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Executive Summary/Statement of Purpose

JAKS will be established under the articles of corporation, as a Sub S Corporation. The formation as a S corporation is to avoid double taxation of profits. Under this ownership, we will create a moderately priced sports bar that will cater to a friendlier, more comfortable atmosphere. Our business name will be filed with the Small Business Administration and we will obtain a license to operate in the State of Florida. JAKS will establish itself as a conveniently located sports bar. We will service the community with a twenty four-hour weekend window, which will provide Cuban coffee, pastries, and various types of refreshments. In either setting, our patrons will find quality food and service.

The business will be located in the heart of Miami, at 7711 Bird Road. This location will be ideal for our business. Being located across the street from Tropical Park, allows us to interact with the park's athletic environment, which embodies a large percentage of potential customers. Management feels that the Bird

Road location will be highly visible to the community. First-time customers will always remember where JAKS is located.

JAKS is presently in the start-up stages of operation. Initially, the company will employ 10 staff members. There will be 4 employees performing the job functions of waiter/busboy/host. Four employees will be cooks and also wash dishes. Two employees will bartend. Management will also be involved in staff functions. Each manager will spend an estimated 40 hours a week on staff functions, and an estimated 20 hours a week on management activities.

We expect to make a small profit shortly after opening our sports bar. Throughout the remainder of the forecasted periods, we expect the business to grow generously. After the first year, we expect to benefit from steady revenue and profit margin, due to a loyal customer base, and growing target market.

Management is willing to invest the time and money to make the business profitable. Management is contributing a combined sum of \$65,000. Overall, we are confident about this endeavor. Management is extremely

focused and dedicated. Expectations are that JAKS will⁴
be a profitable and secure investment.

The Organizational Plan

Description of the Business

JAKS Sports Bar and Grill (SIC 5813) will seek to distinguish itself from the average sports bar through its location, menu, entertainment and promotions. JAKS will be unique in the sense that the customer will always find entertainment. The bar will offer 2 pool tables, 2 video games, and 17 televisions, which will give customers a greater variety of sporting events to choose from than the average sports bar. JAKS will have a wide menu which will include foods found in the average sports bar such as: chicken wings, hamburgers and sandwiches, as well as foods not found in most sports bars such as: pizza and Cuban pastries. Customers will be able to watch every NFL, major league baseball, NBA, NHL, and most college football games. JAKS will be located at 7711 SW Bird Road across from Tropical Park, which will allow it to take advantage of the people who attend sporting events at the park. JAKS will be open:

Sunday-Wednesday	11am to 1am
Thursday	11am-3am

Friday	open at 11am and will not close
Saturday	open 24 hours

The outside window will be opened 24 hours on the weekend. We expect to generate a substantial amount of profit from this window due to the surrounding businesses. Customers from Best Buy and Target would be able to visit this window and pick up a quick bite to eat. JAKS is positioned so that people could drive in from Bird Road and pick up some Cuban coffee or pastries. Management expects to make a small profit the first year with possible expansion after three years. After three years management will consider expansion to those areas that are uniquely located like JAKS.

Services

Customers will enter the restaurant at the Northeast corner. A hostess will seat the customer, or they may choose to sit at the bar. The bar will be located to the right and will have 13 stools. The seating area can be considered in terms of three locations: the 3 booths in the west section, the 4

tables located between the kitchen (in the south side) and the bar (on the north wall); and the 3 tables and 2 booths in the Northwest corner. The 2 pool tables will be located in the Southwest corner on the other side of the kitchen, along with the 2 video games. The bathrooms are located in the Southeast corner.

Our menu will offer the following 9 appetizers: fried mozzarella beer battered onion rings, chicken fingers, potato skins, fish fingers, nachos, loaded nachos, French fries, and croquetas. The prices range from \$2 to \$5.95, with an average of \$5. Our chicken wings will be offered in quantities of 10, 20, and 50, at prices of \$4.95, \$7.95, \$14.95, respectively. The sandwiches will include: hamburgers, grilled chicken breast, grill dolphin, hot dogs, and Philly cheese steak, with the price range, \$3.80 to \$5.25, and with an average price of \$4.63. We will offer the following soft drinks: coke, diet coke, fruit punch, sprite, iced tea, and lemonade for \$1.25. Our coffee and Cuban coffee will be priced at \$.75.

