



Coffee Roaster

BUSINESS PLAN

VENEZIA COFFEE ROASTERS

14600 Waterfront Drive
Kennebunk, ME 04043

Two seasoned coffee roasters found their niche in a seemingly saturated market. This plan illustrates that their specialty lies not only in their roasting methods, but also in their socially responsible business practices. Their mission is to balance the needs of their customers, their environment and the coffee growers. Venezia Coffee Roasters' detailed financial tables showcase the preparation needed to make them a competitive small batch coffee roaster in the New England region.

- STATEMENT OF PURPOSE
- DESCRIPTION OF BUSINESS
- GOALS AND OBJECTIVES
- MANAGEMENT
- PRODUCT AND SERVICE
- SPACE, EQUIPMENT AND LOCATION
- MARKET INFORMATION/MARKETING
- COMPETITION
- FINANCIAL DATA

STATEMENT OF PURPOSE

Venezia Coffee Roasters seeks loans totaling \$56,000 to: purchase equipment and inventory, rent working space, and perform the necessary renovations and improvements, and provide adequate working capital. This sum, together with an additional \$23,000 investment from friends and family, will be sufficient to launch a profitable small-batch gourmet coffee roasting company. The initial form of organization will be sub-chapter "S" with a buy-sell agreement among the founders. The company's mission is to be known as the premiere small-batch coffee roasting wholesalers in southern Maine.

We have over two years experience in the specialty coffee roasting business. Venezia coffees will include only the best ingredients roasted to perfection with pride and careful attention to detail. Venezia's service will be unparalleled offering weekly interaction with its customers. Venezia will guarantee seven-day-a-week maintenance and repair service. Not only will our packaging be environmentally sensitive but it will ensure optimum freshness which surpasses our competitors. In keeping with our environmental ethics, Venezia will be the only roaster in Maine to employ an afterburner to reduce the air pollutants normally associated with the roasting process. Venezia will be able to offer all these advantages and remain competitively priced.

With the ever increasing demand for specialty coffee, Venezia will fill a specific niche in the market. Venezia coffees will appeal to the discerning coffee drinkers who insist on quality, consistency and affordability. Venezia coffee roasting company will be successful due to steady growth with profitability by the third year



accomplished by providing a superior coffee with unequalled service to our customers.

How did we choose the name Venezia? Venezia draws on the Italian influence and history in specialty coffees. It lends itself well to a more sophisticated audience such as our target market.

DESCRIPTION OF BUSINESS

Venezia Coffee Roasting Company will small-batch roast only the finest, top grade beans from around the world. Careful attention will be paid to all stages of the product's development, beginning with purchasing the highest quality beans. We will small-batch roast to assure the optimum peak of flavor when roasted. We will blend coffees which complement each other in acidity and body. We will flavor coffees using the best available extracts and flavorings. State-of-the-art packaging will be used to assure a long shelf life (approximately one year) and attractive and informative labeling will be used to entice and educate the consumer about our product.

Our concern is that we be as environmentally conscious as possible. We will use an afterburner on the roaster to reduce the amount of air pollutants normally associated with the roasting process. Our packaging will be recyclable or made from recycled materials. Our packing material too will be recycled.

We will become involved with the Coffee Children Association to help promote a greater return, financially, to the countries from which the coffee originates.

We want to have a working environment that promotes a feeling of pride and enthusiasm.

Venezia will target four markets:

- Retail Specialty Shops - Gourmet, Gift
- Coffee Brewing Establishments - Bakeries, Coffee Shops, Restaurants
- Mail order
- Office Coffee - Schools, Offices

We will provide coffee to the discerning coffee drinkers. We will be environmentally and socially conscious which will appeal to that same market. We will provide the necessary brewing, grinding and display equipment for the relevant businesses. We will contact a roasters' authorized repair service company to provide the maximum service for that equipment. We will deliver weekly to provide the end user with the freshest product possible. We will place the expiration date on each bag to further insure freshness. We will roast only what we will sell within that week.

Each account at Venezia will enjoy seven-day-a-week service for all mechanical concerns. Along with the regular weekly contacts with each account by our sales representative Venezia will have a service contract set up with CSX of Portland, Maine, to cover weekends and holidays.

GOALS AND OBJECTIVES

As a seed company, Venezia has secured six accounts averaging 300 pounds per week. Our goal is to close ten accounts by the end of the first year. The total amount of sales per week will be 500 pounds or better. We will do a mailing in the Portland area offering introductory specials to give our name exposure and to entice consumers. We will participate in as many community functions as we can possibly handle in an effort to get name recognition and to educate the consumer about our coffee. Initially, tastings in all retail locations will be held regularly. A mailing for office coffee will be sent to surrounding schools and offices. We will capture some of the Christmas business at the gift shops by offering one-pot portions, ground and whole bean, which sell well in customized gift baskets. We will increase our sales by the end of the second year by approximately ten percent. Our name will have greater recognition by that time providing us with more referrals. By the end of year two we will be able to offer our own gift boxes and baskets for all occasions. We will target several of the



surrounding businesses for their Christmas gift business. We will increase business by another 250 pounds per week by the end of the third year. At this time we will have hired an additional sales/delivery person to reach that goal through all the avenues previously described. Special emphasis will be placed on capturing corporate gift business.

MANAGEMENT

Both Maria and Jennifer hold college degrees. Maria owned and operated a successful house painting business for five years. She has strong production skills. Jennifer was head chef and kitchen manager at Pineland Farm Restaurant for six and a half years. She has strong organizational skills. Both Maria and Jennifer have over two years cumulative coffee roasting experience. Jennifer was manager of sales and production at Pawtucket Coffee Roasting Company. Maria was the coffee roaster for ten months at the same place. While employed at P.C.R. both Maria and Jennifer learned all of the different facets of running a coffee roasting wholesale business. Within the fifteen months that Jennifer was manager of P.C.R. she tripled sales, bringing sales up to an average of 750 pounds per week. Maria and Jennifer attend Specialty Coffee Association of America Seminars when possible. They confer with experts such as John Collers, President of the Coffee Association and owner of Collers Office in New York City, and Daniel Krull, owner of Sam Coffee Company in Brooklyn, New York. Jennifer is an active member of the East Coast Women's Network and uses that organization as a business resource. Kim Bonn, office manager of Cromwell Financial Services in Portsmouth, NH, consults with both Maria and Jennifer. Don Shute, a retired executive of IBM and EDS also consults with both women. Both Maria and Jennifer have a working knowledge of IBM and Apple Computers. They have taken adult education classes to better familiarize themselves with these platforms. They feel confident, since they have already successfully run a coffee roasting business, that they can make Venezia a profitable and long lasting business in the area.

We have the required technical and marketing skills to get this company up and running. We have experience in ordering, roasting (production), delivery and most importantly, sales. We anticipate hiring one or two employees in year three. The first position would be as a sales/delivery person. We will split the work duties as it demands. Maria will primarily be responsible for the production end and Jennifer for the service and sales end. Each will fill-in where necessary. Bookkeeping will be shared. We have hired Karen Allen, an enrolled agent to handle taxes, and general accounting-strictly part time. We will consult with lawyers concerning incorporating issues.

Maria and Jennifer have worked together for the past two years in varying degrees. They share similar philosophies about work and life and have discussed in depth where they envision Venezia to go and how it will get there. Between us we have the necessary labor skills. When it comes time to hire new employees we feel confident we can train for any position. We continue to further our skills and knowledge by attending roasting and cupping seminars given by John Ewell, president of the Coffee Corner in Boston, MA.

PRODUCT & SERVICE

We will offer coffee roasted weekly to locations within the New England area. We will offer numerous varieties, blends, and flavored coffees along with nearly as many decaffeinated coffees and blends. Our product will be packaged in an airtight, heat-sealed, one-way air valve, polypropylene bag which will either be produced from recycled plastic or be recyclable. The bags will be hand stamped. Labeling will include information concerning contents about artificial and natural flavorings, origin of beans, and type of roast. Each bag will be freshness dated. We will give our suggestions for best brewing and storage. We will offer one pot portion bags along with half-pound, one-pound and five-pound bags. For brewing establishments we will provide brewers which we will install, maintain and repair as needed. We will offer promotional items such as tee shirts, paper cups, ceramic mugs, travel mugs, home grinders, French press pots, bumper stickers, etc. We will offer a money back guarantee. If for any reason the customer is dissatisfied with our product they need



only return the unused portion and we will refund all their money.

Our product is extremely reliable, and safe. Any pesticides or residues from the decaffeination process are burned off in the roasting process.

With all the careful attention paid throughout the development of our product we know that Venezia coffee will yield the best cup of coffee for the end user. Freshness will be our number one concern. We are proud to be a Maine based company and feel it should add to the overall appeal of our product.

We feel that we have developed our product experience during our employment at our packaging, will be radically different from that of P.C.R.'s. Although we have not yet tested this new packaging we know through reading and observing the competition that it will be the future of packaging. We will be using a different kind of roaster than our competition, however, the process will be similar. We are confident that the roasting experience we have will translate to this other kind of roaster. As part of the service provided upon purchasing the roaster we will receive training on the new machine.

Responsibilities

Jennifer will contact each account early in the week to determine amounts and types of varieties to be roasted. Maria would then roast the coffee for those orders, blend, flavor and package the product. Then Jennifer will deliver via a delivery vehicle within the three day turnover that we allow to process an order. Orders that would fall outside of the hundred mile radius will be delivered by UPS.

Once the plant is fully equipped with the roaster we will start production immediately. Generally it takes about three hours to fill an order from raw bean to packaged product. We have five standing accounts waiting for our production facilities to open.

Jennifer will be purchasing the beans, enabling her to have a first hand knowledge of what will be roasted. A small-batch roaster, such as the one we will be using will allow us to keep a close eye on the development of the bean during the roasting process. Each varietal and each crop within that varietal has a different moisture content. It is that water content that determines the amount of roasting time needed. Since we will not have an automated roaster we will be able to adjust each roast accordingly, yielding an even roast which has been allowed to develop to its optimum flavor peak.

Coffee roasting is an exciting and wonderful process. It is simple in theory. The beans must be heated, kept moving so no burning or tipping occurs, and they must be cooled, or quenched at the precise moment to stop the roasting process. Under-roasted coffee tastes pasty, coffee roasted too long and at too high a temperature will be thin-bodied, burned and industrial-flavored. The roaster that we will be using has a drum which rotates above a gas flame. Typically the air in the drum will be heated to about 500 degrees fahrenheit and by manipulating the air flow the temperature can be steadily maintained throughout the roasting process. For the first five minutes or so the beans will tumble around and lose water weight which accounts for the 15%-18% total weight loss. When the internal gases in the beans heat up and the pressure becomes too much for the bean, they will explode creating the first of two snapping sounds heard during the process. Later when the internal temperature of the bean reaches about 400 degrees fahrenheit, the oils in the beans will begin to develop, a process known as pyrolysis. The beans will then begin to show a marked darkening in color and the second snapping will be heard. Allowing a small amount of time for the beans to cool, they will then be emptied into a metal bin where they will be air cooled. The last few minutes of the process can make the difference between a full city roast, a French roast, an espresso roast, or sadly, a worthless roast. By roasting as close to that amount which is actually ordered each week we will be able to maintain the freshness factor. By expiration dating the bags, we will be able to rotate stock accordingly.

Coffee beans can be bought through a number of brokers. There are ports in New York, Louisiana, and California. We will be using Express Freight Service, Inc. for delivery of the beans from port to our business. The average turn around time for delivery of beans is five working days. Labels, flavorings and most other supplies can all be delivered within ten working days. The initial printing of any advertising or labels will take



longer to allow time for proofing, but once it is all set up delivery time is reasonable. We will have all the basic printed material ready to go before we open for business.

