

# Business Plans Handbook

A COMPILATION  
OF ACTUAL  
BUSINESS PLANS  
DEVELOPED BY  
BUSINESSES  
THROUGHOUT  
NORTH  
AMERICA

VOLUME

22

# Business Plans Handbook

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A COMPILATION  
OF BUSINESS  
PLANS DEVELOPED  
BY INDIVIDUALS  
THROUGHOUT  
NORTH AMERICA

# Handbook

VOLUME

# 22

**Michelle Lee,  
Project Editor**



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CENGAGE Learning™

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# Highlights

*Business Plans Handbook, Volume 22 (BPH-22)* is a collection of business plans compiled by entrepreneurs seeking funding for small businesses throughout North America. For those looking for examples of how to approach, structure, and compose their own business plans, *BPH-22* presents 20 sample plans, including plans for the following businesses:

- Burger Stand
- Church
- Commercial Diving Service
- Concession Equipment Rental Business
- Cosmetics Manufacturer
- DVD Kiosk Rental Business
- Grant Writer
- Inflatable Amusement Rental Business
- Infusion Therapy
- iPhone App Developer
- IT Network Installer
- Medical Practice
- Mobile Oil Change Business
- Online Job Service
- Nonprofit Concession Stand Business
- Personal Loan Company
- Pressure Washing Business
- Record Company
- Self Storage Business
- Used Car Business

---

## FEATURES AND BENEFITS

*BPH-22* offers many features not provided by other business planning references including:

- Twenty business plans, each of which represent an attempt at clarifying (for themselves and others) the reasons that the business should exist or expand and why a lender should fund the enterprise.
- Two fictional plans that are used by business counselors at a prominent small business development organization as examples for their clients. (You will find these in the Business Plan Template Appendix.)

## HIGHLIGHTS

- A directory section that includes: listings for venture capital and finance companies, which specialize in funding start-up and second-stage small business ventures, and a comprehensive listing of Service Corps of Retired Executives (SCORE) offices. In addition, the Appendix also contains updated listings of all Small Business Development Centers (SBDCs); associations of interest to entrepreneurs; Small Business Administration (SBA) Regional Offices; and consultants specializing in small business planning and advice. It is strongly advised that you consult supporting organizations while planning your business, as they can provide a wealth of useful information.
- A Small Business Term Glossary to help you decipher the sometimes confusing terminology used by lenders and others in the financial and small business communities.
- A cumulative index, outlining each plan profiled in the complete *Business Plans Handbook* series.
- A Business Plan Template which serves as a model to help you construct your own business plan. This generic outline lists all the essential elements of a complete business plan and their components, including the Summary, Business History and Industry Outlook, Market Examination, Competition, Marketing, Administration and Management, Financial Information, and other key sections. Use this guide as a starting point for compiling your plan.
- Extensive financial documentation required to solicit funding from small business lenders. You will find examples of: Cash Flows, Balance Sheets, Income Projections, and other financial information included with the textual portions of the plan.



# Introduction

Perhaps the most important aspect of business planning is simply doing it. More and more business owners are beginning to compile business plans even if they don't need a bank loan. Others discover the value of planning when they must provide a business plan for the bank. The sheer act of putting thoughts on paper seems to clarify priorities and provide focus. Sometimes business owners completely change strategies when compiling their plan, deciding on a different product mix or advertising scheme after finding that their assumptions were incorrect. This kind of healthy thinking and re-thinking via business planning is becoming the norm. The editors of *Business Plans Handbook, Volume 22 (BPH-22)* sincerely hope that this latest addition to the series is a helpful tool in the successful completion of your business plan, no matter what the reason for creating it.

This twenty-second volume, like each volume in the series, offers business plans used and created by real people. *BPH-22* provides 20 business plans. The business and personal names and addresses and general locations have been changed to protect the privacy of the plan authors.

---

## NEW BUSINESS OPPORTUNITIES

As in other volumes in the series, *BPH-22* finds entrepreneurs engaged in a wide variety of creative endeavors. Examples include a proposal for a Church, a Commercial Diving Service, and a Medical Practice. In addition, several other plans are provided, including a Record Company, an iPhone App Developer, and DVD Rental Kiosks, among others.

Comprehensive financial documentation has become increasingly important as today's entrepreneurs compete for the finite resources of business lenders. Our plans illustrate the financial data generally required of loan applicants, including Income Statements, Financial Projections, Cash Flows, and Balance Sheets.

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## ENHANCED APPENDIXES

In an effort to provide the most relevant and valuable information for our readers, we have updated the coverage of small business resources. For instance, you will find: a directory section, which includes listings of all of the Service Corps of Retired Executives (SCORE) offices; an informative glossary, which includes small business terms; and a cumulative index, outlining each plan profiled in the complete *Business Plans Handbook* series. In addition we have updated the list of Small Business Development Centers (SBDCs); Small Business Administration Regional Offices; venture capital and finance companies, which specialize in funding start-up and second-stage small business enterprises; associations of interest to entrepreneurs; and consultants, specializing in small business advice and planning. For your reference, we have also reprinted the business plan template, which provides a comprehensive overview of the essential components of a business plan and two fictional plans used by small business counselors.

---

### SERIES INFORMATION

If you already have the first twenty-one volumes of *BPH*, with this twenty-second volume, you will now have a collection of over 452 business plans (not including the updated plans); contact information for hundreds of organizations and agencies offering business expertise; a helpful business plan template; more than 1,500 citations to valuable small business development material; and a comprehensive glossary of terms to help the business planner navigate the sometimes confusing language of entrepreneurship.

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### ACKNOWLEDGEMENTS

The Editors wish to sincerely thank the contributors to *BPH-22*, including:

- BizPlanDB.com
- Paul Greenland

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### COMMENTS WELCOME

Your comments on *Business Plans Handbook* are appreciated. Please direct all correspondence, suggestions for future volumes of *BPH*, and other recommendations to the following:

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# Burger Stand

Bob's Burger Shack

1200 High St.  
Brooklyn, New York 11219

*BizPlanDB.com*

*The purpose of this business plan is to raise \$60,000 for the development of a food stand that will sell burgers, hot dogs, and beverages to customers in its targeted market. The Company was founded by Robert Bergeon.*

---

## 1.0 EXECUTIVE SUMMARY

The purpose of this business plan is to raise \$60,000 for the development of a burger stand while showcasing the expected financials and operations over the next three years. Bob's Burger Shack ("the Company") is a New York-based corporation that will provide burgers, hot dogs, and beverages to customers in its targeted market. The Company was founded by Robert Bergeon.

### 1.1 The Services

Our vision for Bob's Burger Shack is to operate a small location that will provide a wide selection of burgers, hotdogs, beverages, and ice cream.

Bob's Burger Shack, vis-a-vis food and beverage sales, will generate substantial gross margins that will allow the business to generate profitable revenue throughout the course of the calendar year.

The third section of the business plan will further describe the services offered by Bob's Burger Shack.

### 1.2 Financing

Mr. Bergeon is seeking to raise \$50,000 from a bank loan. The interest rate and loan agreement are to be further discussed during negotiation. This business plan assumes that the business will receive a 10 year loan with a 9% fixed interest rate. The financing will be used for the following:

- Development of the Company's location.
- Financing for the first six months of operation.
- Capital to purchase the Company's equipment.

Mr. Bergeon will contribute \$10,000 to the venture.

### 1.3 Mission Statement

The Company is committed to providing customers with quality burgers, hot dogs, ice cream, and beverages at reasonable prices while conforming to all laws regarding the sale of food on both the state and local level.