JAKS will offer draft beer and bottled beer. For draft beer, customers will be able to choose from the

following: budweiser, bud light, michelob, michelob light, ice house, coors light, and miller lite, at a price of \$1.75. JAKS will have the following bottled beers: Budweiser, bud light, Miller Lite, ice house, corona, and Heineken, with prices ranging from \$2.50 to \$2.75. For dessert, JAKS will offer pastellitos, key lime pie, and apple pie. Pastellitos will be priced at \$.50; the other desserts at \$2.95.

For every shift there will be two waiters/waitresses which will take the orders, serve the food, clean the tables and act as host/hostess. There will be one bartender who will make the drinks. Two cooks will prepare the food and wash the dishes.

JAKS promotions will include:

1. A Beer Drinkers Club Night every Wednesday from 6-11 p.m. where customers will taste new beers.
2. A ladies night each Thursday, during which the dance floor will be open.
3. Discounts on food and drinks offered to the people participating in nightly leagues at Tropical Park.

JAKS food and drinks will be moderately priced so as to be competitive with other sports bars.

Startup costs consist of:

food and drinks	computer
kitchen equipment	office equipment
miscellaneous equipment	furniture
rent	licenses
supplies	telephone installation
satellite	

Monthly costs consist of:

salary and wages	food and drinks
cable	rent
supplies	insurance
marketing	accounting
legal	credit card expenses
maintenance	internet access

telephone bank expense
 payroll tax

The cost of food and drinks will be considered the cost of services sold. All other costs will be reported as marketing and administrative. The variable costs consist of the cost of food and drinks, paper products, and credit card expense. All other costs are fixed.

Management and Personnel

Management will work 60 hours a week, 40 hours of which will be devoted to staff functions and 20 hours a week to management functions. The following management personnel will take on the following staff roles:

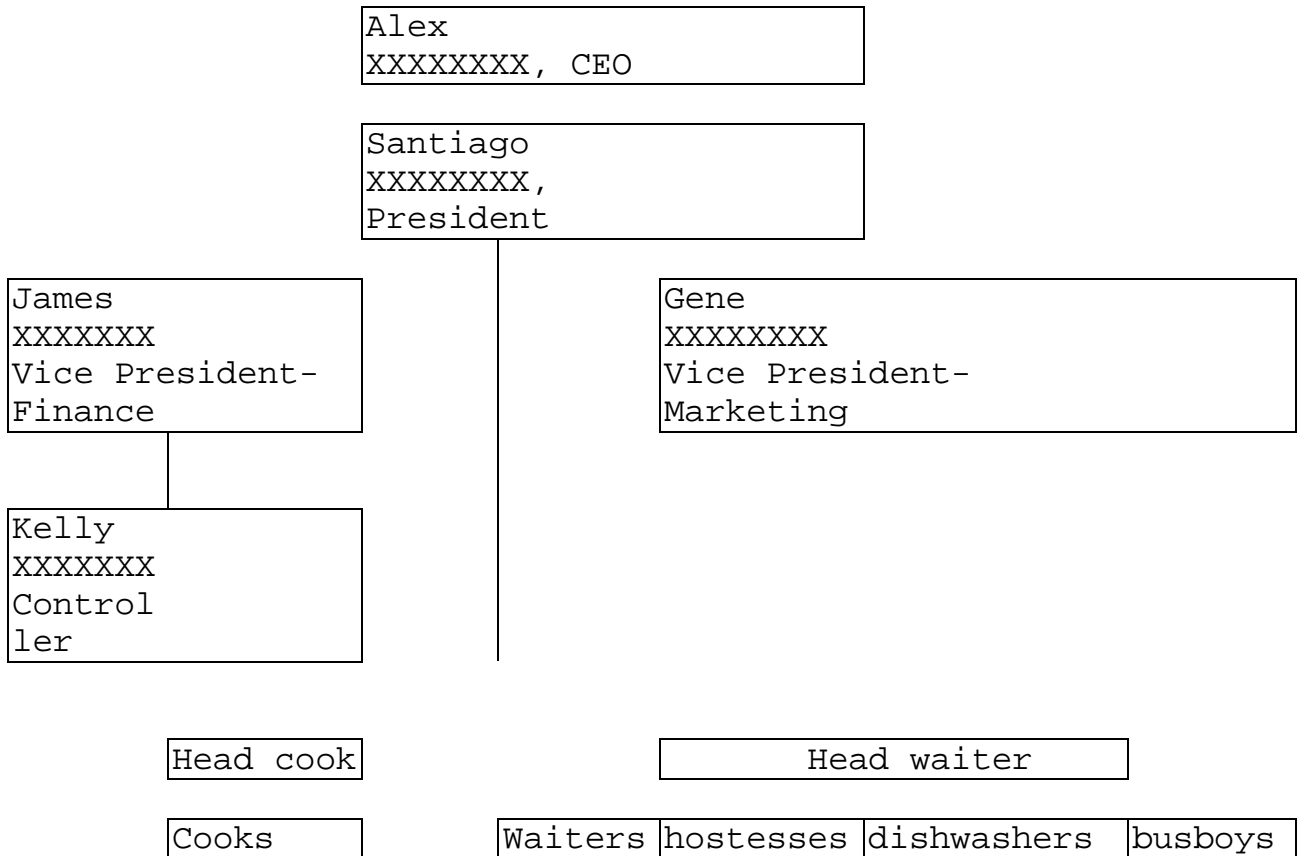
Gene	Waiter/Busboy/Host
Kelly	Waitress/Busboy/Hostess
Jim	Cook/Dishwasher
Alex	Bartender
Santiago	Cook/Dishwasher