Orders will generally be delivered in the delivery vehicle, or by UPS. We will have routes to cover the various areas. Generally Jennifer will make the deliveries, since she will be acting as the sales representative. In so doing she can field any questions or problems the customers might have on a weekly basis. While making deliveries she can make sales calls along the way to try and increase the volume for those routes.

Venezia understands the importance of a good working relationship between ourselves and our customers. The service begins the moment we introduce and educate the consumer about our product. We are willing to customize our displays and equipment to accommodate the different space limitations and needs of each customer. We feel it is important to give the customer a working knowledge of specialty coffee and the specific brewing equipment they will be using.

In whole bean retail locations we will conduct regular tastings to introduce our product and educate the end user. We will offer attractive and informative promotional items and strategies to help establish a new customer base for the retailers.

Venezia knows that any down time for our customers due to mechanical problems of our equipment can be expensive for both parties. Venezia will have a regular maintenance program in place to troubleshoot and predict possible problems and take appropriate precautions. In the event that a mechanical problem does arise Venezia's service contract with a Conley authorized repair company will insure prompt attention to and resolution of the problem. In addition to the service contract with Conley, Venezia will employ back-up brewers as a temporary solution. Either way our customers will be provided with round-the-clock service. This service coverage is unrivaled by our local competitors.

Each week the sales representative from Venezia will contact each account not only to take orders but also to field any questions, promote new products and listen for problems.

SPACE, EQUIPMENT AND LOCATION

Space

Initially we would need the space provided by a two car garage (approximately 320 square feet). We would need plumbing with a two bay sink. We would need a gas hook-up, and the ability to vent a six inch pipe. We would require zoning for light industrial.

Equipment

We will need a small batch roaster with an afterburner, scales, a delivery vehicle, shelves, work tables, a telephone, a computer, seven brewers, five grinders, a heat sealer, and office furniture.

Location

We are considering another location somewhere between Portland and Acadia, Maine. We would prefer easy access to the main freeway. The location needs to be zoned for light manufacturing. We have looked at a place which fills all of our criteria while meeting our budget qualifications.

MARKET INFORMATION/MARKETING

The trend in the coffee business now supports Venezia's plan. A big emphasis on gourmet and specialty coffees has been increasing and is reflected in a rapid increase of coffee shops. The West Coast's influence on the coffee market has effected consumer's appreciation of fine coffees making super-market coffees much less



appealing. This statement is supported by various newspaper and trade journal articles.

Coastal Coffee Company, which has enjoyed huge success on the West Coast, has recently shown interest in expanding their operations to the East Coast (Boston) thus supporting our conclusion that the gourmet coffee trend is here to stay.

For servicing reasons we will initially focus on the local market, that would encompass an area of approximately one hundred miles in radius extending from mid-coast Maine to the Vermont/New Hampshire border and south to the southern metropolitan Boston area. Over time we will target regional and national markets through a mail-order strategy.

Like some of our competitors we will be using the finest beans and flavorings available. It would be senseless to invest all the time and money into such a fine product and then not protect it. That is why Venezia's one-half-pound, and one-pound bags are constructed of high barrier laminates with a one-way air valve to allow the natural by product gas, carbon dioxide, to escape while preventing oxygen, and water contaminates from entering. The bags are heat-sealed but can be easily opened and have resealable zippers. All of these features combined will lengthen the shelf life appreciably. Typically the shelf life of coffee stored in the popular, less expensive, plastic-lined, paper bags only retain their freshness for about six weeks. Venezia's packaging will extend the shelf life to a full year. None of the other local roasters offers such packaging. From a retail perspective, the bag will retain a cleaner appearance over time since no natural oils will seep through and stain the bag.

Venezia's labeling will be very informative, offering advice on brewing and storing techniques as well as describing the type of beans, the flavoring extracts, and the type of roast. Unlike our competitors our coffees will have an expiration date affixed to each bag. This added information will further guarantee freshness to the end user.

In this time of environmental awareness we are proud to be able to offer state-of-the-art packaging that uses 80% less material in its production while offering the consumer a reusable container.

Venezia Target Markets

Primary Markets

1. High volume coffee brewing establishments
 1. Bakeries
 2. Donut Shops
 3. Restaurants
2. Specialty food shops
 1. Gourmet Food Shops
 2. Upper-End Gift Shops

Secondary Markets

1. Offices with an average of twenty five employees
2. Mail Order

Market Description

Venezia will operate in the southern Maine area targeting high volume upper-end bakeries, restaurants, and specialty food shops. The geographic area includes coastal New Hampshire, and southern Maine. As quoted from "The Basis Business and Industry Profile of Specialty Coffee House/Cafes" supplied by Cleveland State University, "according to a recent National Association of the Specialty Food Trade (NASFT) report on the specialty food consumer, gourmet coffee consumers are an educated, affluent group. Overall, 22.1% of



Americans purchased specialty coffee. Most gourmet coffee consumers live or work in large urban communities. However, their most significant attribute is education level. Persons with some college education are 11% above average in their consumption of gourmet coffee. Consumers that have completed college are 49% above average in their consumption. Since education is highly correlated to income, it is not surprising that specialty coffee consumers earn above average salaries. Most specialty coffee consumers are affluent, earning above \$35,000 per year." We contacted the Bureau of Census whose latest statistics show that the median family income in Portland, ME. is \$34,837 and \$34,344 in Portsmouth, NH. The percentage of people holding Bachelor's degrees or more in Portland, ME is 29.6 and in Portsmouth, NH is 26.6. According to a researcher for the Maine State Department of Tourism, their major target market is people over fifty five, college educated, and earning over \$55,000 per year. This influx of consumers of this profile increases our target market pool.

COMPETITION

Our direct competitors are Pawtucket Coffee Roasting Company in Jamesville, ME, Colling Roasters, in Portsmouth, NH. Also breaking new ground is Mecca Coffee Roasting Company, in Portland, ME and to some extent, Valley Coffee Roasting Company, in Stowe, VT.

Since Venezia is the newest coffee roasting company we obviously lack the name recognition that all the other competitors now enjoy. However, to our advantage, we have learned from them the crucial importance of producing consistent high quality products and delivering superior service. We model ourselves after Coast Coffee Company because they insist on using only the best grade beans with careful attention to every other aspect of the coffee roasting and distribution process. It is evident in all their marketing that they are constantly aware of the value of their excellent image and reputation.

The small roasting companies in this area with whom we are in direct competition have taught us the importance of the service end of the coffee roasting business. It is not enough to produce a good coffee. It is imperative to pay close attention to the needs of the retailers, and to the consumer.

Valley Coffee Roasting Company has shown us how quickly a company can expand. They effectively canvassed the entire New England area. There is hardly a person in the New England area who has not heard of Valley Coffee. Valley was once the exclusive coffee drinkers' coffee, now you can get a cup in any Mobil Gas Station or convenience store in New England. The fallout from their indiscriminate expansion has given companies such as Venezia a new niche to fill. Venezia will offer a quality specialty coffee for retailers catering to a more sophisticated and informed audience. In light of the rapidly expanding specialty coffee market and although there are several coffee roasters in the immediate area there still remains a void Venezia can fill. Our goal is to produce a consistent high quality product and provide our customers with reliable, friendly, and expedient service. We want to protect our image and so we will be discerning about the establishments with whom we will do business. We will have written guidelines to ensure that our image is that of a reliable coffee roaster. Venezia will operate as an environmentally and socially responsible company. We will use an afterburner in the roasting process to reduce air pollutants, a step which none of the aforementioned local competitors have taken. We will recycle and re-use any product possible in producing and shipping our coffee. We will not compromise on quality to reduce costs, that would defeat our mission.

Venezia plans a controlled, and methodical, growth process. In our gradual growth we will be able to fully integrate each new business into ours with as much attention as may be needed without having to sacrifice service to the existing accounts. It has been to our benefit to watch Valley Coffee Roasting Company expand too quickly and show us the downside of unbridled growth.



FINANCIAL DATA

Capital Equipment List

Roaster and Afterburner San Franciscan SF 25B	
Continuous Roaster	\$26,000.00
Used Delivery Vehicle	\$3,000.00
Computer	\$2,000.00
Heat Sealer	\$200.00
Grinder(3-Used)	\$1,050.00
Grinder(2-New)	\$1,400.00
STF-35 Brewers(5)	\$2,225.00
CWTF Dual Brewer(1)	\$700.00
RTF5 Warmer(1)	\$600.00
Dual D Brewer System	\$1,422.00
RWS1 Warmer Stand(2)	\$150.00
1.5 GPR Server(2)	\$328.00

Roaster and Afterburner

San Franciscan SF 25B

Continuous Roaster	\$26,000.00
Used Delivery Vehicle	\$3,000.00
Computer	\$2,000.00
Heat Sealer	\$200.00
Grinder (3-Used)	\$1,050.00
Grinder (2-New)	\$1,400.00
STF-35 Brewers (5)	\$2,225.00
CWTF Dual Brewer (1)	\$700.00
RTF 5 Warmer (1)	\$600.00
Dual D Brewer System	\$1,422.00
RWS1 Warmer Stand (2)	\$150.00
1.5 GPR Server (2)	\$328.00



Breakdown of Variable and Fixed Costs

Cost of Goods = Raw Beans (Variable Quotes Given August 30, 1994)	
(3) Colombian Supremo	\$2.50
(2) Costa Rican Tarrazu	\$2.63
(.5) Ethiopian Yirgacheffe	\$3.25
(1) Sumatra Mandheling	\$3.30
(.5) Kenya AA	\$2.85
(2) Decaf Colom. Meth. Dichlor.	\$2.66
(1) Decaf. Sumat. Meth. Dichlor.	\$3.42
Average Cost Per Pound (Raw)	
(Based on Average 10 Pounds we Anticipate Sell)	\$2.79
(Based on 18% Shrinkage) Average Cost Per Pound	\$3.29
+Pick Up Charges	\$300.00
+Bags 1/2 Pound (Riley & Geehr)	\$0.26
1 Pound	\$0.32
5 Pound (Lamcor)	\$0.35
Average Cost Per Pound	\$0.31
+Labels 3 Inches by 5 Inches	
Two Colors	\$0.06
+Flavoring (Per Gallon)	
Hazelnut	\$129.00
Caramel Nut	\$185.00
Chocolate	\$119.00
Vanilla	\$75.00
Cinnamon	\$72.00
Southern Pecan	\$89.00
Orange	\$57.00
Irish Creme	\$94.00
Macadamia Nut	\$48.00
Mint	\$53.00
Salaries Per Month for Two Employees at \$5.00 HR	
Year One	\$1,600.00
Per Month for Two Employees at \$8.00 HR	
Year Two	\$2,560.00
Per Month Two at \$10 HR and one Part Time at \$7 HR	
Year Three	\$3,760.00
Rent/Utilities/Insurances/Average Per Mo.	
Rent	\$400.00
*Electricity	\$90.00
*Water	\$20.00
*Telephone	\$20.00
*Car Gas	\$80.00
*Propane/Refriger	\$75.00
Health Insurance	\$200.00
Car Insurance	\$50.00
Business Insurance	\$75.00
Total	\$1,190.00

Cost of Goods = Raw Beans (Variable Quotes Given August 30, 1994)

(3) Colombian Supremo	\$2.50
(2) Costa Rican Tarrazu	\$2.63
(.5) Ethiopian Yirgacheffe	\$3.25
(1) Sumatra Mandheling	\$3.30
(.5) Kenya AA	\$2.85
(2) Decaf Colom. Meth. Dichlor.	\$2.66
(1) Decaf. Sumat. Meth. Dichlor.	\$3.42
Average Cost Per Pound (Raw)	
(Based on Average 10 Pounds we Anticipate Sell)	\$2.79
(Based on 18% Shrinkage) Average Cost Per Pound	\$3.29
+Pick Up Charges	\$300.00
+Bags 1/2 Pound (Riley & Geehr)	\$0.26
1 Pound	\$0.32
5 Pound (Lamcor)	\$0.35
Average Cost Per Pound	\$0.31
+Labels 3 Inches by 5 Inches	
Two Colors	\$0.06
+Flavoring (Per Gallon)	
Hazelnut	\$129.00
Caramel Nut	\$185.00
Chocolate	\$119.00
Vanilla	\$75.00
Cinnamon	\$72.00