## BURGER STAND

### 1.4 Management Team

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

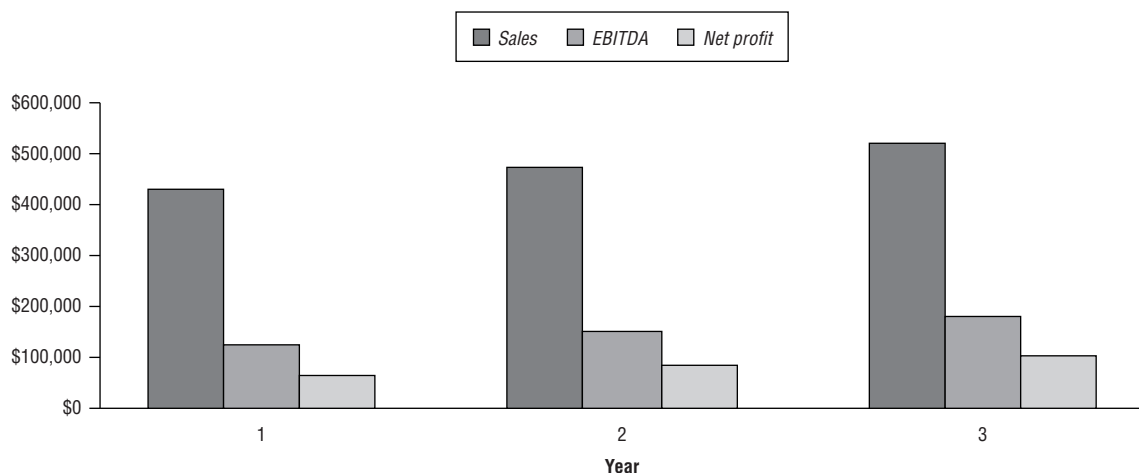
### 1.5 Sales Forecasts

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

#### Proforma profit and loss (yearly)

Year	1	2	3
Sales	\$430,122	\$473,134	\$520,448
Operating costs	\$219,454	\$227,558	\$236,028
EBITDA	\$124,644	\$150,950	\$180,330
Taxes, interest, and depreciation	\$ 60,209	\$ 66,510	\$ 77,263
Net profit	\$ 64,434	\$ 84,440	\$103,067

#### Sales, operating costs, and profit forecast



### 1.6 Expansion Plan

The Founder expects that the business will aggressively expand during the first three years of operation. Mr. Bergeon intends to implement marketing campaigns that will effectively target individuals within the target market.

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## 2.0 COMPANY AND FINANCING SUMMARY

### 2.1 Registered Name and Corporate Structure

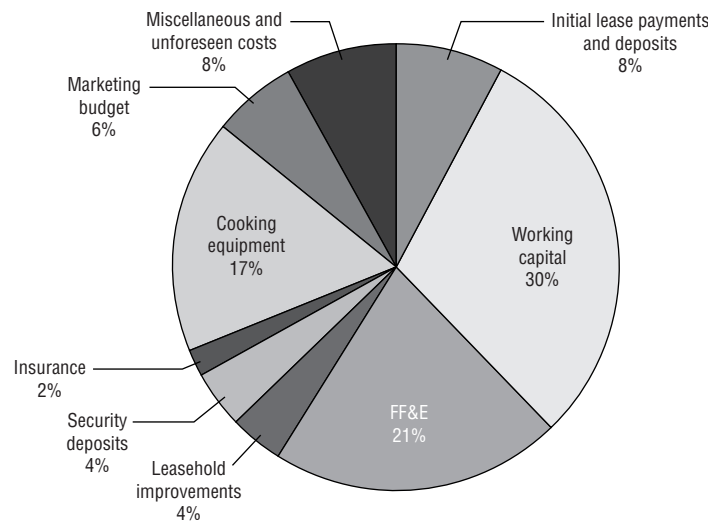
The Company is registered as a corporation in the State of New York.

### 2.2 Required Funds

At this time, Bob's Burger Shack requires \$50,000 of debt funds. Below is a breakdown of how these funds will be used:

**Projected startup costs**

Initial lease payments and deposits	\$ 5,000
Working capital	\$17,500
FF&E	\$12,500
Leasehold improvements	\$ 2,500
Security deposits	\$ 2,500
Insurance	\$ 1,250
Cooking equipment	\$10,000
Marketing budget	\$ 3,750
Miscellaneous and unforeseen costs	\$ 5,000
<b>Total startup costs</b>	<b>\$60,000</b>

**Use of funds****2.3 Investor Equity**

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

**2.4 Management Equity**

Mr. Bergeon owns 100% of Bob's Burger Shack.

**2.5 Exit Strategy**

If the business is very successful, Mr. Bergeon may seek to sell the business to a third party for a significant earnings multiple. Most likely, the Company will hire a qualified business broker to sell the business on behalf of Bob's Burger Shack. Based on historical numbers, the business could fetch a sales premium of up to 3 times earnings. There are moderate risks associated with operating a restaurant business, and as such Mr. Bergeon will need to properly train a new owner for at least 30 to 60 days after the sale is complete.

---

**3.0 PRODUCTS AND SERVICES**

Bob's Burger Shack will sell a variety of hamburgers, hot dogs, ice cream, smoothies, and other products that are common within Burger Stands.

The Owner's top priority (along with serving quality food) is to comply with all state and local laws regarding the sale of food and beverages to the general public. Within Bob's Burger Shack's facility, the Company will always properly handle dairy and meat products, which have higher incidences of spoilage. The Owner will ensure, at all times, the Company's facility is in compliance with all health and food safety laws.

He intends to further the support for the business by sourcing inventories of meat, ice cream, and other food products from local stores that will provide Bob's Burger Shack with bulk discounts. This will allow the business to further its ties to the local economy.

Mr. Bergeon is sourcing a number of inventory and equipment suppliers for the ongoing and one time costs associated with this business.

---

## 4.0 STRATEGIC AND MARKET ANALYSIS

### 4.1 Economic Outlook

This section of the analysis will detail the economic climate, the burger stand quick service food industry, the customer profile, and the competition that the business will face as it progresses through its business operations.

Presently the economic market condition in the United States is moderate. The meltdown of the sub prime mortgage market coupled with increasing gas prices has led many people to believe that the US is on the cusp of a double dip economic recession. This slowdown in the economy has also greatly impacted real estate sales, which has halted to historical lows. However, due to the low pricing point of the food products offered by Bob's Burger Shack, the business should be able to remain profitable despite any future economic declines.

### 4.2 Industry Analysis

There are over 640,000 restaurants in the United States. Gross annual receipts total more than \$193 billion dollars per year. The industry also employs over 10.5 million people, and generates an average annual payroll of more than \$40 billion dollars per year.

As it pertains to relationships that specifically focus on selling hamburgers and similar products, there are approximately 75,000 businesses that operate within this sub-segment of the general restaurant industry. Each year, these businesses typically generate 15% to 19% of all revenues generated by restaurants within the United States.

### 4.3 Customer Profile

As the business offers an expansive menu of burgers, hot dogs, ice cream, and other products, it is difficult to categorize the average customer of Bob's Burger Shack as many people, of all walks of life, enjoy the products offered by the Company.

Management expects that the average customer will be a middle to upper middle class man or woman (usually with children) living in the Company's target market. Common traits among clients will include:

- Annual household income exceeding \$30,000
- Lives or works no more than 5 miles from the Company's location.
- Will spend \$5 to \$15 per visit to Bob's Burger Shack

In the Company's target market radius (approximately 5 miles), there are more than 100,000 residents. Among these residents, the annual household income is \$42,000 while median family income is approximately \$50,000. The 10 year population growth of the area has been 3%.

### 4.4 Competition

As with any metropolitan area, there are always many businesses that operate in a similar or identical capacity. The Company's burger stand will face competition from other restaurants as well as with major franchised locations that serve similar fare. Management intends to differentiate itself by operating in a burger stand capacity while serving the freshest quality products.

## 5.0 MARKETING PLAN

Bob's Burger Shack intends to maintain an extensive marketing campaign that will ensure maximum visibility for the business in its targeted market. Below is an overview of the marketing strategies and objectives of Bob's Burger Shack.

### 5.1 Marketing Objectives

- Implement a local campaign with the Company's targeted market via the use of coupons that will be provided with all mailed advertisements.
- Build a large word-of-mouth referral network through existing customer base once the business becomes popular within the local community.
- Establish connections with local suppliers and vendors.

### 5.2 Marketing Strategies

Direct marketing will be the most difficult portion of the marketing strategy. This is because one of the essential elements to reaching a retail food and beverage purchasing audience is that the Company must build a brand affinity with the customer. Bob's Burger Shack will maintain a moderate level of traditional print and media advertising among local channels. These promotional campaigns will provide customers with coupons and special savings deals that will entice consumers to come to the Company's location.

Prior to opening the Company's location, Management intends to send mailing and circulars to local residents within the target market so that the business has instant traffic and visibility upon its grand opening. Every mailing undertaken by the business will include a coupon.

