(440)	(3,460)	(432)	(428)	24,835	10.71%

Moose Mountain Cafe

YEAR 2 PROJECTED CASH FLOW STATEMENT

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
Beginning Cash Balance	3,360	11,859	20,358	28,857	37,356	36,783	33,186	32,613	32,040	31,467	27,870	27,297	
Cash Inflows													
Income from Sales	30,240	30,240	30,240	30,240	15,120	10,080	15,120	15,120	15,120	10,080	15,120	15,120	231,840
Account Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Inflows	<u>30,240</u>	<u>30,240</u>	<u>30,240</u>	<u>30,240</u>	<u>15,120</u>	<u>10,080</u>	<u>15,120</u>	<u>15,120</u>	<u>15,120</u>	<u>10,080</u>	<u>15,120</u>	<u>15,120</u>	<u>231,840</u>
Cash Outflows													
Capital Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Sales	12,096	12,096	12,096	12,096	6,048	4,032	6,048	6,048	6,048	4,032	6,048	6,048	92,736
Salaries and Wages	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	86,512
Business Expenses	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	21,400
Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Payments	652	652	652	652	652	652	652	652	652	652	652	652	7,827
Line of Credit Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Outflows	<u>21,741</u>	<u>21,741</u>	<u>21,741</u>	<u>21,741</u>	<u>15,693</u>	<u>13,677</u>	<u>15,693</u>	<u>15,693</u>	<u>15,693</u>	<u>13,677</u>	<u>15,693</u>	<u>15,693</u>	<u>208,476</u>
Operating Cash Balance	<u>11,859</u>	<u>20,358</u>	<u>28,857</u>	<u>37,356</u>	<u>36,783</u>	<u>33,186</u>	<u>32,613</u>	<u>32,040</u>	<u>31,467</u>	<u>27,870</u>	<u>27,297</u>	<u>26,724</u>	
Line of Credit Drawdowns	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash Balance	<u>11,859</u>	<u>20,358</u>	<u>28,857</u>	<u>37,356</u>	<u>36,783</u>	<u>33,186</u>	<u>32,613</u>	<u>32,040</u>	<u>31,467</u>	<u>27,870</u>	<u>27,297</u>	<u>26,724</u>	

Line of Credit Balance

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Moose Mountain Cafe

Year 2 Pro Forma Balance Sheet

	End of Year One	End of Year Two
Assets		
Current Assets		
Cash	3,360	26,724
Accounts Receivable	-	-
Inventory	5,000	5,000
Prepaid Expenses	4,500	4,500
Other Current	2,000	2,000
Total Current Assets	14,860	38,224
Fixed Assets		
Improvements	5,000	5,000
Furniture and Fixtures	1,000	1,000
Equipment	20,500	20,500
Real Estate	-	-
Buildings	-	-
Other Fixed	-	-
Total Fixed Assets	26,500	26,500
Less: Accumulated Depreciation	3,843	7,686
Total Assets	<u>37,517</u>	<u>57,038</u>
Liabilities and Owner's Equity		
Liabilities		
Accounts Payable	-	-
Notes Payable	25,237	19,924
Mortgage Payable	-	-
Line of Credit Balance	-	-
Total Liabilities	25,237	19,924
Owner's Equity		
Common Stock	10,000	10,000
Retained Earnings	2,280	27,115
Total Owner's Equity	12,280	37,115
Total Liabilities and Owner's Equity	<u>37,517</u>	<u>57,038</u>