Southern Pecan	\$89.00
Orange	\$57.00
Irish Creme	\$94.00
Macadamia Nut	\$48.00
Mint	\$53.00
Salaries Per Month for Two Employees at \$5.00/HR	
Year One	\$1,600.00
Per Month for Two Employees at \$8.00/HR	
Year Two	\$2,560.00
Per Month Two at \$10/HR and one Part Time at \$7/HR	
Year Three	\$3,760.00
Rent/Utilities/Insurances/Average Per Mo.	
Rent	\$400.00
*Electricity	\$90.00
*Water	\$20.00
*Telephone	\$200.00
*Car Gas	\$80.00
*Propane/Roaster	\$75.00
Health Insurance	\$200.00
Car Insurance	\$50.00
Business Insurance	\$75.00
Total	\$1,190.00

Monthly Breakdown of Cost of Goods Year One

*Raw Bean Quotes Given as of Sept. 1, 1994

Colombian Supremo 154 lb. bag \$2.50 lb. Total \$385.00
 Costa Rican 132 lb. bag \$2.63 lb total \$347.00
 Ethiopian 132 lb bag \$3.25 lb Total \$429.00
 Kenya AA 154 lb bag \$2.85 lb Total \$440.00
 Sumatra Mandehling 132 lb bag \$3.30 lb Total \$435.00
 Decaf Colombian (Meth. Chlor.) 132 lb bag \$2.66 lb Total \$351.00
 Decaf Costa Rican (Meth. Chlor.) 132 lb bag \$3.03 lb Total \$400.00
 Decaf Sumatra Mandehling (Swiss Water) 132 lb bag \$3.42 lb Total \$452.00

Pre-Start-Up

4 Colombian	\$1,540.00	Total Cost of Beans	\$5,527.00
2 Costa Rican	\$694.00	Total Cost Bags & Flav.	\$1,198.00
1 Ethiopian	\$429.00	Pick Up Charges	\$300.00
1 Kenya AA	\$440.00	Total Cost of Goods	\$7,805.00
2 Sumatra	\$870.00		
2 DecafColomb.	\$702.00		
1 Decaf Costa Rica	\$400.00		
1 DecafSumatran	\$452.00		
	\$5,527.00		

Pre-Start-Up

4 Colombian	\$1,540.00	Total Cost of Beans	\$5,527.00
2 Costa Rican	\$694.00	Total Cost Bags & Flav.	\$1,198.00
1 Ethiopian	\$429.00	Pick Up Charges	\$300.00



Pre-Start-Up

1 Kenya AA	\$440.00	Total Cost of Goods	\$7,805.00
2 Sumatra	\$870.00		
2 Decaf Colomb.	\$702.00		
1 Decaf Costa Rica	\$400.00		
1 Decaf Sumatran	\$452.00		
	\$5,527.00		

February

5 Colombian	\$1,925.00	Total Cost of Beans	\$3,668.00
3 Costa Rican	\$1,041.00	Total Cost Bags & Flav.	\$175.00
2 Decaf Colombian	\$702.00	Pick Up Charges	\$300.00
	\$3,668.00	Total Cost of Goods	\$4,143.00

February

5 Colombian	\$1,925.00	Total Cost of Beans	\$3,668.00
3 Costa Rican	\$1,041.00	Total Cost Bags & Flav.	\$175.00
2 Decaf Colombian	\$702.00	Pick Up Charges	\$300.00
	\$3,668.00	Total Cost of Goods	\$4,143.00

March

5 Colombian	\$1,925.00	Total Cost of Beans	\$6,441.00
3 Costa Rican	\$1,041.00	Total Cost Bags & Flav.	\$435.00
2 Sumatran	\$870.00	Pick Up Charges	\$300.00
3 Decaf Colomb.	\$1,053.00	Total Cost of Goods	\$6,876.00
2 Decaf Costa Rica	\$800.00		
1 Decaf Sumatran	\$452.00		
	\$6,141.00		

March

5 Colombian	\$1,925.00	Total Cost of Beans	\$6,441.00
3 Costa Rican	\$1,041.00	Total Cost Bags & Flav.	\$435.00
2 Sumatran	\$870.00	Pick Up Charges	\$300.00
3 Decaf Colomb.	\$1,053.00	Total Cost of Goods	\$6,876.00
2 Decaf Costa Rica	\$800.00		
1 Decaf Sumatran	\$452.00		
	\$6,141.00		

April

5 Colombian	\$1,925.00	Total Cost of Beans	\$5,283.00
3 Costa Rican	\$1,041.00	Total Cost Bags & Flav.	\$735.00
1 Ethiopian	\$429.00	Pick Up Charges	\$300.00
1 Sumatran	\$435.00	Total Cost of Goods	\$6,318.00
3 Decaf Colomb.	\$1,053.00		
1 Decaf Costa Rica	\$400.00		

April

5 Colombian	\$1,925.00	Total Cost of Beans	\$5,283.00
3 Costa Rican	\$1,041.00	Total Cost Bags & Flav.	\$735.00
1 Ethiopian	\$429.00	Pick Up Charges	\$300.00
1 Sumatran	\$435.00	Total Cost of Goods	\$6,318.00
3 Decaf Colomb.	\$1,053.00		
1 Decaf Costa Rica	\$400.00		



May

6 Colombian	\$2,310.00	Total Cost of Beans	\$5,283.00
3 Costa Rican	\$1,041.00	Total Cost Bags & Flav.	\$498.00
1 Sumatran	\$435.00	Pick Up Charges	\$300.00
2 Decaf Colomb.	\$702.00	Total Cost of Goods	\$6,318.00
1 Decaf Costa Rica	\$400.00		
1 Decaf Sumatran	\$452.00		
	\$5,283.00		

May

6 Colombian	\$2,310.00	Total Cost of Beans	\$5,283.00
3 Costa Rican	\$1,041.00	Total Cost Bags & Flav.	\$498.00
1 Sumatran	\$435.00	Pick Up Charges	\$300.00
2 Decaf Colomb.	\$702.00	Total Cost of Goods	\$6,318.00
1 Decaf Costa Rica	\$400.00		
1 Decaf Sumatran	\$452.00		
	\$5,283.00		

June

7 Colombian	\$2,695.00	Total Cost of Beans	\$6,015.00
3 Costa Rican	\$1,041.00	Total Cost Bags & Flav.	\$932.00
1 Kenya AA	\$440.00	Pick Up Charges	\$300.00
1 Sumatran	\$435.00	Total Cost of Goods	\$7,247.00
4 Decaf Colomb.	\$1,404.00		
	\$6,015.00		

June

7 Colombian	\$2,695.00	Total Cost of Beans	\$6,015.00
3 Costa Rican	\$1,041.00	Total Cost Bags & Flav.	\$932.00
1 Kenya AA	\$440.00	Pick Up Charges	\$300.00
1 Sumatran	\$435.00	Total Cost of Goods	\$7,247.00
4 Decaf Colomb.	\$1,404.00		
	\$6,015.00		

July

8 Colombian	\$3,080.00	Total Cost of Beans	\$7,220.00
4 Costa Rican	\$1,388.00	Total Cost Bags & Flav.	\$602.00
1 Ethiopian	\$429.00	Pick Up Charges	\$300.00
2 Sumatran	\$870.00	Total Cost of Goods	\$8,122.00
3 Decaf Colomb.	\$1,053.00		
1 Decaf Costa Rica	\$400.00		
	\$7,220.00		

July

8 Colombian	\$3,080.00	Total Cost of Beans	\$7,220.00
4 Costa Rican	\$1,388.00	Total Cost Bags & Flav.	\$602.00
1 Ethiopian	\$429.00	Pick Up Charges	\$300.00
2 Sumatran	\$870.00	Total Cost of Goods	\$8,122.00
3 Decaf Colomb.	\$1,053.00		
1 Decaf Costa Rica	\$400.00		
	\$7,220.00		

August

8 Colombian	\$3,080.00	Total Cost of Beans	\$6,391.00
4 Costa Rican	\$1,388.00	Total Cost Bags & Flav.	\$910.00
2 Sumatran	\$870.00	Pick Up Charges	\$300.00
3 Decaf Colomb.	\$1,053.00	Total Cost of Goods	\$7,601.00
	\$6,391.00		

August

8 Colombian	\$3,080.00	Total Cost of Beans	\$6,391.00
-------------	------------	---------------------	------------



August

4 Costa Rican	\$1,388.00	Total Cost Bags & Flav.	\$910.00
2 Sumatran	\$870.00	Pick Up Charges	\$300.00
3 Decaf Colomb.	\$1,053.00	Total Cost of Goods	\$7,601.00
	\$6,391.00		

September

4 Colombian	\$1,540.00	Total Cost of Beans	\$4,223.00
2 Costa Rican	\$694.00	Total Cost Bags & Flav.	\$194.00
1 Sumatran	\$435.00	Pick Up Charges	\$300.00
2 Decaf Colomb.	\$702.00	Total Cost of Goods	\$4,717.00
1 Decaf Costa Rica	\$400.00		
1 Decaf Sumatran	\$452.00		
	\$4,223.00		

September

4 Colombian	\$1,540.00	Total Cost of Beans	\$4,223.00
2 Costa Rican	\$694.00	Total Cost Bags & Flav.	\$194.00
1 Sumatran	\$435.00	Pick Up Charges	\$300.00
2 Decaf Colomb.	\$702.00	Total Cost of Goods	\$4,717.00
1 Decaf Costa Rica	\$400.00		
1 Decaf Sumatran	\$452.00		
	\$4,223.00		

October

4 Colombian	\$1,540.00	Total Cost of Beans	\$3,371.00
2 Costa Rican	\$694.00	Total Cost Bags & Flav.	\$435.00
1 Sumatran	\$435.00	Pick Up Charges	\$300.00
2 Decaf Colomb.	\$702.00	Total Cost of Goods	\$4,106.00
	\$3,371.00		

October

4 Colombian	\$1,540.00	Total Cost of Beans	\$3,371.00
2 Costa Rican	\$694.00	Total Cost Bags & Flav.	\$435.00
1 Sumatran	\$435.00	Pick Up Charges	\$300.00
2 Decaf Colomb.	\$702.00	Total Cost of Goods	\$4,106.00
	\$3,371.00		

November

5 Colombian	\$1,925.00	Total Cost of Beans	\$3,756.00
2 Costa Rican	\$694.00	Total Cost Bags & Flav.	\$1,323.00
1 Sumatran	\$435.00	Pick Up Charges	\$300.00
2 Decaf Colomb.	\$702.00	Total Cost of Goods	\$5,379.00
	\$3,756.00		

November

5 Colombian	\$1,925.00	Total Cost of Beans	\$3,756.00
2 Costa Rican	\$694.00	Total Cost Bags & Flav.	\$1,323.00
1 Sumatran	\$435.00	Pick Up Charges	\$300.00
2 Decaf Colomb.	\$702.00	Total Cost of Goods	\$5,379.00
	\$3,756.00		

December

5 Colombian	\$1,925.00	Total Cost of Beans	\$4,156.00
2 Costa Rican	\$694.00	Total Cost Bags & Flav.	\$435.00
1 Sumatran	\$435.00	Pick Up Charges	\$300.00
2 Decaf Colomb.	\$702.00	Total Cost of Goods	\$4,891.00
1 Decaf Costa	\$400.00		
	\$4,156.00		