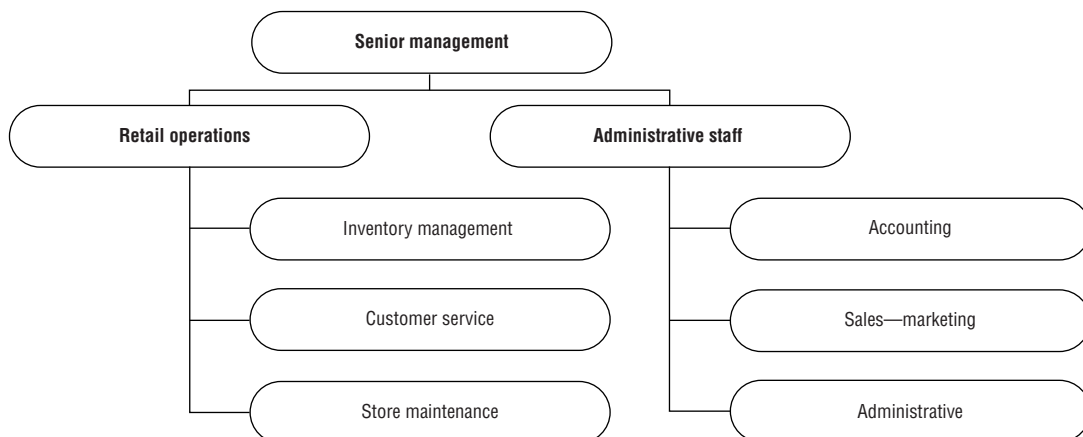
As stated earlier, the business will also heavily benefit from the high visibility location which Mr. Bergeon is currently sourcing. Management anticipates that a vast majority of the Company's revenues will come from passers-by and shoppers.

### 5.3 Pricing

The Company intends to price its food products between \$1.50 to \$3.50 per hamburger, hot dog, ice cream, or beverage. Management anticipates gross margins of approximately 80% on each dollar generated.

## 6.0 ORGANIZATIONAL PLAN AND PERSONNEL SUMMARY

### 6.1 Corporate Organization



## 6.2 Organizational Budget

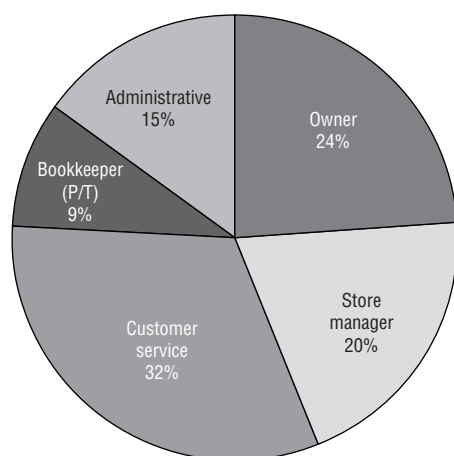
### Personnel plan—yearly

Year	1	2	3
Owner	\$ 35,000	\$ 36,050	\$ 37,132
Store manager	\$ 29,000	\$ 29,870	\$ 30,766
Customer service	\$ 46,500	\$ 47,895	\$ 49,332
Bookkeeper (P/T)	\$ 12,500	\$ 12,875	\$ 13,261
Administrative	\$ 22,000	\$ 22,660	\$ 23,340
<b>Total</b>	<b>\$145,000</b>	<b>\$149,350</b>	<b>\$153,831</b>

### Numbers of personnel

Year	1	2	3
Owner	1	1	1
Store manager	1	1	1
Customer service	3	3	3
Bookkeeper (P/T)	1	1	1
Administrative	1	1	1
<b>Totals</b>	<b>7</b>	<b>7</b>	<b>7</b>

### Personnel expense breakdown



## 7.0 FINANCIAL PLAN

### 7.1 Underlying Assumptions

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

- Bob's Burger Shack will have an annual revenue growth rate of 10% per year.
- The Owner will acquire \$50,000 of debt funds to develop the business.
- The loan will have a 10 year term with a 9% interest rate.

### 7.2 Sensitivity Analysis

The Company's revenues are somewhat sensitive to the overall conditions of the economy. During times of economic recession, the Company may have a decrease in its top line revenues as people will demand fewer beverages/food products from retail locations. However, the Company's



revenues provide high levels of operating income for the business, and Bob's Burger Shack would need to have a significant decrease in its top line income before the Company becomes unprofitable.

## 7.3 Source of Funds

### Financing

#### Equity contributions

Management investment	\$10,000.00
<b>Total equity financing</b>	<b>\$10,000.00</b>

#### Banks and lenders

Banks and lenders	\$50,000.00
<b>Total debt financing</b>	<b>\$50,000.00</b>
<b>Total financing</b>	<b>\$60,000.00</b>

## 7.4 General Assumptions

### General assumptions

Year	1	2	3
Short term interest rate	9.5%	9.5%	9.5%
Long term interest rate	10.0%	10.0%	10.0%
Federal tax rate	33.0%	33.0%	33.0%
State tax rate	5.0%	5.0%	5.0%
Personnel taxes	15.0%	15.0%	15.0%

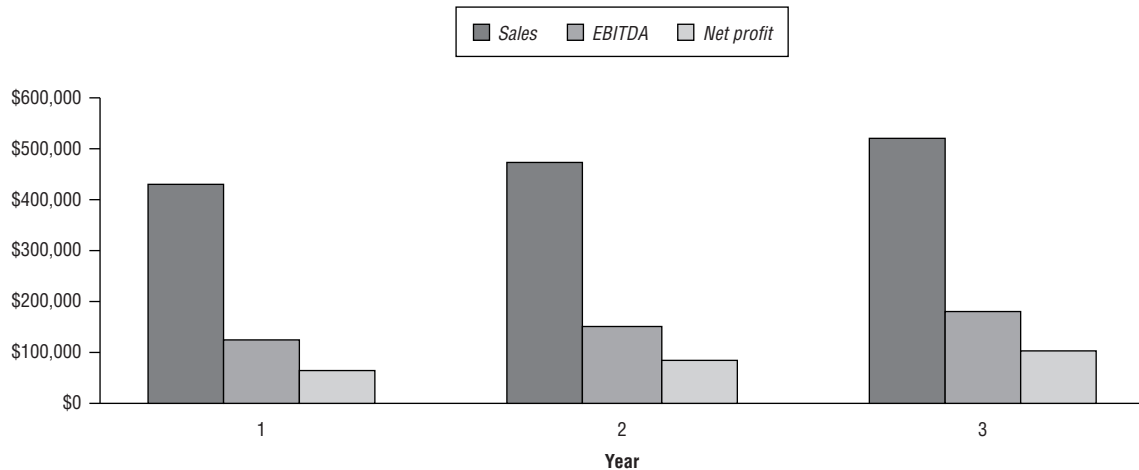
## 7.5 Profit and Loss Statements

### Proforma profit and loss (yearly)

Year	1	2	3
<b>Sales</b>	<b>\$430,122</b>	<b>\$473,134</b>	<b>\$520,448</b>
Cost of goods sold	\$ 86,024	\$ 94,627	\$104,090
Gross margin	80.00%	80.00%	80.00%
<b>Operating income</b>	<b>\$344,098</b>	<b>\$378,507</b>	<b>\$416,358</b>
<b>Expenses</b>			
Payroll	\$145,000	\$149,350	\$153,831
General and administrative	\$ 13,200	\$ 13,728	\$ 14,277
Marketing expenses	\$ 4,301	\$ 4,731	\$ 5,204
Professional fees and licensure	\$ 5,219	\$ 5,376	\$ 5,537
Insurance costs	\$ 5,987	\$ 6,286	\$ 6,601
Travel and vehicle costs	\$ 7,596	\$ 8,356	\$ 9,191
Rent and utilities	\$ 14,250	\$ 14,963	\$ 15,711
Miscellaneous costs	\$ 2,151	\$ 2,366	\$ 2,602
Payroll taxes	\$ 21,750	\$ 22,403	\$ 23,075
<b>Total operating costs</b>	<b>\$219,454</b>	<b>\$227,558</b>	<b>\$236,028</b>
<b>EBITDA</b>	<b>\$124,644</b>	<b>\$150,950</b>	<b>\$180,330</b>
Federal income tax	\$ 41,132	\$ 47,130	\$ 57,044
State income tax	\$ 6,232	\$ 7,141	\$ 8,643
Interest expense	\$ 8,738	\$ 8,131	\$ 7,468
Depreciation expenses	\$ 4,107	\$ 4,107	\$ 4,107
<b>Net profit</b>	<b>\$ 64,434</b>	<b>\$ 84,440</b>	<b>\$103,067</b>
<b>Profit margin</b>	<b>14.98%</b>	<b>17.85%</b>	<b>19.80%</b>