Each staff member will work 40 hours a week. For each shift there will be 2 cooks, 2 waiters, and 1 bartender. The total number of staff employees for each position is: 4 cooks, 4 waiters, and 2 bartenders.

Cooks will be paid a yearly salary of \$20,000. All other staff members will be paid by the hour. Waiters will be paid \$3 an hour. Bartenders will be paid \$6 an hour. The monthly cost of staff personnel is \$10,507. JAKS will not be providing benefits for staff members.

Management personnel will be paid a yearly salary of \$20,000 each. The total yearly salary is \$100,000.

Legal Structure



Alex XXXXXXXX will be CEO; Santiago XXXXXX, President; Kelly XXXXXXXX, Controller; and James XXXXXXXX, Vice President of Finance; Gene XXXXXXXX, Vice President of Marketing. Mr. XXXXXXXX and Mr. XXXXXXXX have bachelors degrees in finance; Mr. XXXXXXXX and Mr. XXXXXXXX have bachelors in marketing, and Ms. XXXXXXXX has a bachelors degree in Accounting. Mr. XXXXXX will be in charge of the accounting and finance functions. Mr. XXXXXXXX will be in charge of human relations. Ms. XXXXXXXX will be in control of the accounting function. Mr. XXXXXXXX will be in charge of marketing. Mr. XXXXXXXX will make the operating decisions. Mr. XXXXXXXX will conduct the hiring of all employees. A head cook will be appointed to supervise the other cooks. Likewise, a head waiter will be appointed to supervise the other waiters, as well as, the bartenders, busboys and dishwashers. The head cook will train the cooks, while the head waiter will train the waiters, busboys, bartenders and dishwashers.

JAKS will be formed as S corporation. Each owner's share is 20%. The Registered Agent will be Alejandro XXXXXXXX, address: 6703 S.W. 135 Ct., Miami, Fl. 33183; telephone: (305) 752-5814.

Location

The street address of JAKS Sports Bar and Grill is 7711 SW Bird Road. This location is ideal for a sports bar, because of the sporting events occurring across the street. It is 50 ft. by 30ft. (1,500 square feet). This address is very accessible to the traffic on Bird Road. It also is highly visible to the large volume of traffic which is continuously present in this area. There are 35 parking spaces, which leaves 21 spaces for customers and 14 for management and staff.

Methods of Record Keeping

Ms. XXXXXX will perform the daily bookkeeping and accounting functions for JAKS. This would include, but would not be limited to: daily sales and sales tax entries, daily or monthly expenses, entries and other related transactions. The corporation will hire Clifford M. Kolber, CPA, as independent auditor to audit the financial statements. The cost of this service is \$150 per month. Mr. XXXXXX and Mr. XXXXXX will prepare the necessary monthly and quarterly financial statements.