December

5 Colombian	\$1,925.00	Total Cost of Beans	\$4,156.00
2 Costa Rican	\$694.00	Total Cost Bags & Flav.	\$435.00
1 Sumatran	\$435.00	Pick Up Charges	\$300.00
2 Decaf Colomb.	\$702.00	Total Cost of Goods	\$4,891.00
1 Decaf Costa	\$400.00		
	\$4,156.00		

Monthly Breakdown of Bags, Labels and Flavorings — Year One

1/2lb Bags = .26, 1 lb Bags = .32, 5 lb Bags = .35, Labels = .06

Flavorings (Per Gallon)

Hazelnut	\$129.00	Cinnamon	\$72.00
Caramel Nut	\$185.00	Southern Pecan	\$89.00
Vanilla	\$75.00	Mint	\$53.00
Chocolate	\$119.00	Irish Cream	\$94.00
Macadamia Nut	\$48.00	Orange	\$57.00

Flavorings (Per Gallon)

Hazelnut	\$129.00	Cinnamon	\$72.00
Caramel Nut	\$185.00	Southern Pecan	\$89.00
Vanilla	\$75.00	Mint	\$53.00
Chocolate	\$119.00	Irish Cream	\$94.00
Macadamia Nut	\$48.00	Orange	\$57.00

January

1/2 lb Bags	1 Case	\$260.00	
1 lb Bags	1 Case	\$322.00	
5 lb Bags	1 Case	\$175.00	
5,000	Labels	\$300.00	
1 Gal. Each Flavor		\$921.00	Total \$1,978.00

January

1/2 lb Bags	1 Case	\$260.00	
1 lb Bags	1 Case	\$322.00	
5 lb Bags	1 Case	\$175.00	
5,000	Labels	\$300.00	
1 Gal. Each Flavor		\$921.00	Total \$1,978.00

February

5 lb Bags	1 Case	\$175.00	Total \$175.00
-----------	--------	----------	----------------

February

5 lb Bags	1 Case	\$175.00	Total \$175.00
-----------	--------	----------	----------------

March

1/2 lb Bags	1 Case	\$260.00	
5 lb Bags	1 Case	\$175.00	Total \$435.00

March

1/2 lb Bags	1 Case	\$260.00	
5 lb Bags	1 Case	\$175.00	Total \$435.00

April

1/2 lb Bags	1 Case	\$260.00	
5 lb Bags	1 Case	\$175.00	
5,000	Labels	\$300.00	Total \$735.00



April

1/2 lb Bags 1 Case \$260.00
 5 lb Bags 1 Case \$175.00
 5,000 Labels \$300.00 Total \$735.00

May

5 lb Bags	1 Case	\$175.00		
1 Gal. Hazelnut		\$129.00		
1 Gal. Vanilla		\$75.00		
1 Gal. Chocolate		\$119.00	Total	\$498.00

May

5 lb Bags 1 Case \$175.00
 1 Gal. Hazelnut \$129.00
 1 Gal. Vanilla \$75.00
 1 Gal. Chocolate \$119.00 Total \$498.00

June

1/2 lb Bags	1 Case	\$260.00		
1 lb Bags	1 Case	\$322.00		
5 lb Bags	2 Cases	\$350.00	Total	\$932.00

June

1/2 lb Bags 1 Case \$260.00
 1 lb Bags 1 Case \$322.00
 5 lb Bags 2 Cases \$350.00 Total \$932.00

July

1 Gal. CaramelNut	\$185.00		
1 Gal. MacadamiaNut	\$48.00		
1 Gal. SouthernPecan	\$89.00		
1 Gal. Orange	\$57.00		
1 Gal. IrishCream	\$94.00		
1 Gal. Hazelnut	\$129.00	Total	\$602.00

July

1 Gal. Caramel Nut \$185.00
 1 Gal. Macadamia Nut \$48.00
 1 Gal. Southern Pecan \$89.00
 1 Gal. Orange \$57.00
 1 Gal. Irish Cream \$94.00
 1 Gal. Hazelnut \$129.00 Total \$602.00

August

1/2 lb Bags	1 Case	\$260.00		
5 lb Bags	2 Cases	\$350.00		
5,000 Labels		\$300.00	Total	\$910.00

August

1/2 lb Bags 1 Case \$260.00
 5 lb Bags 2 Cases \$350.00
 5,000 Labels \$300.00 Total \$910.00

September

1 Gal. Chocolate	\$119.00		
1 Gal. Vanilla	\$75.00	Total	\$194.00

September

1 Gal. Chocolate \$119.00
 1 Gal. Vanilla \$75.00 Total \$194.00



October

1/2 lb Bags	1 Case	\$260.00		
5 lb Bags	1 Case	\$175.00	Total	\$435.00

October

1/2 lb Bags	1 Case	\$260.00		
5 lb Bags	1 Case	\$175.00	Total	\$435.00

November

1/2 lb Bags	1 Case	\$260.00		
1 lb Bags	1 Case	\$322.00		
5 lb Bags	1 Case	\$175.00		
1 Gal. Southern Pecan		\$89.00		
1 Gal. Hazelnut		\$129.00		
1 Gal. Macadamia Nut		\$48.00		
5,000	Labels	\$300.00	Total	\$1323.00

November

1/2 lb Bags	1 Case	\$260.00		
1 lb Bags	1 Case	\$322.00		
5 lb Bags	1 Case	\$175.00		
1 Gal. Southern Pecan		\$89.00		
1 Gal. Hazelnut		\$129.00		
1 Gal. Macadamia Nut		\$48.00		
5,000	Labels	\$300.00	Total	\$1,323.00

December

1/2 lb Bags	1 Case	\$260.00		
5 lb Bags	1 Case	\$175.00	Total	\$435.00

Note: At the close of year one there remains in inventory a surplus of all above items equalling the ten percent increase expected for year two.

December

Note: At the close of year one there remains in inventory a surplus of all above items equalling the ten percent increase expected for year two.

1/2 lb Bags	1 Case	\$260.00		
5 lb Bags	1 Case	\$175.00	Total	\$435.00

Pricing Analysis - Calculating the Break-Even

$S = FC + VC$

Where

FC = Fixed Costs in Dollars

VC = Variable costs in Dollars

X = Projected pounds sold

\$6.50 = Average pound selling price

Year One		Year Two	
FC =			
Salaries	\$19,200.00	Salaries	\$30,720.00
Rent/Util./Ins.	\$16,660.00	Rent/Util./Ins.	\$14,832.00
Prof. Services	\$4,500.00	Prof. Serv.	\$2,040.00
Taxes	\$1,991.00	Taxes	\$3,047.00
Interest	\$6,171.00	Interest	\$4,623.00
Subscriptions	\$300.00	Subscriptions	\$300.00
Operating Expenses	\$2,767.00	Operating Expenses	\$1,200.00
Advertising	\$3,600.00	Advertising	\$2,400.00
Depreciation	\$7,510.00	Depreciation	\$4,506.00
Total	\$62,699.00	Total	\$63,668.00



Year One

Year Two

FC =

Salaries	\$19,200.00	Salaries	\$30,720.00
Rent/Util./Ins.	\$16,660.00	Rent/Util./Ins.	\$14,832.00
Prof. Services	\$4,500.00	Prof. Serv.	\$2,040.00
Taxes	\$1,991.00	Taxes	\$3,047.00
Interest	\$6,171.00	Interest	\$4,623.00
Subscriptions	\$300.00	Subscriptions	\$300.00
Operating Expenses	\$2,767.00	Operating Expenses	\$1,200.00
Advertising	\$3,600.00	Advertising	\$2,400.00
Depreciation	\$7,510.00	Depreciation	\$4,506.00
Total	\$62,699.00	Total	\$63,668.00

$$VC = \text{Cost of Goods} \frac{\$56,407.00}{19,939} = \$2.83 \quad VC = \frac{\$66,807.00}{21,933} = \$3.05$$

$$X = 19,939$$

$$X = 21,933$$

$$S = \$62,699.00 + \$56,407.00 = \$119,106.00 \quad S = \$63,668.00 + \$66,807.00$$

$$(\$6.50)X = \$129,604.00$$

$$(\$6.50)X = \$142,564.00$$

Calculating Break-Even For Year One

$$S = FC / GM$$

Where

GM = Gross Margin Expressed As A Percentage of Sales

$$\frac{VC}{\text{Projected Pounds Sold}} = VC \text{ Per Pound}$$

$$\frac{\$56,407}{19,939} = \$2.83/\text{lb}$$

Cost of Unit (\$6.50 - VC of Unit (\$2.83)) = Gross Margin Per Unit (\$3.67)

$$\frac{FC}{\text{Gross Margin Per Unit}} = \text{Break-Even in Pounds}$$

$$\frac{\$62,699}{3.67} = 17,084 \text{ lbs}$$

(17,084) (\$6.50) = \$111,047.00 = Break-Even Dollar Sales

$$\text{Gross Margin \% for Break-Even} = \frac{(\text{Break-Even in Dollars} - \text{Cost of Goods})}{\text{Break-Even in Dollars}}$$

$$\frac{\$111,047.00 - \$56,407.00}{\$111,047.00} = .49 \text{ or } 49\%*$$

* Note: a 5% increase due to an estimated 5% increase in cost of goods in year two.

Calculating Break-Even For Year Two

$$S = FC / GM$$

Where

GM = Gross Margin Expressed As A Percentage of Sales

$$\frac{VC}{\text{Projected Pounds Sold}} = VC \text{ Per Pound}$$

$$\frac{\$65,808.00}{21,933} = \$3.00 \text{ Per lb.}$$



Cost of Unit (\$6.50) - VC Per Pound (\$3.00)=Gross Margin Per Unit (\$3.50)

Break-Even lbs. = FC \$63,668.00= 18,191

Gross Margin Per Unit \$3.50

Break-Even Sales in Dollars=(18,191) (\$6.50)=\$118,241.00

Gross Margin % for Break-Even = $\frac{\text{Break-Even in Dollars} - \text{Cost of Goods}}{\text{Break-Even in Dollars}}$

$\frac{\$118,241.00 - \$65,808.00}{118,241.00} = .44$ or 44%

Venezia Monthly Sales Projections in Dollars

Year One	Year Two	Secured Accounts
Jan. \$6,564.00	Jan. \$7,215.00	Jan. \$6,500.00
Feb. \$8,242.00	Feb. \$9,060.00	Feb. \$7,800.00
Mar. \$8,762.00	Mar. \$9,639.00	Mar. \$7,800.00
Apr. \$9,672.00	Apr. \$10,634.00	Apr. \$7,800.00
May \$10,452.00	May \$11,492.00	May \$8,190.00
Jun. \$12,792.00	Jun. \$14,066.00	Jun. \$9,360.00
Jul. \$14,352.00	Jul. \$15,782.00	Jul. \$9,880.00
Aug. \$14,352.00	Aug. \$15,782.00	Aug. \$9,800.00
Sep. \$13,000.00	Sep. \$14,300.00	Sep. \$9,100.00
Oct. \$13,000.00	Oct. \$14,300.00	Oct. \$8,970.00
Nov. \$9,750.00	Nov. \$10,725.00	Nov. \$7,540.00
Dec. \$13,000.00	Dec. \$14,300.00	Dec. \$7,410.00

Year One	Year Two	Secured Accounts
Jan. \$6,564.00	Jan. \$7,215.00	Jan. \$6,500.00
Feb. \$8,242.00	Feb. \$9,060.00	Feb. \$7,800.00
Mar. \$8,762.00	Mar. \$9,639.00	Mar. \$7,800.00
Apr. \$9,672.00	Apr. \$10,634.00	Apr. \$7,800.00
May \$10,452.00	May \$11,492.00	May \$8,190.00
Jun. \$12,792.00	Jun. \$14,066.00	Jun. \$9,360.00
Jul. \$14,352.00	Jul. \$15,782.00	Jul. \$9,880.00
Aug. \$14,352.00	Aug. \$15,782.00	Aug. \$9,800.00
Sep. \$13,000.00	Sep. \$14,300.00	Sep. \$9,100.00
Oct. \$13,000.00	Oct. \$14,300.00	Oct. \$8,970.00
Nov. \$9,750.00	Nov. \$10,725.00	Nov. \$7,540.00
Dec. \$13,000.00	Dec. \$14,300.00	Dec. \$7,410.00