## BURGER STAND

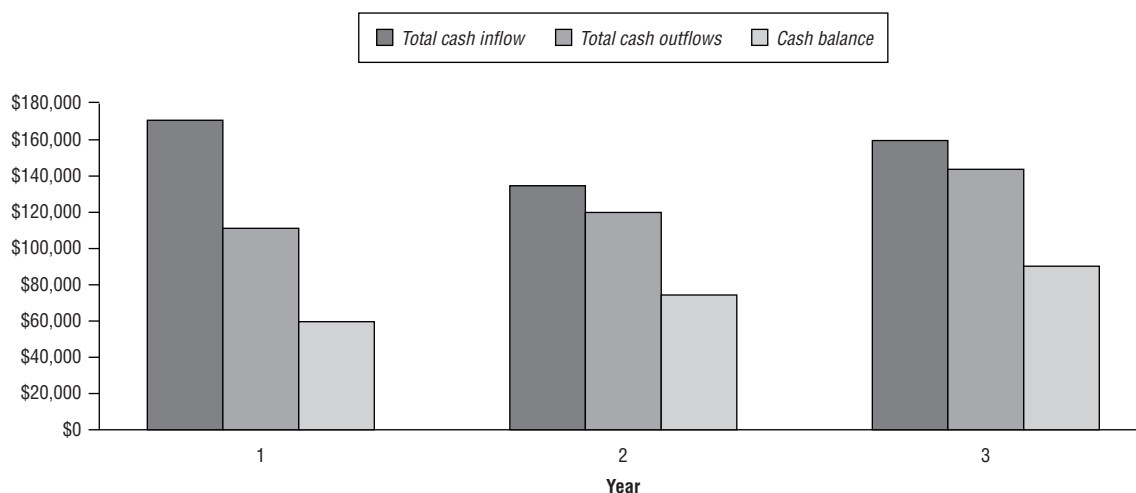
### Sales, operating costs, and profit forecast



## 7.6 Cash Flow Analysis

### Proforma cash flow analysis—yearly

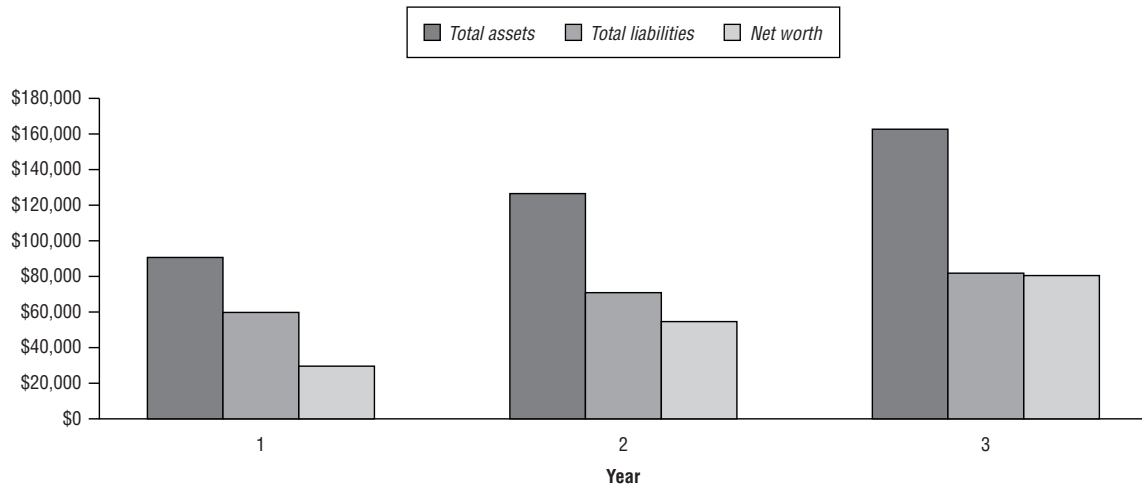
Year	1	2	3
Cash from operations	\$ 72,910	\$ 91,068	\$109,489
Cash from receivables	\$ 0	\$ 0	\$ 0
<b>Operating cash inflow</b>	<b>\$ 72,910</b>	<b>\$ 91,068</b>	<b>\$109,489</b>
<b>Other cash inflows</b>			
Equity investment	\$ 10,000	\$ 0	\$ 0
Increased borrowings	\$ 50,000	\$ 0	\$ 0
Sales of business assets	\$ 0	\$ 0	\$ 0
A/P increases	\$ 37,902	\$ 43,587	\$ 50,125
<b>Total other cash inflows</b>	<b>\$ 97,902</b>	<b>\$ 43,587</b>	<b>\$ 50,125</b>
<b>Total cash inflow</b>	<b>\$170,812</b>	<b>\$134,655</b>	<b>\$159,615</b>
<b>Cash outflows</b>			
Repayment of principal	\$ 3,232	\$ 3,535	\$ 3,866
A/P decreases	\$ 24,897	\$ 29,876	\$ 35,852
A/R increases	\$ 0	\$ 0	\$ 0
Asset purchases	\$ 32,000	\$ 22,767	\$ 27,372
Dividends	\$ 51,037	\$ 63,748	\$ 76,643
<b>Total cash outflows</b>	<b>\$111,166</b>	<b>\$119,926</b>	<b>\$143,733</b>
<b>Net cash flow</b>	<b>\$ 59,646</b>	<b>\$ 14,729</b>	<b>\$ 15,882</b>
<b>Cash balance</b>	<b>\$ 59,646</b>	<b>\$ 74,376</b>	<b>\$ 90,258</b>

**Proforma cash flow (yearly)****7.7 Balance Sheet****Proforma balance sheet—yearly**

Year	1	2	3
<b>Assets</b>			
Cash	\$59,646	\$ 74,376	\$ 90,258
Amortized development/expansion costs	\$ 9,500	\$ 16,330	\$ 19,067
Burger stand equipment	\$10,000	\$ 15,692	\$ 22,535
FF&E	\$12,500	\$ 22,745	\$ 35,063
Accumulated depreciation	(\$ 2,286)	(\$ 4,571)	(\$ 6,857)
<b>Total assets</b>	<b>\$89,361</b>	<b>\$124,571</b>	<b>\$160,065</b>
<b>Liabilities and equity</b>			
Accounts payable	\$13,005	\$ 26,716	\$ 40,990
Long term liabilities	\$46,768	\$ 43,233	\$ 39,699
Other liabilities	\$ 0	\$ 0	\$ 0
<b>Total liabilities</b>	<b>\$59,773</b>	<b>\$ 69,949</b>	<b>\$ 80,688</b>
<b>Net worth</b>	<b>\$29,587</b>	<b>\$ 54,622</b>	<b>\$ 79,377</b>
<b>Total liabilities and equity</b>	<b>\$89,361</b>	<b>\$124,571</b>	<b>\$160,065</b>

## BURGER STAND

### Proforma balance sheet

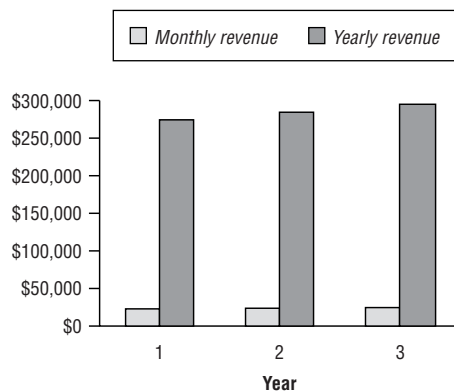


## 7.8 Breakeven Analysis

### Monthly break even analysis

Year	1	2	3
Monthly revenue	\$ 22,860	\$ 23,704	\$ 24,586
Yearly revenue	\$274,317	\$284,447	\$295,035

### Break even analysis



## 7.9 Business Ratios

### Business ratios—yearly

Year	1	2	3
<b>Sales</b>			
Sales growth	0.00%	10.00%	10.00%
Gross margin	80.00%	80.00%	80.00%
<b>Financials</b>			
Profit margin	14.98%	17.85%	19.80%
Assets to liabilities	1.25	1.43	1.59
Equity to liabilities	0.25	0.43	0.59
Assets to equity	5.03	3.31	2.70
<b>Liquidity</b>			
Acid test	0.75	0.80	0.85
Cash to assets	0.60	0.56	0.54