Deposit of cash sales will be done daily to make sure JAKS does not have too much cash on hand and to take advantage of earning a modest interest on the income.

Insurance

JAKS will be purchasing basic coverage general liability insurance, loss of business, workman's compensation, and umbrella insurance.

Security

Our security will consist of an alarm system which will protect the inventory, as well as, the televisions and other valuables. This alarm system will consist of motion detectors inside the building which are activated on a keypad when closing for the night. The alarm will be monitored by Mosler, which will notify the police if there are any intruders. We will have a fire proof safe to protect the daily cash from sales and other important documents. We will also have a locked bag to be used in the transportation of cash deposits in JAKS checking account.

The Marketing Plan

Target Market

Our target market consists of adults between the ages of 18-54.

Resources used for market research

- 1) Yellow Pages
- 2) Internet
 - a) http://demographics.caic.com/free_menu.html
 - b) <http://.usadata.com/usa97free/adem1/usadata/mi197seb/dma/adem1/demos>
 - c) <http://www.cyber-dyne.com/cgi-bin/cgiwrap/estein/select>

Customer Information

Dine In:

JAKS would like the type of customers that are into sports. We are trying to attract students and professionals that like to go some where they can enjoy a couple of beers and some of our other menu items. Our patrons could be either male or female. We feel that women have less chance to form a group to go to a sports bar, but our environment will make it pleasing for both men and woman. Age is not an issue. Every age group likes sports. We will be providing a sports atmosphere for them to enjoy.

General Customer Info: Dine-In

1. Sports-Oriented
2. Male or Female
3. 18-54 years old

Cafeteria Window 24-hour:

JAKS 24-hour cafeteria window will focus on students that enjoy going to disco clubs and other areas in Miami. All they need is a couple of bucks (\$4.00). We want to establish a niche for these customers. After

dancing, going to the movies they can hangout and have a pizza, churros, ect. We are geographically located in an area that is on their way home.

General Customer Info: Cafeteria Window 24-hour

1. Students
2. Male or Female
3. Stay out late night
4. 18-24 years old

Demographics

Zip Code

Focus

Main focus: 33165,
33155,
33173,
33143

Second: 33175,
33183,
33186,
33176,
33156

Third: 33194,
33184,
33174,
33144,
33146,
33193,
33185

* Average
Household
Income

Main focus:

33165			33155			33173	
Age	Population		Age	Population		Age	Population
18-24	6138		18-24	3863		18-24	3424

25-34	7934		25-34	6619		25-34	6855
35-44	7115		35-44	5565		35-44	5354
45-54	7839	*	45-54	5514	*	45-54	4291
Total	29,026	\$40,942	Total	21,561	\$42,923	Total	19,924

33143		
Age	Population	
18-24	2856	
25-34	6072	
35-44	4796	
45-54	3172	*
Total	16,896	\$43,444

Main focus
total
population:
Avg.
Household
Income: 87,407
\$43,516

Second
focus:

33183			33175			33186	
Age	Population		Age	Population		Age	Population
18-24	3,331		18-24	3,797		18-24	4,246
25-34	5,895		25-34	7,286		25-34	10,071
35-44	5,179		35-44	6,809		35-44	8,980
45-54	3,675	*	45-54	5,333	*	45-54	4,079
Total	18,080	\$41,222	Total	23,225	\$42,014	Total	27,376

33176			33156		
Age	Population		Age	Population	
18-24	4,888		18-24	1,964	

25-34	7,787		25-34	3,857	
35-44	8,404		35-44	5,143	
45-54	6,037	*	45-54	3,794	*
Total	27,116	\$40,349	Total	14,758	\$43,446

Second focus
total
population:
Avg. Household
Income: 110,555
\$41,432

Third
focus:

33194			33184			33174	
Age	Population		Age	Population		Age	Population
18-24	3,248		18-24	2,468		18-24	2,509
25-34	6,527		25-34	5,986		25-34	4,506
35-44	5,047		35-44	4,324		35-44	2,396
45-54	6,024	*	45-54	7,892	*	45-54	8,924
Total	20,846	\$42,144	Total	20,670	\$43,156	Total	18,335