Income Statement Three Year Summary

* Includes Pre-Start-Up

	Year One	Year Two	Year Three
Sales	\$133,940.00	\$142,994.00	\$216,100.00
Cost of Goods	\$56,407.00	\$66,807.00	\$100,210.00
Gross Profit	\$77,533.00	\$76,187.00	\$115,890.00
Salaroes	\$19,200.00	\$30,720.00	\$45,120.00
Advertising	\$3,600.00	\$2,400.00	\$2,400.00
Rent/Util./Ins.	*\$16,660.00	\$14,832.00	\$16,206.00
Professional Services	\$4,500.00	\$2,040.00	\$2,390.00
Payroll Taxes	\$1,991.00	\$3,047.00	\$4,592.00
Interest	\$6,171.00	\$4,730.00	\$3,938.00
Depreciation	\$7,510.00	\$4,506.00	\$2,015.00
Operating Expenses	\$5,104.00	\$1,500.00	\$1,675.00
Total G & A Expenses	\$64,736.00	\$63,775.00	\$78,336.00
Gross Profit	\$77,533.00	\$76,187.00	\$115,890.00
Net Income Before Taxes	\$12,797.00	\$12,412.00	\$37,554.00

* Includes Two Months Pre-Start-Up



	Year One	Year Two	Year Three
* Includes Two Months Pre-Start-Up			
Sales	\$133,940.00	\$142,994.00	\$216,100.00
Cost of Goods	\$56,407.00	\$66,807.00	\$100,210.00
Gross Profit	\$77,533.00	\$76,187.00	\$115,890.00
Salaries	\$19,200.00	\$30,720.00	\$45,120.00
Advertising	\$3,600.00	\$2,400.00	\$2,400.00
Rent/Util./Ins.	*\$16,660.00	\$14,832.00	\$16,206.00
Professional Services	\$4,500.00	\$2,040.00	\$2,390.00
Payroll Taxes	\$1,991.00	\$3,047.00	\$4,592.00
Interest	\$6,171.00	\$4,730.00	\$3,938.00
Depreciation	\$7,510.00	\$4,506.00	\$2,015.00
Operating Expenses	\$5,104.00	\$1,500.00	\$1,675.00
Total G & A Expenses	\$64,736.00	\$63,775.00	\$78,336.00
Gross Profit	\$77,533.00	\$76,187.00	\$115,890.00
Net Income Before Taxes	\$12,797.00	\$12,412.00	\$37,554.00

	Jan.*	Feb.	March	April	May	June
Sales	\$6,564.00	\$8,242.00	\$8,762.00	\$9,672.00	\$10,452.00	\$12,792.00
Cost of Goods	\$7,025.00	\$2,919.00	\$5,616.00	\$4,934.00	\$4,396.00	\$6,070.00
Gross Profit	(461)	\$5,323.00	\$3,146.00	\$4,738.00	\$6,056.00	\$6,722.00
Salaries	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00
Advertising	\$600.00	\$0.00	\$300.00	\$300.00	\$300.00	\$300.00
Rent/Util./Ins.	\$3,570.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00
Prof. Services	\$2,020.00	\$120.00	\$345.00	\$180.00	\$220.00	\$545.00
Payroll Taxes	\$0.00	\$122.00	\$122.00	\$386.00	\$122.00	\$122.00
Interest	\$1,389.00	\$455.00	\$451.00	\$447.00	\$443.00	\$439.00
Depreciation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operating Expenses	\$3,117.00	\$150.00	\$439.00	\$275.00	\$289.00	\$67.00
Total G & A Expenses	\$12,296.00	\$3,637.00	\$4,447.00	\$4,378.00	\$4,164.00	\$4,263.00
Gross Profit	(461)	\$5,323.00	\$3,146.00	\$4,738.00	\$6,056.00	\$6,722.00
Net Income Before Taxes	(12,757)	\$1,686.00	(1,301)	\$360.00	\$1,892.00	\$2,459.00

Income Statement Year One Detail By Month

* Includes Pre-Start-Up

	Jan.*	Feb.	March	April	May	June
Sales	\$6,564.00	\$8,242.00	\$8,762.00	\$9,672.00	\$10,452.00	\$12,792.00
Cost of Goods	\$7,025.00	\$2,919.00	\$5,616.00	\$4,934.00	\$4,396.00	\$6,070.00
Gross Profit	(461)	\$5,323.00	\$3,146.00	\$4,738.00	\$6,056.00	\$6,722.00
Salaries	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00
Advertising	\$600.00	\$0.00	\$300.00	\$300.00	\$300.00	\$300.00
Rent/Util./Ins.	\$3,570.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00
Prof. Services	\$2,020.00	\$120.00	\$345.00	\$180.00	\$220.00	\$545.00
Payroll Taxes	\$0.00	\$122.00	\$122.00	\$386.00	\$122.00	\$122.00
Interest	\$1,389.00	\$455.00	\$451.00	\$447.00	\$443.00	\$439.00
Depreciation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operating Expenses	\$3,117.00	\$150.00	\$439.00	\$275.00	\$289.00	\$67.00
Total G & A Expenses	\$12,296.00	\$3,637.00	\$4,447.00	\$4,378.00	\$4,164.00	\$4,263.00
Gross Profit	(461)	\$5,323.00	\$3,146.00	\$4,738.00	\$6,056.00	\$6,722.00
Net Income Before Taxes	(12,757)	\$1,686.00	(1,301)	\$360.00	\$1,892.00	\$2,459.00



Explanation of Categories

Cost of Goods = Raw Beans + Pick-Up Charges + Bags + Labels + Flavorings

Rent/Utilities/Insurance = Rent + Electric + Water + Telephone + Gas + Fuel + Health Insurance + Car Insurance + Business I

Professional Services = Legal + Accounting + Maintenance + Outside Services

Taxes + Federal + Medicare + Social Security + State + Other

Interest and bank loan is based on a \$56,000.00 loan at 10% over seven years.

Operating Expenses = Supplies

Capital Purchases = Roaster + Brewers + Grinders + Scales + Heat Sealer + Delivery Vehicle + Computer

Miscellaneous = Subscriptions + Start-Up Costs

Information On Worker's Compensation

Class Code # 8006; Sale of coffee, tea or groceries

Per \$100.00 of Payroll = \$4.67

Also add 20% surcharge

For year three one part time employee at \$7.00/hour 20/hours/week with surcharge = \$632.00

	Year 1	Year 2	Year 3	Year 4	Year 5
Employee #1 (Jennifer)	Full Time				
Employee #2 (Maria)	Full Time				
Employee #3			Part Time	Full Time	Full Time
Employee #4				Part Time	Part Time
Employee #5					Part Time
Employee #6					Part Time

Projected Employee Growth

	Year 1	Year 2	Year 3	Year 4	Year 5
Employee #1 (Jennifer)	Full Time				
Employee #2 (Maria)	Full Time				
Employee #3			Part Time	Full Time	Full Time
Employee #4				Part Time	Part Time
Employee #5					Part Time
Employee #6					Part Time

Employee Responsibilities

Employee #1 = Managerial/delivery/sales position

Employee #2 = Production

Employee #3 = Delivery/sales position

Employee #4 = Production position

Employee #5 = Bookkeeping/administrative position

Employee #6 = Production position

	July	August	September	October	November	December
	\$14,352.00	\$14,352.00	\$13,000.00	\$13,000.00	\$9,750.00	\$13,000.00
	\$5,617.00	\$5,672.00	\$3,364.00	\$3,285.00	\$4,162.00	\$3,350.00
	\$8,735.00	\$8,680.00	\$9,636.00	\$9,715.00	\$5,588.00	\$9,650.00
	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00
	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00
	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00
	\$120.00	\$120.00	\$245.00	\$120.00	\$120.00	\$345.00
	\$386.00	\$122.00	\$122.00	\$243.00	\$122.00	\$122.00
	\$435.00	\$431.00	\$427.00	\$422.00	\$418.00	\$414.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,510.00
	\$199.00	\$320.00	\$64.00	\$50.00	\$84.00	\$50.00
	\$4,230.00	\$4,083.00	\$3,948.00	\$3,925.00	\$3,834.00	\$11,531.00
	\$8,735.00	\$8,680.00	\$9,636.00	\$9,715.00	\$5,588.00	\$9,650.00
	\$4,505.00	\$4,597.00	\$5,688.00	\$5,790.00	\$1,754.00	(1,881)

July August September October November December



\$14,352.00	\$14,352.00	\$13,000.00	\$13,000.00	\$9,750.00	\$13,000.00
\$5,617.00	\$5,672.00	\$3,364.00	\$3,285.00	\$4,162.00	\$3,350.00
\$8,735.00	\$8,680.00	\$9,636.00	\$9,715.00	\$5,588.00	\$9,650.00
\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00
\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00
\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00
\$120.00	\$120.00	\$245.00	\$120.00	\$120.00	\$345.00
\$386.00	\$122.00	\$122.00	\$243.00	\$122.00	\$122.00
\$435.00	\$431.00	\$427.00	\$422.00	\$418.00	\$414.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,510.00
\$199.00	\$320.00	\$64.00	\$50.00	\$84.00	\$50.00
\$4,230.00	\$4,083.00	\$3,948.00	\$3,925.00	\$3,834.00	\$11,531.00
\$8,735.00	\$8,680.00	\$9,636.00	\$9,715.00	\$5,588.00	\$9,650.00
\$4,505.00	\$4,597.00	\$5,688.00	\$5,790.00	\$1,754.00	(1,881)

Category	Pre Start	Jan	Feb	Mar	Apr	May	Jun	Jul
Inflows								
Cash on Hand	\$0	\$27,613	\$25,848	\$25,826	\$21,902	\$19,576	\$20,233	\$20,747
Sales Net 10	\$0	\$4,374	\$5,492	\$5,844	\$6,448	\$6,968	\$8,528	\$9,568
Collect Accts.	\$0	\$0	\$2,190	\$2,750	\$2,918	\$3,224	\$3,484	\$4,264
Bank Loans	\$56,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Personal Loans	\$23,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Inflows	\$79,000	\$31,988	\$33,530	\$34,418	\$31,269	\$29,768	\$32,245	\$34,579
Outflows								
Cost of Goods	\$7,805	\$0	\$3,243	\$6,240	\$5,482	\$4,884	\$6,744	\$6,241
Salaries	\$0	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600
Advertising	\$300	\$300	\$0	\$300	\$300	\$300	\$300	\$300
Rent, Util., Ins.	\$2,380	\$1,190	\$1,190	\$1,190	\$1,190	\$1,190	\$1,190	\$1,190
Prof. Services	\$1,780	\$240	\$120	\$345	\$180	\$220	\$545	\$120
Taxes	\$0	\$0	\$122	\$122	\$386	\$122	\$122	\$386
Interest	\$930	\$459	\$455	\$451	\$447	\$443	\$439	\$435
Bank Loans	\$930	\$471	\$475	\$479	\$483	\$487	\$491	\$495
Operating Expenses	\$730	\$730	\$50	\$239	\$195	\$230	\$67	\$199
Capital Purch	\$34,975	\$1,050	\$350	\$1,350	\$1,350	\$0	\$0	\$0
Miscellaneous	\$1,557	\$100	\$100	\$200	\$80	\$50	\$0	\$0
Total Outflows	\$51,387	\$6,140	\$7,705	\$12,516	\$11,693	\$9,535	\$11,498	\$10,966
Total Budget Inflows	\$79,000	\$31,988	\$33,530	\$34,418	\$31,269	\$29,768	\$32,245	\$34,579
Total Budget Outflows	\$51,387	\$6,140	\$7,705	\$12,516	\$11,693	\$9,535	\$11,498	\$10,966
Difference	\$27,613	\$25,848	\$25,826	\$21,902	\$19,576	\$20,233	\$20,747	\$23,613