## 7.10 Three Year Profit and Loss Statement

### Profit and loss statement (first year)

Months	1	2	3	4	5	6	7
<b>Sales</b>	<b>\$26,600</b>	<b>\$26,733</b>	<b>\$26,866</b>	<b>\$26,999</b>	<b>\$39,900</b>	<b>\$49,875</b>	<b>\$53,200</b>
Cost of goods sold	\$ 5,320	\$ 5,347	\$ 5,373	\$ 5,400	\$ 7,980	\$ 9,975	\$10,640
Gross margin	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
<b>Operating income</b>	<b>\$21,280</b>	<b>\$21,386</b>	<b>\$21,493</b>	<b>\$21,599</b>	<b>\$31,920</b>	<b>\$39,900</b>	<b>\$42,560</b>
<b>Expenses</b>							
Payroll	\$ 12,083	\$ 12,083	\$ 12,083	\$ 12,083	\$ 12,083	\$ 12,083	\$ 12,083
General and administrative	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100
Marketing expenses	\$ 358	\$ 358	\$ 358	\$ 358	\$ 358	\$ 358	\$ 358
Professional fees and licensure	\$ 435	\$ 435	\$ 435	\$ 435	\$ 435	\$ 435	\$ 435
Insurance costs	\$ 499	\$ 499	\$ 499	\$ 499	\$ 499	\$ 499	\$ 499
Travel and vehicle costs	\$ 633	\$ 633	\$ 633	\$ 633	\$ 633	\$ 633	\$ 633
Rent and utilities	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188
Miscellaneous costs	\$ 179	\$ 179	\$ 179	\$ 179	\$ 179	\$ 179	\$ 179
Payroll taxes	\$ 1,813	\$ 1,813	\$ 1,813	\$ 1,813	\$ 1,813	\$ 1,813	\$ 1,813
<b>Total operating costs</b>	<b>\$18,288</b>	<b>\$18,288</b>	<b>\$18,288</b>	<b>\$18,288</b>	<b>\$18,288</b>	<b>\$18,288</b>	<b>\$18,288</b>
<b>EBITDA</b>	<b>\$ 2,992</b>	<b>\$ 3,099</b>	<b>\$ 3,205</b>	<b>\$ 3,311</b>	<b>\$13,632</b>	<b>\$21,612</b>	<b>\$24,272</b>
Federal income tax	\$ 2,544	\$ 2,556	\$ 2,569	\$ 2,582	\$ 3,816	\$ 4,770	\$ 5,088
State income tax	\$ 385	\$ 387	\$ 389	\$ 391	\$ 578	\$ 723	\$ 771
Interest expense	\$ 750	\$ 746	\$ 742	\$ 738	\$ 734	\$ 730	\$ 726
Depreciation expense	\$ 342	\$ 342	\$ 342	\$ 342	\$ 342	\$ 342	\$ 342
<b>Net profit</b>	<b>—\$ 1,029</b>	<b>—\$ 934</b>	<b>—\$ 838</b>	<b>—\$ 742</b>	<b>\$ 8,162</b>	<b>\$15,047</b>	<b>\$17,345</b>

## BURGER STAND

### Profit and loss statement (first year cont.)

Month	8	9	10	11	12	1
<b>Sales</b>	<b>\$56,525</b>	<b>\$43,225</b>	<b>\$26,600</b>	<b>\$26,733</b>	<b>\$26,866</b>	<b>\$430,122</b>
Cost of goods sold	\$11,305	\$ 8,645	\$ 5,320	\$ 5,347	\$ 5,373	\$ 86,024
Gross margin	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
<b>Operating income</b>	<b>\$45,220</b>	<b>\$34,580</b>	<b>\$21,280</b>	<b>\$21,386</b>	<b>\$21,493</b>	<b>\$344,098</b>
<b>Expenses</b>						
Payroll	\$12,083	\$12,083	\$12,083	\$12,083	\$12,083	\$145,000
General and administrative	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 13,200
Marketing expenses	\$ 358	\$ 358	\$ 358	\$ 358	\$ 358	\$ 4,301
Professional fees and licensure	\$ 435	\$ 435	\$ 435	\$ 435	\$ 435	\$ 5,219
Insurance costs	\$ 499	\$ 499	\$ 499	\$ 499	\$ 499	\$ 5,987
Travel and vehicle costs	\$ 633	\$ 633	\$ 633	\$ 633	\$ 633	\$ 7,596
Rent and utilities	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 1,188	\$ 14,250
Miscellaneous costs	\$ 179	\$ 179	\$ 179	\$ 179	\$ 179	\$ 2,151
Payroll taxes	\$ 1,813	\$ 1,813	\$ 1,813	\$ 1,813	\$ 1,813	\$ 21,750
<b>Total operating costs</b>	<b>\$18,288</b>	<b>\$18,288</b>	<b>\$18,288</b>	<b>\$18,288</b>	<b>\$18,288</b>	<b>\$219,454</b>
<b>EBITDA</b>	<b>\$26,932</b>	<b>\$16,292</b>	<b>\$ 2,992</b>	<b>\$ 3,099</b>	<b>\$ 3,205</b>	<b>\$124,644</b>
Federal income tax	\$ 5,405	\$ 4,134	\$ 2,544	\$ 2,556	\$ 2,569	\$ 41,132
State income tax	\$ 819	\$ 626	\$ 385	\$ 387	\$ 389	\$ 6,232
Interest expense	\$ 722	\$ 718	\$ 714	\$ 710	\$ 706	\$ 8,738
Depreciation expense	\$ 342	\$ 342	\$ 342	\$ 342	\$ 342	\$ 4,107
<b>Net profit</b>	<b>\$19,643</b>	<b>\$10,472</b>	<b>-\$ 993</b>	<b>-\$ 897</b>	<b>-\$ 801</b>	<b>\$ 64,434</b>

### Profit and loss statement (second year)

		2			
Quarter	Q1	Q2	Q3	Q4	2
<b>Sales</b>	<b>\$94,627</b>	<b>\$118,284</b>	<b>\$127,746</b>	<b>\$132,478</b>	<b>\$473,134</b>
Cost of goods sold	\$18,925	\$ 23,657	\$ 25,549	\$ 26,496	\$ 94,627
Gross margin	80.0%	80.0%	80.0%	80.0%	80.0%
<b>Operating income</b>	<b>\$75,701</b>	<b>\$ 94,627</b>	<b>\$102,197</b>	<b>\$105,982</b>	<b>\$378,507</b>
<b>Expenses</b>					
Payroll	\$29,870	\$ 37,338	\$ 40,325	\$ 41,818	\$149,350
General and administrative	\$ 2,746	\$ 3,432	\$ 3,707	\$ 3,844	\$ 13,728
Marketing expenses	\$ 946	\$ 1,183	\$ 1,277	\$ 1,325	\$ 4,731
Professional fees and licensure	\$ 1,075	\$ 1,344	\$ 1,451	\$ 1,505	\$ 5,376
Insurance costs	\$ 1,257	\$ 1,572	\$ 1,697	\$ 1,760	\$ 6,286
Travel and vehicle costs	\$ 1,671	\$ 2,089	\$ 2,256	\$ 2,340	\$ 8,356
Rent and utilities	\$ 2,993	\$ 3,741	\$ 4,040	\$ 4,190	\$ 14,963
Miscellaneous costs	\$ 473	\$ 591	\$ 639	\$ 662	\$ 2,366
Payroll taxes	\$ 4,481	\$ 5,601	\$ 6,049	\$ 6,273	\$ 22,403
<b>Total operating costs</b>	<b>\$45,512</b>	<b>\$ 56,889</b>	<b>\$ 61,441</b>	<b>\$ 63,716</b>	<b>\$227,558</b>
<b>EBITDA</b>	<b>\$30,190</b>	<b>\$ 37,737</b>	<b>\$ 40,756</b>	<b>\$ 42,266</b>	<b>\$150,950</b>
Federal income tax	\$ 9,426	\$ 11,783	\$ 12,725	\$ 13,196	\$ 47,130
State income tax	\$ 1,428	\$ 1,785	\$ 1,928	\$ 1,999	\$ 7,141
Interest expense	\$ 2,092	\$ 2,053	\$ 2,013	\$ 1,973	\$ 8,131
Depreciation expense	\$ 1,027	\$ 1,027	\$ 1,027	\$ 1,027	\$ 4,107
<b>Net profit</b>	<b>\$16,217</b>	<b>\$ 21,090</b>	<b>\$ 23,063</b>	<b>\$ 24,070</b>	<b>\$ 84,440</b>