33134			33146			33193	
Age	Population		Age	Population		Age	Population
18-24	3,924		18-24	4,086		18-24	5,024
25-34	6,826		25-34	5,027		25-34	6,010
35-44	6,509		35-44	2,507		35-44	5,020
45-54	4,333	*	45-54	4,986	*	45-54	3,864

Total	21,592	\$42,144	Total	16,606	\$43,156	Total	19,918
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33185		
Age	Population	
18-24	3,314	
25-34	4,252	
35-44	5,080	
45-54	5,426	*
Total	18,072	\$40,244

Third focus 136,039
total
population:
Avg. \$42,156
Household
Income:

Competition

JAKS competes most directly with the Sports Grill,
located at 10005 Sunset Dr.

Their price range is as follows:

sandwiches and side orders: \$ 4 - 7
desserts \$ 3.25
beer: draft: domestic \$ 1.95
imported beer: \$ 3.00
seafood: \$ 4 - 7

sodas \$.95
wings: 10 for \$ 5.50

JAKS price range is:

sandwiches \$5 - 6
desserts \$2.95
beer: draft \$1.75
seafood \$market
sodas \$1.25
bottled beer \$2.50
wings 10 for \$4.95

Direct Competition

x=advantage

	Sports Grill	JAKS	Tied
Price			X
Management		x	
Food quality		x	
Food variety		x	
Service		x	
Location		x	
Parking		x	
Experience		x	
Entertainment		x	
TV			X
Pool Table			
Video Game			
Operating Hours		x	

JAKS has a competitive advantage in almost every area.

The Sports Grill is located in a small mall. The parking is insufficient and it is not visible from Sunset Dr.

After surveying 200 people that work in the area only 15 new what the Sports Grill was. JAKS is located directly off the Palmetto Expressway and right on Bird Road. We believe because of the heavy traffic in the area and our high visibility from Bird Road, that we have found a prime location. This leads JAKS to believe that JAKS and The Sports Grill are alike, but JAKS hold a competitive advantage in almost every key category.

Other direct competition that is located about 5 miles from JAKS is Hooligan's and Players Pub and Grill.

These sports bars are well known and are larger than both JAKS and the Sports Grill. They cater to customers that expect a larger crowd and less service. Therefore JAKS competitive advantage is that it can offer better service and a less crowded, quieter, and friendlier environment.

Other indirect competition in a five mile radius are:

<u>Name</u>	<u>Location</u>	<u>Market Share</u>
Basino Bar	1750 NW 7 St	small
Bill and Ted's Tavern	5757 SW 68 St	small
Buen Amigo Bar	5 SW 55th Ave	small
Hofbrau Pub and Grill	172 Giralda Ave	small
Kelly's Bar and Grill	10855 SW 72 St	small
Los Recuerdos Taberna	12548 SW 8 St	small
Purple Onion Club Inc.	14421 S Dixie Hwy	moderate
Sailor	3426 Main Hwy	small

These bars are not specifically marketed as sports bars. This gives JAKS an advantage in marketing to customers who are looking for a sports bar. None of these bars are chains, which places them on equal level with JAKS as far as name recognition.

A weakness of several of the bars is that, because of their Spanish name, they may be discouraging English-speaking customers. Basino Bar and Bueno Amigo Bar have only Spanish-speaking employees answering their phones. JAKS will seek to have both English and Spanish speaking employees to accommodate both groups.

Indirect competitors consist of bars, bar and grills, and restaurants that have bars. The indirect competitors within a five mile radius are: Basino Bar, Bill and Ted's Tavern, Buen Amigo Bar, Chili's Grill and Bar, Hofbrau Pub and Grill, Kelly's Bar and Grill, Los Recuerdos Taberna, New Waves Billiards, Players Pub and Grill, Purple Onion Club Inc, Sailor, Tavern in the Grove.

The indirect competitors weaknesses, in regard to our target market, is that they do not market themselves as sports bars, even though some of them do show sports. Chili's has the strength of being a well-known chain restaurant and has a well-developed marketing program. However, Chili's also markets itself as a family restaurant. JAKS will be mostly targeting people in their twenties. Chili's prices are:

sandwiches	\$ 5 - 6.50
hamburgers	\$ 5- 6
Buffalo wings:	1lb for \$5.00

Promotion

JAKS promotion is going to be low budget for the first year of operation. The marketing team will put more effort than money into promotion.