Cash Flow-Year One

Category	Pre Start	Jan	Feb	Mar	Apr	May	Jun	Jul
Inflows								
Cash on Hand	\$0	\$27,613	\$25,848	\$25,826	\$21,902	\$19,576	\$20,233	\$20,747
Sales Net 10	\$0	\$4,374	\$5,492	\$5,844	\$6,448	\$6,968	\$8,528	\$9,568
Collect Accts.	\$0	\$0	\$2,190	\$2,750	\$2,918	\$3,224	\$3,484	\$4,264
Bank Loans	\$56,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Personal Loans	\$23,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Inflows	\$79,000	\$31,988	\$33,530	\$34,418	\$31,269	\$29,768	\$32,245	\$34,579
Outflows								
Cost of Goods	\$7,805	\$0	\$3,243	\$6,240	\$5,482	\$4,884	\$6,744	\$6,241
Salaries	\$0	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600



Cash Flow-Year One

Advertising	\$300	\$300	\$0	\$300	\$300	\$300	\$300	\$300
Rent, Util., Ins.	\$2,380	\$1,190	\$1,190	\$1,190	\$1,190	\$1,190	\$1,190	\$1,190
Prof. Services	\$1,780	\$240	\$120	\$345	\$180	\$220	\$545	\$120
Taxes	\$0	\$0	\$122	\$122	\$386	\$122	\$122	\$386
Interest	\$930	\$459	\$455	\$451	\$447	\$443	\$439	\$435
Bank Loans	\$930	\$471	\$475	\$479	\$483	\$487	\$491	\$495
Operating Expenses	\$730	\$730	\$50	\$239	\$195	\$239	\$67	\$199
Capital Purch	\$34,975	\$1,050	\$350	\$1,350	\$1,350	\$0	\$0	\$0
Miscellaneous	\$1,557	\$100	\$100	\$200	\$80	\$50	\$0	\$0
Total Outflows	\$51,387	\$6,140	\$7,705	\$12,516	\$11,693	\$9,535	\$11,498	\$10,966
Total Budget Inflows	\$79,000	\$31,988	\$33,530	\$34,418	\$31,269	\$29,768	\$32,245	\$34,579
Total Budget Outflows	\$51,387	\$6,140	\$7,705	\$12,516	\$11,693	\$9,535	\$11,498	\$10,966
Difference	\$27,613	\$25,848	\$25,826	\$21,902	\$19,576	\$20,233	\$20,747	\$23,613

Aug	Sept	Oct	Nov	Dec	Total	Category
\$23,613	\$27,081	\$32,342	\$37,260	\$39,126	\$321,166	Inflows
\$9,568	\$8,664	\$8,664	\$6,500	\$8,664	\$89,284	Cash on Hand
\$4,784	\$4,784	\$4,336	\$4,336	\$3,250	\$40,320	Sales Net 10
\$0	\$0	\$0	\$0	\$0	\$56,000	Collect Accts.
\$0	\$0	\$0	\$0	\$0	\$23,000	Bank Loans
\$37,965	\$40,530	\$45,342	\$48,095	\$51,040	\$529,769	Personal Loans
						Total Inflows
\$6,302	\$3,737	\$3,650	\$4,624	\$3,722	\$62,674	Outflows
\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$19,200	Cost of Goods
\$300	\$300	\$300	\$300	\$300	\$3,600	Salaries
\$1,190	\$1,190	\$1,190	\$1,190	\$1,190	\$16,660	Advertising
\$120	\$245	\$120	\$120	\$345	\$4,500	Rent, Util., Ins.
\$122	\$122	\$243	\$122	\$122	\$1,991	Prof. Services
\$431	\$427	\$422	\$418	\$414	\$6,171	Taxes
\$499	\$503	\$507	\$511	\$516	\$6,847	Interest
\$70	\$64	\$50	\$84	\$50	\$2,767	Bank Loans
	\$0	\$0	\$0	\$0	\$39,075	Operating Expenses
\$250	\$0	\$0	\$0	\$0	\$2,337	Capital Purch
\$10,884		\$8,082	\$8,969	\$8,259	\$165,822	Miscellaneous
						Total Outflows
\$37,965	\$40,530	\$45,342	\$48,095	\$51,040	\$529,769	Total Budget Inflows
\$10,884		\$8,082	\$8,969	\$8,259	\$165,822	Total Budget Outflows
\$27,081	\$32,342	\$37,260	\$39,126	\$42,782	\$363,947	Difference

Aug	Sept	Oct	Nov	Dec	Total	Category
\$23,613	\$27,081	\$32,342	\$37,260	\$39,126	\$321,166	Inflows
\$9,568	\$8,664	\$8,664	\$6,500	\$8,664	\$89,284	Cash on Hand
\$4,784	\$4,784	\$4,336	\$4,336	\$3,250	\$40,320	Sales Net 10
\$0	\$0	\$0	\$0	\$0	\$56,000	Collect Accts.
\$0	\$0	\$0	\$0	\$0	\$23,000	Bank Loans
\$37,965	\$40,530	\$45,342	\$48,095	\$51,040	\$529,769	Personal Loans
						Total Inflows
\$6,302	\$3,737	\$3,650	\$4,624	\$3,722	\$62,674	Outflows
						Cost of Goods



Aug	Sept	Oct	Nov	Dec	Total	Category
\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$19,200	Salaries
\$300	\$300	\$300	\$300	\$300	\$3,600	Advertising
\$1,190	\$1,190	\$1,190	\$1,190	\$1,190	\$16,660	Rent, Util., Ins.
\$120	\$245	\$120	\$120	\$345	\$4,500	Prof. Services
\$122	\$122	\$243	\$122	\$122	\$1,991	Taxes
\$431	\$427	\$422	\$418	\$414	\$6,171	Interest
\$499	\$503	\$507	\$511	\$516	\$6,847	Bank Loans
\$70	\$64	\$50	\$84	\$50	\$2,767	Operating Expenses
\$0	\$0	\$0	\$0	\$0	\$39,075	Capital Purch
\$250	\$0	\$0	\$0	\$0	\$2,337	Miscellaneous
\$10,884		\$8,082	\$8,969	\$8,259	\$165,822	Total Outflows
\$37,965	\$40,530	\$45,342	\$48,095	\$51,040	\$529,769	Total Budget Inflows
\$10,884	\$8,188	\$8,082	\$8,969	\$8,259	\$165,822	Total Budget Outflows
\$27,081	\$32,342	\$37,260	\$39,126	\$42,782	\$363,947	Difference

Category	Jan	Feb	Mar	Apr	May	Jun	Jul
Inflows							
Cash on Hand	\$42,782	\$38,392	\$37,942	\$35,078	\$33,602	\$34,110	\$34,398
Sales Net 10	\$4,810	\$6,038	\$6,428	\$7,092	\$7,664	\$9,380	\$10,524
Collect Accts.	\$4,336	\$2,405	\$3,022	\$3,211	\$3,542	\$3,828	\$4,686
Bank Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Personal Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Inflows	\$51,928	\$46,836	\$47,393	\$45,380	\$44,808	\$47,318	\$49,608
Outflows							
Cost of Goods	\$8,268	\$3,552	\$6,848	\$6,014	\$5,357	\$7,403	\$6,851
Salaries	\$2,560	\$2,560	\$2,560	\$2,560	\$2,560	\$2,560	\$2,560
Advertising	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Rent, Util., Ins.	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236
Prof. Services	\$120	\$120	\$245	\$120	\$120	\$245	\$120
Taxes	\$122	\$196	\$196	\$618	\$196	\$196	\$543
Interest	\$418	\$414	\$410	\$405	\$401	\$397	\$302
Bank Loans	\$511	\$516	\$520	\$525	\$529	\$533	\$538
Operating Expenses	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Capital Purch	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$50	\$0
Total Outflows	\$13,535	\$8,894	\$12,315	\$11,778	\$10,699	\$12,920	\$12,540
Total Budget Inflows	\$51,928	\$46,836	\$47,393	\$45,380	\$44,808	\$47,318	\$49,608
Total Budget Outflows	\$13,535	\$8,894	\$12,315	\$11,778	\$10,699	\$12,920	\$12,540
Difference	\$38,392	\$37,942	\$35,078	\$33,602	\$34,110	\$34,398	\$37,068

Cash Flow - Year Two

Category	Jan	Feb	Mar	Apr	May	Jun	Jul
Inflows							
Cash on Hand	\$42,782	\$38,392	\$37,942	\$35,078	\$33,602	\$34,110	\$34,398
Sales Net 10	\$4,810	\$6,038	\$6,428	\$7,092	\$7,664	\$9,380	\$10,524
Collect Accts.	\$4,336	\$2,405	\$3,022	\$3,211	\$3,542	\$3,828	\$4,686
Bank Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Personal Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Inflows	\$51,928	\$46,836	\$47,393	\$45,380	\$44,808	\$47,318	\$49,608
Outflows							



Cash Flow - Year Two

Cost of Goods	\$8,268	\$3,552	\$6,848	\$6,014	\$5,357	\$7,403	\$6,851
Salaries	\$2,560	\$2,560	\$2,560	\$2,560	\$2,560	\$2,560	\$2,560
Advertising	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Rent, Util., Ins.	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$1,236
Prof. Services	\$120	\$120	\$245	\$120	\$120	\$245	\$120
Taxes	\$122	\$196	\$196	\$618	\$196	\$196	\$543
Interest	\$418	\$414	\$410	\$405	\$401	\$397	\$392
Bank Loans	\$511	\$516	\$520	\$525	\$529	\$533	\$538
Operating Expenses	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Capital Purch	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$50	\$0
Total Outflows	\$13,535	\$8,894	\$12,315	\$11,778	\$10,699	\$12,920	\$12,540
Total Budget Inflows	\$51,928	\$46,836	\$47,393	\$45,380	\$44,808	\$47,318	\$49,608
Total Budget Outflows	\$13,535	\$8,894	\$12,315	\$11,778	\$10,699	\$12,920	\$12,540
Difference	\$38,392	\$37,942	\$35,078	\$33,602	\$34,110	\$34,398	\$37,068

Aug	Sept	Oct	Nov	Dec	Total	Category
\$37,068	\$40,590	\$45,572	\$50,532	\$52,033	\$55,498	Inflows
\$10,524	\$9,536	\$9,536	\$7,150	\$9,536	\$98,215	Cash on Hand
\$5,258	\$5,258	\$4,764	\$4,764	\$3,575	\$48,652	Sales Net 10
\$0	\$0	\$0	\$0	\$0	\$0	Collect Accts.
\$0	\$0	\$0	\$0	\$0	\$0	Bank Loans
\$0	\$0	\$0	\$0	\$0	\$0	Personal Loans
\$52,850	\$55,384	\$59,872	\$62,446	\$65,144	\$628,966	Total Inflows
\$6,917	\$4,095	\$3,999	\$5,071	\$4,079	\$68,454	Outflows
\$2,560	\$2,560	\$2,560	\$2,560	\$2,560	\$30,720	Cost of Goods
\$200	\$200	\$200	\$200	\$200	\$2,400	Salaries
\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$14,832	Advertising
\$120	\$245	\$120	\$120	\$120	\$2,040	Rent, Util., Ins.
\$196	\$196	\$196	\$196	\$196	\$3,047	Prof. Services
\$388	\$383	\$379	\$374	\$369	\$4,730	Taxes
\$542	\$547	\$551	\$556	\$560	\$6,428	Interest
\$100	\$100	\$100	\$100	\$100	\$1,200	Bank Loans
\$0	\$0	\$0	\$0	\$0	\$0	Operating Expenses
\$0	\$0	\$0	\$0	\$0	\$0	Capital Purch
\$0	\$250	\$0	\$0	\$0	\$300	Miscellaneous
\$12,259	\$9,812	\$9,341	\$10,413	\$9,645	\$134,151	Total Outflows
\$52,850	\$55,384	\$59,872	\$62,446	\$65,144	\$628,966	Total Budget Inflows
\$12,259	\$9,812	\$9,341	\$10,413	\$9,645	\$134,151	Total Budget Outflows
\$40,590	\$45,572	\$50,532	\$52,033	\$55,498	\$494,816	Difference