## Profit and loss statement (third year)

Quarter	3				
	Q1	Q2	Q3	Q4	3
<b>Sales</b>	<b>\$104,090</b>	<b>\$130,112</b>	<b>\$140,521</b>	<b>\$145,725</b>	<b>\$520,448</b>
Cost of goods sold	\$ 20,818	\$ 26,022	\$ 28,104	\$ 29,145	\$104,090
Gross margin	80.0%	80.0%	80.0%	80.0%	80.0%
<b>Operating income</b>	<b>\$ 83,272</b>	<b>\$104,090</b>	<b>\$112,417</b>	<b>\$116,580</b>	<b>\$416,358</b>
<b>Expenses</b>					
Payroll	\$ 30,766	\$ 38,458	\$ 41,534	\$ 43,073	\$153,831
General and administrative	\$ 2,855	\$ 3,569	\$ 3,855	\$ 3,998	\$ 14,277
Marketing expenses	\$ 1,041	\$ 1,301	\$ 1,405	\$ 1,457	\$ 5,204
Professional fees and licensure	\$ 1,107	\$ 1,384	\$ 1,495	\$ 1,550	\$ 5,537
Insurance costs	\$ 1,320	\$ 1,650	\$ 1,782	\$ 1,848	\$ 6,601
Travel and vehicle costs	\$ 1,838	\$ 2,298	\$ 2,482	\$ 2,574	\$ 9,191
Rent and utilities	\$ 3,142	\$ 3,928	\$ 4,242	\$ 4,399	\$ 15,711
Miscellaneous costs	\$ 520	\$ 651	\$ 703	\$ 729	\$ 2,602
Payroll taxes	\$ 4,615	\$ 5,769	\$ 6,230	\$ 6,461	\$ 23,075
<b>Total operating costs</b>	<b>\$ 47,206</b>	<b>\$ 59,007</b>	<b>\$ 63,728</b>	<b>\$ 66,088</b>	<b>\$236,028</b>
<b>EBITDA</b>	<b>\$ 36,066</b>	<b>\$ 45,082</b>	<b>\$ 48,689</b>	<b>\$ 50,492</b>	<b>\$180,330</b>
Federal income tax	\$ 11,409	\$ 14,261	\$ 15,402	\$ 15,972	\$ 57,044
State income tax	\$ 1,729	\$ 2,161	\$ 2,334	\$ 2,420	\$ 8,643
Interest expense	\$ 1,932	\$ 1,889	\$ 1,846	\$ 1,802	\$ 7,468
Depreciation expense	\$ 1,027	\$ 1,027	\$ 1,027	\$ 1,027	\$ 4,107
<b>Net profit</b>	<b>\$ 19,970</b>	<b>\$ 25,745</b>	<b>\$ 28,081</b>	<b>\$ 29,272</b>	<b>\$103,067</b>

## 7.11 Three Year Cash Flow Analysis

## Cash flow analysis (first year)

Month	1	2	3	4	5	6	7
Cash from operations	—\$ 312	—\$ 218	—\$ 125	—\$ 31	\$ 8,871	\$15,755	\$18,051
Cash from receivables	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Operating cash inflow</b>	<b>—\$ 312</b>	<b>—\$ 218</b>	<b>—\$ 125</b>	<b>—\$ 31</b>	<b>\$ 8,871</b>	<b>\$15,755</b>	<b>\$18,051</b>
<b>Other cash inflows</b>							
Equity investment	\$10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Increased borrowings	\$50,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sales of business assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
A/P increases	\$ 3,159	\$ 3,159	\$ 3,159	\$ 3,159	\$ 3,159	\$ 3,159	\$ 3,159
<b>Total other cash inflows</b>	<b>\$63,159</b>	<b>\$ 3,159</b>	<b>\$ 3,159</b>	<b>\$ 3,159</b>	<b>\$ 3,159</b>	<b>\$ 3,159</b>	<b>\$ 3,159</b>
<b>Total cash inflow</b>	<b>\$62,847</b>	<b>\$ 2,940</b>	<b>\$ 3,034</b>	<b>\$ 3,128</b>	<b>\$12,030</b>	<b>\$18,913</b>	<b>\$21,209</b>
<b>Cash outflows</b>							
Repayment of principal	\$ 258	\$ 260	\$ 262	\$ 264	\$ 266	\$ 268	\$ 270
A/P decreases	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075
A/R increases	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Asset purchases	\$32,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Dividends	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total cash outflows</b>	<b>\$34,333</b>	<b>\$ 2,335</b>	<b>\$ 2,337</b>	<b>\$ 2,339</b>	<b>\$ 2,341</b>	<b>\$ 2,343</b>	<b>\$ 2,345</b>
<b>Net cash flow</b>	<b>\$28,513</b>	<b>\$ 605</b>	<b>\$ 697</b>	<b>\$ 789</b>	<b>\$ 9,689</b>	<b>\$16,570</b>	<b>\$18,864</b>
<b>Cash balance</b>	<b>\$28,513</b>	<b>\$29,119</b>	<b>\$29,815</b>	<b>\$30,604</b>	<b>\$40,293</b>	<b>\$56,863</b>	<b>\$75,727</b>

## BURGER STAND

### Cash flow analysis (first year cont.)

Month	8	9	10	11	12	1
Cash from operations	\$20,347	\$ 11,173	—\$ 294	—\$ 200	—\$ 106	\$ 72,910
Cash from receivables	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Operating cash inflow</b>	<b>\$20,347</b>	<b>\$ 11,173</b>	<b>—\$ 294</b>	<b>—\$ 200</b>	<b>—\$ 106</b>	<b>\$ 72,910</b>
<b>Other cash inflows</b>						
Equity investment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,000
Increased borrowings	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,000
Sales of business assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
A/P increases	\$ 3,159	\$ 3,159	\$ 3,159	\$ 3,159	\$ 3,159	\$ 37,902
<b>Total other cash inflows</b>	<b>\$ 3,159</b>	<b>\$ 3,159</b>	<b>\$ 3,159</b>	<b>\$ 3,159</b>	<b>\$ 3,159</b>	<b>\$ 97,902</b>
<b>Total cash inflow</b>	<b>\$23,505</b>	<b>\$ 14,332</b>	<b>\$ 2,864</b>	<b>\$ 2,958</b>	<b>\$ 3,052</b>	<b>\$170,812</b>
<b>Cash outflows</b>						
Repayment of principal	\$ 272	\$ 273	\$ 276	\$ 278	\$ 281	\$ 3,232
A/P decreases	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 2,075	\$ 24,897
A/R increases	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Asset purchases	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,000
Dividends	\$ 0	\$ 0	\$ 0	\$ 0	\$51,037	\$ 51,037
<b>Total cash outflows</b>	<b>\$ 2,347</b>	<b>\$ 2,348</b>	<b>\$ 2,351</b>	<b>\$ 2,353</b>	<b>\$53,392</b>	<b>\$111,166</b>
<b>Net cash flow</b>	<b>\$21,158</b>	<b>\$ 11,984</b>	<b>\$ 513</b>	<b>\$ 605</b>	<b>—\$50,340</b>	<b>\$ 59,646</b>
<b>Cash balance</b>	<b>\$96,886</b>	<b>\$108,869</b>	<b>\$109,383</b>	<b>\$109,988</b>	<b>\$59,648</b>	<b>\$ 59,646</b>