Promotions:

- We will be advertising in the school newspapers of Florida International University, Miami-Dade Community College, and the University of Miami.
- JAKS will have its own web page listing our services, operating hours and weekly promotions-specials.
- We will send out at least 20 e-mails with our web address attached to the e-mail. The e-mails will be sent to local businesses and to students of the different Universities and Colleges.
- JAKS will have the simplest advertising in the yellow pages. Later on in our endeavor, when we start making a profit, we will have a bit more advertising in the yellow pages.

- JAKS will make a flyer for its Grand Opening! Thereafter flyers will be passed out for name recognition and special events. There will be 16,000 flyers made. Approximately 10,000 flyers will be passed out for the grand opening and 6,000 in the next couple of months for name recognition and special events. The flyers will be passed at such places as:
The University of Miami, Florida
International University, Miami-Dade Community College, Tropical Park, and homes and businesses in the immediate area.
- JAKS will also be sponsoring a softball league that plays in Tropical Park, which is located across the street from JAKS. The team will be wearing JAKS t-shirts and hats. We will be sponsoring the team year round. The league participants will receive a 10% off certificate on total bill for their business.
- A week after the grand opening JAKS will provide its facility to Phi-Mu (FIU fraternity) for its Thursday meeting as a gratuity for their promotion of JAKS. This will be a free party for about 50 girls. All Florida International University, University of

Miami, and Miami-Dade Community College students will receive a student discount on their total bill.

- Our goal promotion wise for the first couple of months is to establish a name for ourselves.

Thereafter we are very confident that peer's word of mouth will continue our success.

Summary of Financial Needs

The following pages list monthly pro-forma Income Statements, monthly Statements of Cash Flow, and yearly Balance Sheets, for JAKS, for 3 years. These forecasts are based on quoted prices from various suppliers and projected revenues based on seating capacity.

During the corporation's first year of operation, JAKS will experience net income of approximately \$34,000. The break-even analysis reveals that gross sales (in units) must be approximately 58,000 units, which is achieved during the sports season, which consists of the months: August-December, and March. JAKS income increases to \$47,000 in year 2, and then decreases to \$26,000, due to an increase in rent.

Since the average restaurant does not make a profit in its first three years, JAKS' performance is above average. JAKS does experience negative cash flows in the first 2 years due to high start-up costs. This reverses itself in year 3, when cash flow for all 12 months is positive.

JAK's contains worksheets used to derive the financial statements.

JAK's2 contains the financial statements, break even analysis, ratios, and assumptions.

Assumptions

Income Statement

Sales:

- *Projected sales will be based on an average of one fourth of the restaurant's total occupancy of 77 customers.
- *The first month of operation, Aug '99, is assumed to have about half of a regular season's sales.
- *Sports months consist of Aug-Dec, and March. Sales during these months are expected to be 25% higher than during normal sales months. This translates to 31.25% of occupancy.
- *During a normal sales month (Jan-Feb, April-July), occupancy is expected to be one-fourth of the total.
- *Sales is expected to grow by 15% each year.
- *Net Sales figures in the income statement include sales tax of 6.5%.
- *For more detailed information on sales, please see "JAK's sales".

Expenses:

- *CGS is roughly half of sales prices.
- *There will be no Bank Expense as a result of James Zimny's position at Commercial Bank.
- *Credit card Expense is estimated to be 1/4 of sales multiplied by the 2% fee.
- *For detailed information on Wage Expense, please see "JAK's monthly", line 30.
- *Rent is calculated from 1500 sq ft x \$16 per square foot divided by 12 months.

Balance Sheet

- *Long-term Investments consist of mutual funds, with an estimated return of 8%.
- *Depreciation for Kitchen, Office, and Miscellaneous Equipment, Furniture, and Intangible Assets is recorded straight line, based on a 15 year life.
- *Refundable Deposits consist of deposits for beer barrels, which are received when barrels are returned.
- *Advertising Expense consists of the following:
- *For detailed information on Property, Plant, and Equipment, Intangible Assets, and Supplies please see "JAK's preopen"line 77.