Aug	Sept	Oct	Nov	Dec	Total	Category
\$37,068	\$40,590	\$45,572	\$50,532	\$52,033	\$55,498	Inflows
\$10,524	\$9,536	\$9,536	\$7,150	\$9,536	\$98,215	Cash on Hand
\$5,258	\$5,258	\$4,764	\$4,764	\$3,575	\$48,652	Sales Net 10
\$0	\$0	\$0	\$0	\$0	\$0	Collect Accts.
\$0	\$0	\$0	\$0	\$0	\$0	Bank Loans
\$0	\$0	\$0	\$0	\$0	\$0	Personal Loans
\$52,850	\$55,384	\$59,872	\$62,446	\$65,144	\$628,966	Total Inflows
\$6,917	\$4,095	\$3,999	\$5,071	\$4,079	\$68,454	Outflows
\$2,560	\$2,560	\$2,560	\$2,560	\$2,560	\$30,720	Cost of Goods
\$200	\$200	\$200	\$200	\$200	\$2,400	Salaries
\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$14,832	Advertising
\$120	\$245	\$120	\$120	\$120	\$2,040	Rent, Util., Ins.
\$196	\$196	\$196	\$196	\$196	\$3,047	Prof. Services
\$388	\$383	\$379	\$374	\$369	\$4,730	Taxes
\$542	\$547	\$551	\$556	\$560	\$6,428	Interest
\$100	\$100	\$100	\$100	\$100	\$1,200	Bank Loans
\$0	\$0	\$0	\$0	\$0	\$0	Operating Expenses
\$0	\$0	\$0	\$0	\$0	\$0	Capital Purch
\$0	\$250	\$0	\$0	\$0	\$300	Miscellaneous
\$12,259	\$9,812	\$9,341	\$10,413	\$9,645	\$134,151	Total Outflows



Aug	Sept	Oct	Nov	Dec	Total	Category
\$6,917	\$4,095	\$3,999	\$5,071	\$4,079	\$68,454	Cost of Goods
\$2,560	\$2,560	\$2,560	\$2,560	\$2,560	\$30,720	Salaries
\$200	\$200	\$200	\$200	\$200	\$2,400	Advertising
\$1,236	\$1,236	\$1,236	\$1,236	\$1,236	\$14,832	Rent, Util., Ins.
\$120	\$245	\$120	\$120	\$345	\$2,040	Prof. Services
\$196	\$196	\$196	\$196	\$196	\$3,047	Taxes
\$388	\$383	\$379	\$374	\$369	\$4,730	Interest
\$542	\$547	\$551	\$556	\$560	\$6,428	Bank Loans
\$100	\$100	\$100	\$100	\$100	\$1,200	Operating Expenses
\$0	\$0	\$0	\$0	\$0	\$0	Capital Purch
\$0	\$250	\$0	\$0	\$0	\$300	Miscellaneous
\$12,259	\$9,812	\$9,341	\$10,413	\$9,645	\$134,151	Total Outflows
\$52,850	\$55,384	\$59,872	\$62,446	\$65,144	\$628,966	Total Budget Inflows
\$12,259	\$9,812	\$9,341	\$10,413	\$9,645	\$134,151	Total Budget Outflows
\$40,590	\$45,572	\$50,532	\$52,033	\$55,498	\$494,816	Difference

Anticipated Estimated Sales In Pounds Per Week and Month Year One

January	
Paris Bistro	125
Coffee Villa	50
John's Beans	40
Roasted, Inc.	35
	250

January

Paris Bistro	125
Coffee Villa	50
John's Beans	40
Roasted, Inc.	35
	250

February	
Paris Bistro	125
Coffee Villa	50
John's Beans	40
Roasted, Inc.	35
Cliffside Cafe	30
Finer Things	20
Mailorder	15
	315

February

Paris Bistro	125
Coffee Villa	50
John's Beans	40
Roasted, Inc.	35
Cliffside Cafe	30
Finer Things	20
Mailorder	15
	315



March

Paris Bistro	125
Coffee Villa	50
John's Beans	40
Roasted, Inc.	35
Cliffside Cafe	30
Finer Things	20
Retail I	25
Mailorder	15
	340

March

Paris Bistro	125
Coffee Villa	50
John's Beans	40
Roasted, Inc.	35
Cliffside Cafe	30
Finer Things	20
Retail I	25
Mailorder	15
	340

April

Paris Bistro	125
Coffee Villa	50
John's Beans	40
Roasted, Inc.	35
Cliffside Cafe	30
Finer Things	20
Retail I	25
Retail II	20
Brewer I	20
Mailorder	15
	380

April

Paris Bistro	125
Coffee Villa	50
John's Beans	40
Roasted, Inc.	35
Cliffside Cafe	30
Finer Things	20
Retail I	25
Retail II	20
Brewer I	20
Mailorder	15
	380

May

Paris Bistro	125
Coffee Villa	50
John's Beans	40
Roasted, Inc.	35
Cliffside Cafe	30
Finer Things	35
Retail I	25
Retail II	25
Brewer I	20
Brewer II	20
Mailorder	10
	415

May

Paris Bistro	125
Coffee Villa	50



May

John's Beans	40
Roasted, Inc.	35
Cliffside Cafe	30
Finer Things	35
Retail I	25
Retail II	25
Brewer I	20
Brewer II	20
Mailorder	10
	415

June

Paris Bistro	125
Coffee Villa	50
John's Beans	50
Roasted, Inc.	40
Cliffside Cafe	35
Finer Things	60
Retail I	30
Retail II	30
Brewer I	30
Brewer II	30
Mailorder	15
	495

June

Paris Bistro	125
Coffee Villa	50
John's Beans	50
Roasted, Inc.	40
Cliffside Cafe	35
Finer Things	60
Retail I	30
Retail II	30
Brewer I	30
Brewer II	30
Mailorder	15
	495

July

Paris Bistro	125
Coffee Villa	50
John's Beans	50
Roasted, Inc.	40
Cliffside Cafe	35
Finer Things	80
Retail I	40
Retail II	40
Brewer I	40
Brewer II	40
Mailorder	15
	555

July

Paris Bistro	125
Coffee Villa	50
John's Beans	50
Roasted, Inc.	40



July

Cliffside Cafe	35
Finer Things	80
Retail I	40
Retail II	40
Brewer I	40
Brewer II	40
Mailorder	15
	555

August	
Paris Bistro	125
Coffee Villa	50
John's Beans	50
Roasted, Inc.	40
Cliffside Cafe	35
Finer Things	80
Retail I	40
Retail II	40
Brewer I	40
Brewer II	40
Mailorder	15
	555

August

Paris Bistro	125
Coffee Villa	50
John's Beans	50
Roasted, Inc.	40
Cliffside Cafe	35
Finer Things	80
Retail I	40
Retail II	40
Brewer I	40
Brewer II	40
Mailorder	15
	555

September	
Paris Bistro	125
Coffee Villa	50
John's Beans	45
Roasted, Inc.	35
Cliffside Cafe	35
Finer Things	60
Retail I	35
Retail II	35
Brewer I	35
Mailorder	10
	500

September

Paris Bistro	125
Coffee Villa	50
John's Beans	45
Roasted, Inc.	35
Cliffside Cafe	35
Finer Things	60
Retail I	35



September

Retail II	35
Brewer I	35
Mailorder	10
	500

October	
Paris Bistro	125
Coffee Villa	50
John's Beans	45
Roasted, Inc.	35
Cliffside Cafe	30
Finer Things	60
Retail I	35
Retail II	35
Brewer I	35
Brewer II	35
Mailorder	15
	500

October

Paris Bistro	125
Coffee Villa	50
John's Beans	45
Roasted, Inc.	35
Cliffside Cafe	30
Finer Things	60
Retail I	35
Retail II	35
Brewer I	35
Brewer II	35
Mailorder	15
	500

November	
Paris Bistro	125
Coffee Villa	40
John's Beans	45
Roasted, Inc.	35
Cliffside Cafe	35
Finer Things	60
Retail I	35
Retail II	35
Brewer I	35
Brewer II	35
Mailorder	10
	500

November

Paris Bistro	125
Coffee Villa	40
John's Beans	45
Roasted, Inc.	35
Cliffside Cafe	35
Finer Things	60
Retail I	35
Retail II	35
Brewer I	35
Brewer II	35



November

Mailorder 10
500

December	
Paris Bistro	125
Coffee Villa	40
John's Beans	20
Roasted, Inc.	35
Cliffside Cafe	50
Finer Things	15
Retail I	50
Retail II	50
Brewer I	20
Brewer II	20
Mailorder	75
	500

December

Paris Bistro 125
 Coffee Villa 40
 John's Beans 20
 Roasted, Inc. 35
 Cliffside Cafe 50
 Finer Things 15
 Retail I 50
 Retail II 50
 Brewer I 20
 Brewer II 20
 Mailorder 75
 500

Payment Schedule

Pmt	Principal	Interest	Balance	Total Interest
		10.0000%	\$6,000.00	
1	\$463.00	\$466.67	\$55,537.00	\$466.67
2	\$466.86	\$462.81	\$55,070.14	\$929.48
3	\$470.75	\$458.92	\$54,599.39	\$1,388.40
4	\$474.68	\$454.99	\$54,124.71	\$1,843.39
5	\$478.63	\$451.04	\$53,646.08	\$2,294.43
6	\$482.62	\$447.05	\$53,163.46	\$2,741.48
7	\$486.64	\$443.03	\$52,676.82	\$3,184.51
8	\$490.70	\$438.97	\$52,186.12	\$3,623.48
9	\$494.79	\$434.88	\$51,691.33	\$4,058.36
10	\$498.91	\$430.76	\$51,192.42	\$4,489.12
11	\$503.07	\$426.60	\$50,689.35	\$4,915.72
12	\$507.26	\$422.41	\$50,182.09	\$5,338.13
13	\$511.49	\$418.18	\$49,670.60	\$5,756.31
14	\$515.75	\$413.92	\$49,154.85	\$6,170.23
15	\$520.05	\$409.62	\$48,634.80	\$6,579.85
16	\$524.38	\$405.29	\$48,110.42	\$6,985.14
17	\$528.75	\$400.92	\$47,581.67	\$7,386.06
18	\$533.16	\$396.51	\$47,048.51	\$7,782.57
19	\$537.60	\$392.07	\$46,510.91	\$8,174.64
20	\$542.08	\$387.59	\$45,968.83	\$8,562.23
21	\$546.60	\$383.07	\$45,422.23	\$8,945.30
22	\$551.15	\$378.52	\$44,871.08	\$9,323.82
23	\$555.74	\$373.93	\$44,315.34	\$9,697.75
24	\$560.38	\$369.29	\$43,754.96	\$10,067.04
25	\$565.05	\$364.62	\$43,189.91	\$10,431.66
26	\$569.75	\$359.92	\$42,620.16	\$10,791.58
27	\$574.50	\$355.17	\$42,045.66	\$11,146.75
28	\$579.29	\$350.38	\$41,466.37	\$11,497.13
29	\$584.12	\$345.55	\$40,882.25	\$11,842.68
30	\$588.98	\$340.69	\$40,293.27	\$12,183.37
31	\$593.89	\$335.78	\$39,699.38	\$12,519.15
32	\$598.84	\$330.83	\$39,100.54	\$12,849.98
33	\$603.83	\$325.84	\$38,496.71	\$13,175.82
34	\$608.86	\$320.81	\$37,887.85	\$13,496.63
35	\$613.94	\$315.73	\$37,273.91	\$13,812.36