### Cash flow analysis (second year)

Quarter	Q1	2 Q2	Q3	Q4	2
Cash from operations	\$18,214	\$22,767	\$24,588	\$25,499	\$ 91,068
Cash from receivables	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Operating cash inflow</b>	<b>\$18,214</b>	<b>\$22,767</b>	<b>\$24,588</b>	<b>\$25,499</b>	<b>\$ 91,068</b>
<b>Other cash inflows</b>					
Equity investment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Increased borrowings	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sales of business assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
A/P increases	\$ 8,717	\$10,897	\$11,769	\$12,204	\$ 43,587
<b>Total other cash inflows</b>	<b>\$ 8,717</b>	<b>\$10,897</b>	<b>\$11,769</b>	<b>\$12,204</b>	<b>\$ 43,587</b>
<b>Total cash inflow</b>	<b>\$26,931</b>	<b>\$33,664</b>	<b>\$36,357</b>	<b>\$37,704</b>	<b>\$134,655</b>
<b>Cash outflows</b>					
Repayment of principal	\$ 854	\$ 874	\$ 893	\$ 914	\$ 3,535
A/P decreases	\$ 5,975	\$ 7,469	\$ 8,067	\$ 8,365	\$ 29,876
A/R increases	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Asset purchases	\$ 4,553	\$ 5,692	\$ 6,147	\$ 6,375	\$ 22,767
Dividends	\$12,750	\$15,937	\$17,212	\$17,849	\$ 63,748
<b>Total cash outflows</b>	<b>\$24,132</b>	<b>\$29,971</b>	<b>\$32,319</b>	<b>\$33,503</b>	<b>\$119,926</b>
<b>Net cash flow</b>	<b>\$ 2,799</b>	<b>\$ 3,692</b>	<b>\$ 4,038</b>	<b>\$ 4,200</b>	<b>\$ 14,729</b>
<b>Cash balance</b>	<b>\$62,445</b>	<b>\$66,138</b>	<b>\$70,175</b>	<b>\$74,376</b>	<b>\$ 74,376</b>



**Cash flow analysis (third year)**

Quarter	3				
	Q1	Q2	Q3	Q4	3
Cash from operations	\$21,898	\$27,372	\$29,562	\$30,657	\$109,489
Cash from receivables	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Operating cash inflow</b>	<b>\$21,898</b>	<b>\$27,372</b>	<b>\$29,562</b>	<b>\$30,657</b>	<b>\$109,489</b>
<b>Other cash inflows</b>					
Equity investment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Increased borrowings	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sales of business assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
A/P increases	\$10,025	\$12,531	\$13,534	\$14,035	\$ 50,125
<b>Total other cash inflows</b>	<b>\$10,025</b>	<b>\$12,531</b>	<b>\$13,534</b>	<b>\$14,035</b>	<b>\$ 50,125</b>
<b>Total cash inflow</b>	<b>\$31,923</b>	<b>\$39,904</b>	<b>\$43,096</b>	<b>\$44,692</b>	<b>\$159,615</b>
<b>Cash outflows</b>					
Repayment of principal	\$ 934	\$ 956	\$ 977	\$ 999	\$ 3,866
A/P decreases	\$ 7,170	\$ 8,963	\$ 9,680	\$10,038	\$ 35,852
A/R increases	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Asset purchases	\$ 5,474	\$ 6,843	\$ 7,391	\$ 7,664	\$ 27,372
Dividends	\$15,329	\$19,161	\$20,693	\$21,460	\$ 76,643
<b>Total cash outflows</b>	<b>\$28,908</b>	<b>\$35,922</b>	<b>\$38,741</b>	<b>\$40,162</b>	<b>\$143,733</b>
<b>Net cash flow</b>	<b>\$ 3,015</b>	<b>\$ 3,982</b>	<b>\$ 4,355</b>	<b>\$ 4,530</b>	<b>\$ 15,882</b>
<b>Cash balance</b>	<b>\$77,391</b>	<b>\$81,373</b>	<b>\$85,727</b>	<b>\$90,258</b>	<b>\$ 90,258</b>



# Church

New Beginnings Ministry

6600 Second St.  
Middletown, New York 10940

*BizPlanDB.com*

*The purpose of this business plan is to raise \$250,000 for the development of a religious church, New Beginnings Ministry.*

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## 1.0 EXECUTIVE SUMMARY

The purpose of this business plan is to raise \$250,000 for the development of a religious church while showcasing the expected financials and operations over the next three years. New Beginnings Ministry is a New York-based 501(c)(3) corporation that will provide religious services and activities within the target market. New Beginnings Ministry was founded by Mark Sikes.

### 1.1 New Beginnings Ministry

As stated above, New Beginnings Ministry will render religious services on a daily basis. The business intends to have a congregation of approximately 500 individuals and families within the target market.

New Beginnings Ministry will generate revenues from ongoing donations from its congregation.

The third section of the business plan will further describe the operations offered by New Beginnings Ministry.

### 1.2 Financing

New Beginnings Ministry intends that the first round of capital will come as a sponsorship grant for \$250,000, which will be used to launch New Beginnings Ministry. As the organization is a non-stock corporation, no equity position or distribution of EBITDA income will be distributed to any party that provides capital for New Beginnings Ministry. After immediately receiving the capital infusion, the Foundation will establish its church location and begin to hold religious services and religious tutelage. The initial funds will be used for the following:

- Establishment of the 501(c)(3) entity.
- Financing for the initial capital to develop the facility.
- General working capital for New Beginnings Ministry.

The second section of the business plan will further document the initial uses of the grant/sponsorship funds.

### 1.3 Mission Statement

New Beginnings Ministry's mission is to provide enlightening religious services to the congregation in the target market.

### 1.4 Management Team

New Beginnings Ministry was founded by Mark Sikes. Mr. Sikes has more than 10 years of experience as a member of the clergy. Through his expertise, he will be able to bring the operations of the business to profitability within its first year of operations.

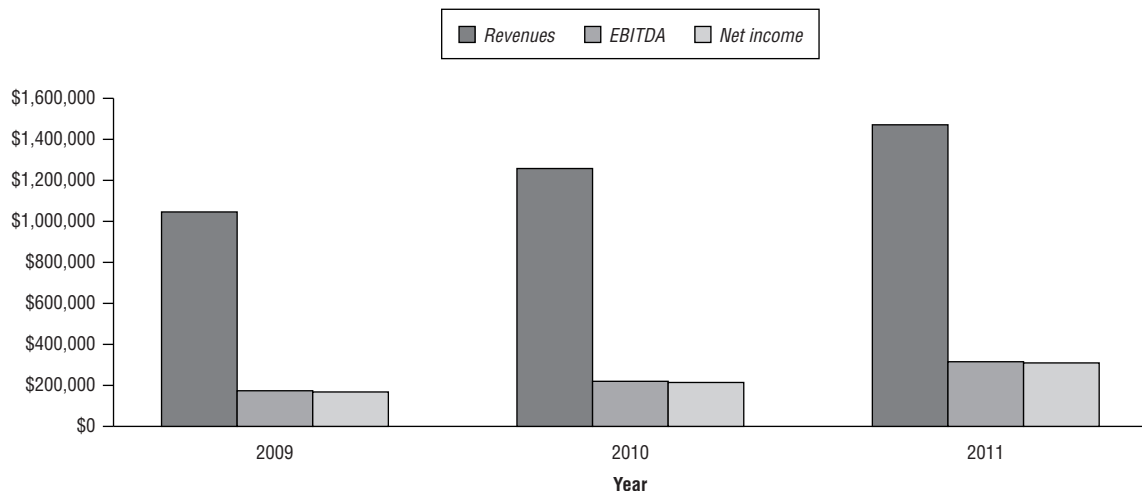
### 1.5 Sales Forecasts

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

#### Revenues and income statement (yearly)

Year	1	2	3
Sales	\$1,046,304	\$1,255,565	\$1,469,011
Operating costs	\$ 585,689	\$ 691,309	\$ 750,907
EBITDA	\$ 174,335	\$ 220,719	\$ 316,166
Taxes, interest, and depreciation	\$ 5,893	\$ 5,893	\$ 5,893
Net income	\$ 168,442	\$ 214,826	\$ 310,273

#### Sales, operating costs, and profit forecast



### 1.6 Expansion Plan

The Founder expects that the business will aggressively expand during the first three years of operation. Mr. Sikes intends to implement marketing campaigns that will effectively target individuals that will become members of the congregation.

## 2.0 COMPANY AND FINANCING SUMMARY

### 2.1 Registered Name and Corporate Structure

New Beginnings Ministry is registered as a 501(c)(3) corporation in the State of New York.