Pre-Opening Expenses

			cost	# of servings	unit sales per week
Inventory- (food and beverages)	cost/unit	lbs (or units)			
appetizers					
fried mozzarella (\$1.85/lb)	\$ 1.85	21	\$ 38.85	42	41
beer battered onion rings (\$3/lb)	\$ 3.00	21	\$ 63.00	42	41
chicken fingers (\$1.20/lb)	\$ 1.20	21	\$ 25.20	42	41
potato skins (\$3/lb)	\$ 3.00	21	\$ 63.00	42	41
fish fingers (4lb pack.@ 7.39)	\$ 7.39	6	\$ 44.34	48	41
nachos (25oz bag 3.70)	\$ 3.70	21	\$ 77.70	42	41
french fries (8lb pack@ \$4.69/pk)	\$ 4.69	13	\$ 60.97	312	289
croquettes (\$1.98/lb)	\$ 1.98	6	\$ 11.88	48	41
meals					
wings (\$.99/lb)	\$ 0.99	110	\$ 108.90	440	433
ground beef patty (\$2.69/lb)	\$ 2.69	145	\$ 390.05	435	433
chicken breast (2.69/lb)	\$ 2.69	36	\$ 96.84	108	108
dolphin fillet (2.99/lb)	\$ 2.99	18	\$ 53.82	54	54
hot dogs (2.85/lb)	\$ 2.85	41	\$ 116.85	164	162
beef steak (1.99/lb)	\$ 1.99	27	\$ 53.73	108	108
pizza (8/5.9oz-\$8.99)	\$ 8.99	41	\$ 368.59	328	325
churros (\$.20/unit)	\$0.20	108	\$ 21.60	108	108

desserts	pastelitos (\$.20)	\$ 0.20	193	\$ 38.60	193	193
	key lime pie (3.75/lb)	\$ 3.75	25	\$ 93.75	200	193
	apple pie (4.69/lb)	\$ 4.69	25	\$ 117.25	200	193
Total <u>weekly</u> cost of food: During normal season:				\$ 1,844.92		
During sports season:				\$ 2,306.15		
Total <u>monthly</u> cost of food: During normal season:				\$ 7,379.68		
During sports season:				\$ 9,224.60		

Number of servings ordered per week during: normal season... 2,956
 sports season... 3,695

Number of servings ordered per month during: normal season 11,824
 sports season 14,780

Total number of food servings ordered first year 156,668
 2nd and 3rd 159,624

Beer	Price	# of half barrels	Cost	# of 12 oz servings bought	sales units per mo.	sales units per year	turnover
Draft:							
Miller (1/2 bbl @ 45.20)	\$ 45.20	5	\$ 226.00	950	770	9240	10
Miller Lite (1/2bbl @ 45.20)	\$ 45.20	5	\$ 226.00	950	770	9240	10
Ice House (1/2bbl @ 45.20)	\$ 45.20	5	\$ 226.00	950	770	9240	10
Red Dog (1/2 bbl @ 39.20)	\$ 39.20	5	\$ 196.00	950	770	9240	10
Cost of draft beer			\$ 874.00				
deposits for barrels	\$ 15.00	20 =	\$ 300.00				

yearly costs 3291

		(\$15x 40)				units bought during month		
Bottled								
Miller Lite	\$ 14.55	33	\$ 480.15	792	770	9240	12	
(24/12oz@14.55)								
Miller (24/12 oz@14.55)	\$ 14.55	33	\$ 480.15	792	770	9240	12	
Ice House (24/12 oz@ 14.55)	\$ 14.55	33	\$ 480.15	792	770	9240	12	
Red Dog (24/12oz@10.15)	\$ 10.15	33	\$ 334.95	792	770	9240	12	
Lowenbrau special (24/12oz@12.8)	\$ 12.80	33	\$ 422.40	792	770	9240	12	
<u>Cost of bottled beer</u>			<u>\$ 2,197.80</u>		<u>6930</u>			
Total cost of beer during normal season			\$ 3,071.80					
Total cost of beer during sports season			\$ 3,839.75					
Number of units of beer bought per month during normal season:				7760				
sports season:				9700				
Total yearly units of beer ordered for year 1				102820				
year 2 and 3				104760				
Total monthly cost of orders food and beer								
During Normal Season			\$ 10,451.48					
During Sports Season			\$ 13,064.35					
Total number of units ordered of food and beer per year for year 1:				259,488				
year 2 and3				264,384				