Pmt	Principal	Interest	Balance	Total Interest
		10.000%	56,000.00	
1	\$463.00	\$466.67	\$55,537.00	\$466.67
2	\$466.86	\$462.81	\$55,070.14	\$929.48
3	\$470.75	\$458.92	\$54,599.39	\$1,388.40
4	\$474.68	\$454.99	\$54,124.71	\$1,843.39
5	\$478.63	\$451.04	\$53,646.08	\$2,294.43
6	\$482.62	\$447.05	\$53,163.46	\$2,741.48
7	\$486.64	\$443.03	\$52,676.82	\$3,184.51
8	\$490.70	\$438.97	\$52,186.12	\$3,623.48
9	\$494.79	\$434.88	\$51,691.33	\$4,058.36
10	\$498.91	\$430.76	\$51,192.42	\$4,489.12
11	\$503.07	\$426.60	\$50,689.35	\$4,915.72
12	\$507.26	\$422.41	\$50,182.09	\$5,338.13
13	\$511.49	\$418.18	\$49,670.60	\$5,756.31
14	\$515.75	\$413.92	\$49,154.85	\$6,170.23
15	\$520.05	\$409.62	\$48,634.80	\$6,579.85
16	\$524.38	\$405.29	\$48,110.42	\$6,985.14
17	\$528.75	\$400.92	\$47,581.67	\$7,386.06
18	\$533.16	\$396.51	\$47,048.51	\$7,782.57
19	\$537.60	\$392.07	\$46,510.91	\$8,174.64
20	\$542.08	\$387.59	\$45,968.83	\$8,562.23
21	\$546.60	\$383.07	\$45,422.23	\$8,945.30
22	\$551.15	\$378.52	\$44,871.08	\$9,323.82
23	\$555.74	\$373.93	\$44,315.34	\$9,697.75
24	\$560.38	\$369.29	\$43,754.96	\$10,067.04
25	\$565.05	\$364.62	\$43,189.91	\$10,431.66
26	\$569.75	\$359.92	\$42,620.16	\$10,791.58
27	\$574.50	\$355.17	\$42,045.66	\$11,146.75
28	\$579.29	\$350.38	\$41,466.37	\$11,497.13
29	\$584.12	\$345.55	\$40,882.25	\$11,842.68
30	\$588.98	\$340.69	\$40,293.27	\$12,183.37
31	\$593.89	\$335.78	\$39,699.38	\$12,519.15
32	\$598.84	\$330.83	\$39,100.54	\$12,849.98
33	\$603.83	\$325.84	\$38,496.71	\$13,175.82
34	\$608.86	\$320.81	\$37,887.85	\$13,496.63
35	\$613.94	\$315.73	\$37,273.91	\$13,812.36



Pmt	Principal	Interest	Balance	TotalInterest
36	\$619.05	\$310.62	\$36,654.86	\$14,122.98
37	\$624.21	\$305.46	\$36,030.65	\$14,428.44
38	\$629.41	\$300.26	\$35,401.24	\$14,728.70
39	\$634.66	\$295.01	\$34,766.58	\$15,023.71
40	\$639.95	\$289.72	\$34,126.63	\$15,313.43
41	\$645.28	\$284.39	\$33,481.35	\$15,597.82
42	\$650.66	\$279.01	\$32,830.69	\$15,876.83
43	\$656.08	\$273.59	\$32,174.61	\$16,150.42
44	\$661.55	\$268.12	\$31,513.06	\$16,418.54
45	\$667.06	\$262.61	\$30,846.00	\$16,681.15
46	\$672.62	\$257.05	\$30,173.38	\$16,938.20
47	\$678.23	\$251.44	\$29,495.15	\$17,189.64
48	\$683.88	\$245.79	\$28,811.27	\$17,435.43
49	\$689.58	\$240.09	\$28,121.69	\$17,675.52
50	\$695.32	\$234.35	\$27,426.37	\$17,909.87
51	\$701.12	\$228.55	\$26,725.25	\$18,138.42
52	\$706.96	\$222.71	\$26,018.29	\$18,361.13
53	\$712.85	\$216.82	\$25,305.44	\$18,577.95
54	\$518.79	\$210.88	\$24,586.65	\$18,788.83
55	\$724.78	\$204.89	\$23,861.87	\$18,993.72
56	\$730.82	\$198.85	\$23,131.05	\$19,192.57
57	\$736.91	\$192.76	\$22,394.14	\$19,385.33
58	\$743.05	\$186.62	\$21,651.09	\$19,571.95
59	\$749.24	\$180.43	\$20,901.85	\$19,752.38
60	\$755.49	\$174.18	\$20,146.36	\$19,926.56
61	\$761.78	\$167.89	\$19,384.58	\$20,094.45
62	\$768.11	\$161.54	\$18,616.45	\$20,255.99
63	\$774.51	\$155.14	\$17,841.92	\$20,411.13
64	\$780.99	\$148.68	\$17,060.93	\$20,559.81
65	\$787.50	\$142.17	\$16,273.43	\$20,701.98
66	\$794.06	\$135.61	\$15,479.97	\$20,837.59
67	\$800.68	\$128.99	\$14,678.09	\$20,966.58
68	\$807.35	\$122.32	\$13,871.14	\$21,088.00
69	\$814.08	\$115.59	\$13,057.26	\$21,204.49
70	\$820.86	\$108.81	\$12,236.40	\$21,313.14
71	\$827.70	\$101.97	\$11,408.78	\$21,415.27
72	\$834.60	\$95.07	\$10,574.19	\$21,510.54
73	\$841.55	\$88.12	\$9,732.55	\$21,598.46
74	\$848.57	\$81.10	\$8,883.98	\$21,679.56
75	\$855.64	\$74.01	\$8,028.14	\$21,753.59
76	\$862.77	\$66.90	\$7,165.57	\$21,820.49
77	\$869.96	\$59.71	\$6,295.94	\$21,880.29
78	\$877.21	\$52.46	\$5,418.40	\$21,932.69
79	\$884.52	\$45.15	\$4,533.08	\$21,977.81
80	\$891.89	\$37.78	\$3,641.99	\$22,015.59
81	\$899.32	\$30.35	\$2,742.07	\$22,045.94
82	\$906.81	\$22.86	\$1,835.86	\$22,068.80
83	\$914.37	\$15.34	\$921.49	\$22,084.10
84	\$921.49	\$7.68	\$0.00	\$22,091.78

Pmt	Principal	Interest	Balance	Total Interest
36	\$619.05	\$310.62	\$36,654.86	\$14,122.98
37	\$624.21	\$305.46	\$36,030.65	\$14,428.44
38	\$629.41	\$300.26	\$35,401.24	\$14,728.70
39	\$634.66	\$295.01	\$34,766.58	\$15,023.71
40	\$639.95	\$289.72	\$34,126.63	\$15,313.43
41	\$645.28	\$284.39	\$33,481.35	\$15,597.82
42	\$650.66	\$279.01	\$32,830.69	\$15,876.83
43	\$656.08	\$273.59	\$32,174.61	\$16,150.42
44	\$661.55	\$268.12	\$31,513.06	\$16,418.54
45	\$667.06	\$262.61	\$30,846.00	\$16,681.15
46	\$672.62	\$257.05	\$30,173.38	\$16,938.20
47	\$678.23	\$251.44	\$29,495.15	\$17,189.64
48	\$683.88	\$245.79	\$28,811.27	\$17,435.43
49	\$689.58	\$240.09	\$28,121.69	\$17,675.52
50	\$695.32	\$234.35	\$27,426.37	\$17,909.87
51	\$701.12	\$228.55	\$26,725.25	\$18,138.42
52	\$706.96	\$222.71	\$26,018.29	\$18,361.13
53	\$712.85	\$216.82	\$25,305.44	\$18,577.95
54	\$518.79	\$210.88	\$24,586.65	\$18,788.83
55	\$724.78	\$204.89	\$23,861.87	\$18,993.72
56	\$730.82	\$198.85	\$23,131.05	\$19,192.57
57	\$736.91	\$192.76	\$22,394.14	\$19,385.33
58	\$743.05	\$186.62	\$21,651.09	\$19,571.95
59	\$749.24	\$180.43	\$20,901.85	\$19,752.38
60	\$755.49	\$174.18	\$20,146.36	\$19,926.56



Pmt	Principal	Interest	Balance	Total Interest
61	\$761.78	\$167.89	\$19,384.58	\$20,094.45
62	\$768.13	\$161.54	\$18,616.45	\$20,255.99
63	\$774.53	\$155.14	\$17,841.92	\$20,411.13
64	\$780.99	\$148.68	\$17,060.93	\$20,559.81
65	\$787.50	\$142.17	\$16,273.43	\$20,701.98
66	\$794.06	\$135.61	\$15,479.37	\$20,837.59
67	\$800.68	\$128.99	\$14,678.69	\$20,966.58
68	\$807.35	\$122.32	\$13,871.34	\$21,088.90
69	\$814.08	\$115.59	\$13,057.26	\$21,204.49
70	\$820.86	\$108.81	\$12,236.40	\$21,313.30
71	\$827.70	\$101.97	\$11,408.70	\$21,415.27
72	\$834.60	\$95.07	\$10,574.10	\$21,510.34
73	\$841.55	\$88.12	\$9,732.55	\$21,598.46
74	\$848.57	\$81.10	\$8,883.98	\$21,679.56
75	\$855.64	\$74.03	\$8,028.34	\$21,753.59
76	\$862.77	\$66.90	\$7,165.57	\$21,820.49
77	\$869.96	\$59.71	\$6,295.61	\$21,880.20
78	\$877.21	\$52.46	\$5,418.40	\$21,932.66
79	\$884.52	\$45.15	\$4,533.88	\$21,977.81
80	\$891.89	\$37.78	\$3,641.99	\$22,015.59
81	\$899.32	\$30.35	\$2,742.67	\$22,045.94
82	\$906.81	\$22.86	\$1,835.86	\$22,068.80
83	\$914.37	\$15.30	\$921.49	\$22,084.10
84	\$921.49	\$7.68	\$0.00	\$22,091.78

Balance Sheet Month One Year One

Assets

Cash	31,820
Accts. Receive.	0
Inventory	7,530
Fixed Assets	34,450
Security Deposit	400
Start-Up Costs	4,800
Total Assets	79,000

Liabilities

Note Payable Bank	(56,000)
Note Payable Perso	(23,000)
Total Liabilities	(79,000)

Assets

Cash	31,820
Accts. Receive.	0
Inventory	7,530
Fixed Assets	34,450
Security Deposit	400



Start-Up Costs 4,800

Total Assets 79,000

Liabilities

Note Payable Bank (56,000)

Note Payable Perso (23,000)

Total Liabilities (79,000)

Balance Sheet Month Twelve Year One

Assets

Cash	\$42,782
Accounts Receivable	\$4,336
Inventory	\$6,267
Fixed Assets	\$39,075
Less Accumulated Depreciati	(\$7,510)
Security Deposit	\$400
Deferred Interest	N/A
Total Assets	\$85,350

Liabilities

Note Payable Bank	\$49,153
Note Payable Personal	\$23,000
Share Holders Equity	\$13,197
Total Liabilities	\$85,350

Assets

Cash \$42,782

Accounts Receivable \$4,336

Inventory \$6,267

Fixed Assets \$39,075

Less Accumulated Depreciati (\$7,510)

Security Deposit \$400

Deferred Interest N/A

Total Assets \$85,350

Liabilities

Note Payable Bank \$49,153

Note Payable Personal \$23,000

Share Holders Equity \$13,197

Total Liabilities \$85,350