Statement Balances

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Moose Mountain Cafe

YEAR 3 PROJECTED INCOME STATEMENT

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals	%
Income:														
Products	40,824	40,824	40,824	40,824	20,412	13,608	20,412	20,412	20,412	13,608	20,412	20,412	312,984	
Product / Service 2	-	-	-	-	-	-	-	-	-	-	-	-	-	
Product / Service 3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Income	40,824	40,824	40,824	40,824	20,412	13,608	20,412	20,412	20,412	13,608	20,412	20,412	312,984	100.00%
Cost of Sales:														
Products	16,330	16,330	16,330	16,330	8,165	5,443	8,165	8,165	8,165	5,443	8,165	8,165	125,194	
Product / Service 2	-	-	-	-	-	-	-	-	-	-	-	-	-	
Product / Service 3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cost of Sales	16,330	16,330	16,330	16,330	8,165	5,443	8,165	8,165	8,165	5,443	8,165	8,165	125,194	40.00%
Gross Margin	24,494	24,494	24,494	24,494	12,247	8,165	12,247	12,247	12,247	8,165	12,247	12,247	187,790	60.00%
Salaries and Wages:														
Owner's Compensation	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	
Salaries	3,574	3,574	3,574	3,574	3,574	3,574	3,574	3,574	3,574	3,574	3,574	3,574	42,888	
Payroll Taxes	519	519	519	519	519	519	519	519	519	519	519	519	6,224	
Worker's Compensation	117	117	117	117	117	117	117	117	117	117	117	117	1,400	
Employee Benefit Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Salaries and Wages	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	86,512	27.64%
Business Expenses:														
Advertising	200	200	200	200	200	200	200	200	200	200	200	200	2,400	
Car and Truck Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Credit Card Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	
Insurance	250	250	250	250	250	250	250	250	250	250	250	250	3,000	
Legal and Accounting Fees	17	17	17	17	17	17	17	17	17	17	17	17	200	
Office Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Postage and Shipping	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent on Business Property	600	600	600	600	600	600	600	600	600	600	600	600	7,200	
Rent on Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repairs	50	50	50	50	50	50	50	50	50	50	50	50	600	
Supplies	167	167	167	167	167	167	167	167	167	167	167	167	2,000	
Telephone	100	100	100	100	100	100	100	100	100	100	100	100	1,200	
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	
Utilities	400	400	400	400	400	400	400	400	400	400	400	400	4,800	
Miscellaneous Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Amortized Start-up Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation	320	320	320	320	320	320	320	320	320	320	320	320	3,843	
Total Business Expenses	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	2,104	25,243	8.07%
Less Interest Expense:														
Commercial Loan	183	178	174	170	165	161	156	152	147	142	138	133	1,899	
Commercial Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	
Line of Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Interest Expense	183	178	174	170	165	161	156	152	147	142	138	133	1,899	0.61%
Net Operating Profit	14,999	15,003	15,007	15,012	2,769	(1,309)	2,778	2,783	2,787	(1,291)	2,796	2,801	74,136	
Less: Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit (Loss)	14,999	15,003	15,007	15,012	2,769	(1,309)	2,778	2,783	2,787	(1,291)	2,796	2,801	74,136	23.69%

Moose Mountain Cafe

YEAR 3 PROJECTED CASH FLOW STATEMENT

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
Beginning Cash Balance	26,724	41,573	56,423	71,272	86,122	88,724	87,244	89,846	92,448	95,050	93,570	96,172	
Cash Inflows													
Income from Sales	40,824	40,824	40,824	40,824	20,412	13,608	20,412	20,412	20,412	13,608	20,412	20,412	231,840
Account Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Inflows	40,824	40,824	40,824	40,824	20,412	13,608	20,412	20,412	20,412	13,608	20,412	20,412	312,984
Cash Outflows													
Capital Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Sales	16,330	16,330	16,330	16,330	8,165	5,443	8,165	8,165	8,165	5,443	8,165	8,165	125,194
Salaries and Wages	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	86,512
Business Expenses	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	1,783	21,400
Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Payments	652	652	652	652	652	652	652	652	652	652	652	652	7,827
Line of Credit Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Line of Credit Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Outflows	25,975	25,975	25,975	25,975	17,810	15,088	17,810	17,810	17,810	15,088	17,810	17,810	240,934
Operating Cash Balance	41,573	56,423	71,272	86,122	88,724	87,244	89,846	92,448	95,050	93,570	96,172	98,775	
Line of Credit Drawdowns	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash Balance	41,573	56,423	71,272	86,122	88,724	87,244	89,846	92,448	95,050	93,570	96,172	98,775	

Line of Credit Balance

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Moose Mountain Cafe

Year 3 Pro Forma Balance Sheet

	End of Year Two	End of Year Three
Assets		
Current Assets		
Cash	26,724	98,775
Accounts Receivable	-	-
Inventory	5,000	5,000
Prepaid Expenses	4,500	4,500
Other Current	2,000	2,000
Total Current Assets	38,224	110,275
Fixed Assets		
Improvements	5,000	5,000
Furniture and Fixtures	1,000	1,000
Equipment	20,500	20,500
Real Estate	-	-
Buildings	-	-
Other Fixed	-	-
Total Fixed Assets	26,500	26,500
Less: Accumulated Depreciation	7,686	11,529
Total Assets	<u>57,038</u>	<u>125,245</u>
Liabilities and Owner's Equity		
Liabilities		
Accounts Payable	-	-
Notes Payable	19,924	13,995
Mortgage Payable	-	-
Line of Credit Balance	-	-
Total Liabilities	19,924	13,995
Owner's Equity		
Common Stock	10,000	10,000
Retained Earnings	27,115	101,251
Total Owner's Equity	37,115	111,251
Total Liabilities and Owner's Equity	<u>57,038</u>	<u>125,245</u>

Statement Balances

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