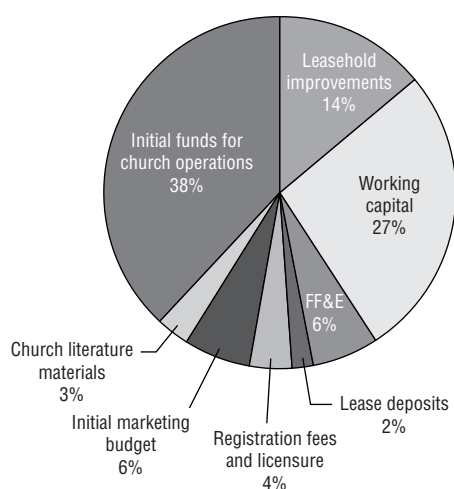
## 2.2 Required Funds

At this time, New Beginnings Ministry requires \$250,000 of grant or sponsorship funds. Below is a breakdown of how these funds will be used:

### Projected startup costs

Leasehold improvements	\$ 35,000
Working capital	\$ 65,000
FF&E	\$ 15,000
Lease deposits	\$ 5,000
Registration fees and licensure	\$ 10,000
Initial marketing budget	\$ 15,000
Church literature materials	\$ 7,500
Initial funds for church operations	\$ 92,500
Miscellaneous development costs	\$ 5,000
<b>Total startup costs</b>	<b>\$250,000</b>

### Use of funds



## 2.3 Investor Equity

Because the business is a non-stock corporation, no formal ownership will be held by donors, Management, or corporate sponsors.

## 2.4 Management Equity

The non-stock corporation exists as its own entity. Management will retain no formal equity interest in the corporation.

## 2.5 Exit Strategy

In the event that Church wishes to cease operations, the Management will file the appropriate articles of dissolution, and the assets of the Foundation will be liquidated and granted to other charitable organizations.

## 3.0 CHURCH SERVICES

As stated in the executive summary, New Beginnings Ministry will provide a broad array of religious services and tutelage to families and individuals that are members of the congregation.

In regards to revenues, New Beginnings Ministry will generate income from the ongoing donations collected from members as well as other forms of revenue, including but not limited to:

- Sales of Bibles
- Banquet Events
- Bake Sales
- Specific Donation Programs

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## 4.0 STRATEGIC AND MARKET ANALYSIS

### 4.1 Economic Outlook

This section of the analysis will detail the economic climate, the not for profit organization industry (which includes religious organizations), the demographic profile, and the competition that the business will face as it progresses through its business operations.

Presently, the economic market condition in the United States is moderate. The meltdown of the sub prime mortgage market coupled with increasing gas prices has led many people to believe that the US is on the cusp of a potential double dip economic recession. This slowdown in the economy has also greatly impacted real estate sales, which has halted to historical lows. This downturn in the economy may lead to fewer donations and sponsorships for New Beginnings Ministry as consumers and corporations will have less discretionary income and profits for distribution to religious based causes and institutions.

### 4.2 Industry Analysis

Last year, charitable giving to organized charities totaled more than \$245 billion dollars. Charitable giving is a luxury for most people and businesses, and as such, during periods of economic decline, Management expects a severe decrease in the amount of donations made to the Foundation. However, there are tremendous tax benefits that allow charitable giving to have benefits regardless of the overall economic market.

Below are some statistics regarding American charitable organizations:

- The majority of that giving came from individuals, \$187.9 billion. Giving by individuals grew by 1.4 percent (when adjusted for inflation).
- Giving by bequest was \$19.8 billion, foundations gave \$28.8 billion, and corporations donated \$12 billion.
- Religious organizations received the most support—\$88.3 billion. Much of these contributions can be attributed to people giving to their local place of worship. The next largest sector was education (\$33.8 billion). When adjusted for inflation, all but two categories of charities saw increases in contributions. Giving to international affairs groups in 2010 declined by 1.8 percent and giving to human services organizations dropped by 1.1 percent.

### 4.3 Donor Profile

New Beginnings Ministry expects that the average single donor to the Foundation will be a middle-aged, upper-middle income earning individual that wants to give back to their religious community.

Demographics

- Male or Female
- Aged 35+

- Annual household income exceeding \$75,000
- Actively participates in religious activities

#### **4.4 Competition**

It is hard to categorize among religious institutions as the nature of competition stems from a congregation's ability to acquire and retain members. There is no true business profit motive among these institutions, but there is a still competition for new congregants. There is a limited supply of the amount of money spent by families and individuals on monthly religious contributions. However, New Beginnings Ministry can use its "competition" to its advantage by seeking to partner with these institutions for sponsorship projects and community events. By co-marketing religious activities, missions, etc, the organization may be able to expose its congregation and church philosophy to other congregations. Additionally, this will assist New Beginnings Ministry in promoting its mission to spread the gospel of Christ.

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## **5.0 MARKETING PLAN**

New Beginnings Ministry intends to maintain an extensive marketing campaign that will ensure maximum visibility for the religious services offered in its targeted market. Below is an overview of the marketing strategies and objectives of New Beginnings Ministry.

### **5.1 Marketing Objectives**

- Regularly hold large scale events that will generate publicity and donation revenue for New Beginnings Ministry.
- Establish relationships with not-for-profit organizations within the target market.

### **5.2 Marketing Strategies**

New Beginnings Ministry will solicit donation revenue from multiple sources. New Beginnings Ministry intends to engage a large public relations and marketing firm to raise awareness of the Church's services, tutelage, and not-for-profit activities that seek to benefit the community in a religious sense.

New Beginnings Ministry will conduct several mass mailings several times per year in order to gain continual support from its enrolled congregation in order to expand donation revenues.

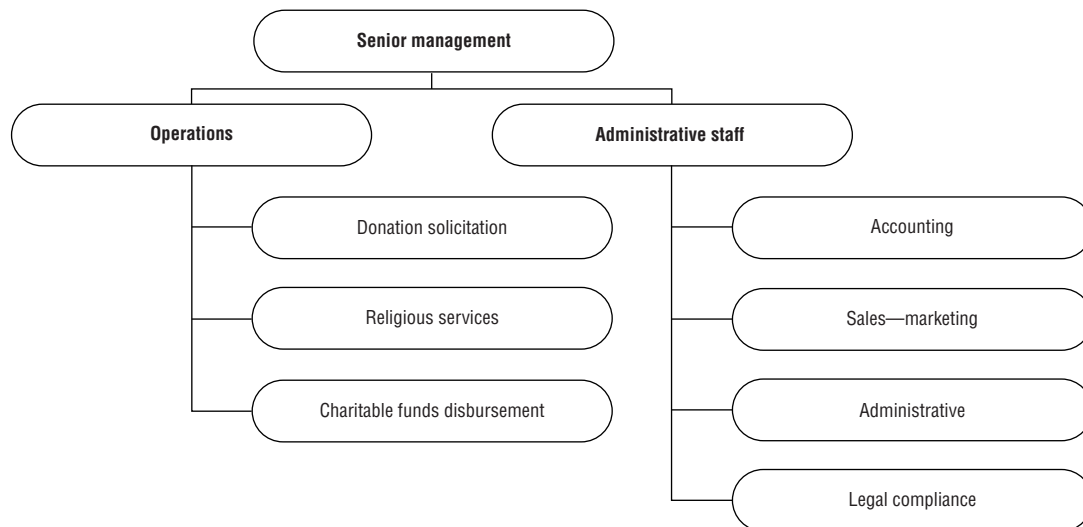
Publicity activities will be designed to generate ongoing coverage about New Beginnings Ministry and will be conveyed through an ongoing newsletter that will be drafted by the Church's administration and clergy. This will inform the congregation and the general public of the Church's activities.

### **5.3 Pricing**

As it pertains to pricing for the Church's ongoing activities, the organization will charge flat fees for sales of bibles, sales of memorial pews, and other aspects to the Church's operations. However, donation revenues are subject to the wealth of the individual congregant. The Management of New Beginnings Ministry anticipates gross margins of approximately 73% on each dollar of revenue provided to the organization from its congregants.

## 6.0 ORGANIZATIONAL PLAN AND PERSONNEL SUMMARY

### 6.1 Corporate Organization



### 6.2 Organizational Budget

#### Personnel plan—yearly

Year	1	2	3
Senior management	\$ 65,000	\$ 66,950	\$ 68,959
Clergy	\$110,000	\$113,300	\$116,699
Marketing staff	\$ 85,000	\$131,325	\$135,265
Administrative	\$ 84,000	\$115,360	\$148,526
Accounting	\$ 70,000	\$ 72,100	\$ 74,263
<b>Total</b>	<b>\$414,000</b>	<b>\$499,035</b>	<b>\$543,711</b>

#### Numbers of personnel

Year	1	2	3
Senior management	1	1	1
Clergy	2	2	2
Marketing staff	2	3	3
Administrative	3	4	5
Accounting	2	2	2
<b>Totals</b>	<b>10</b>	<b>12</b>	<b>13</b>