Furniture

Tables, Chairs, stools, and Booths

stools (13 x \$19)	\$	247.00
tables (9 x \$26.5)	\$	238.50
chairs (36 x \$13.5)	\$	486.00
booths, used (7@ \$125)	\$	875.00
pooltables (250+475)	\$	725.00
Total cost of furniture	\$	2,571.50

Equipment

t

Kitchen

espresso machine, used	\$	999.00
commercial coffee maker (69.99x 2)	\$	139.98
Royal register (2)	\$	339.98
stir fry pan	\$	14.99
8" pan set (19.99 x 2)	\$	39.98
steak knives (4set @5.99 x 3)	\$	17.97
serving set (5pc @14.99 x 2)	\$	29.98
1 hot dog roller	\$	650.00
1 three compartment sink 36" with 2 drainboard, 1 faucet	\$	475.00
1 under-bar sink	\$	495.00
2 hard sinks	\$	280.00
1 mop sink with faucet	\$	350.00
1 walk-in cooler 6'x8', installed	\$	4,200.00
1 kitchen hood 6', installed	\$	5,300.00
1 ice maker, 500lbs, bin 350lbs	\$	2,200.00
1 two solid door refrigerator	\$	1,500.00
1 two glass door refrigerator	\$	1,450.00
1 six burners range with oven	\$	1,100.00
1 deep fryer (floor model)	\$	650.00
1 sandwich unit 48"	\$	1,550.00

	2 four keg beer coolers	\$	3,860.00		
	1 meat slicer 12"	\$	650.00		
	1 charbroiler 36"	\$	705.00		
	3 bar blender s/s cup	\$	315.00		
	Total cost of kitchen equipment	\$	27,311.88		
Office	computer	\$	650.00		
	software				
	Microsoft office	\$	85.00		
	accounting	\$	200.00		
	Internet setup	\$	50.00		
	Total cost of office equipment	\$	985.00		
Misc Equipment					
	satellites (7 x 58.25)	\$	407.75		
	credit card terminal w/ printer	\$	300.00		
	televisions (16 @ \$160)	\$	2,560.00		
	big screen (1 @ \$900)	\$	900.00		
	video games (250+300)	\$	550.00		
	safe	\$	250.00		
	sign	\$	2,500.00		
	menus (40@10)	\$	400.00		
	china (\$25x 4 pc set x 20)	\$	500.00		
	silverware (\$20 4pc set x 20)	\$	400.00		
	Total cost of miscellaneous equipment	\$	8,767.75		
Supplies*		dollars	units	turnover	
	napkins (12/225ct@\$12.59 x 10 pk)	\$	125.90	27,000	6
	foam plates (150ct @5.99 x 20pk)	\$	119.80	3,000	6
	knives (1000ct @ 5.99 x 3pk)	\$	17.97	3,000	6
	spoons (1000ct @ 5.99 x 3pk)	\$	17.97	3,000	6
	forks (1000ct @ 5.99 x 3pk)	\$	17.97	3,000	6

3-comp container (100ct@7.99 x 3)	\$ 23.97	300	6
Total cost of supplies	<u>\$ 323.58</u>		
*Replenish every 2 mo.			
Other pre-opening expenses			
Rent (\$16/sq ft. x 1500)	\$ 24,000		
Licenses: Liquor	\$ 10,000		
Occupational	\$ 262		
Telephone installation	\$ 50		
Insurance: workers compensation			
general liability			
umbrella			
Cable (satellites \$409 x 7)	<u>\$ 2,863</u>		
Total other pre-opening expenses	\$ 37,175		

Monthly Expenses

	1st and 2nd	3rd year	High sales	Average	1st month	2nd month
	<u>Monthly Cost</u>	<u>year mth rent</u>	<u>monthly rent</u>	<u>month</u>	<u>sales</u>	<u>month</u>
					<u>month</u>	<u>advertisin</u>
					<u>g</u>	<u>g</u>
						<u>g</u>
Cable (58.25x 6)	\$ 350					
Rent		\$ 24,000	\$ 25,500			
Wages: management**	\$ 8,333					
staff	\$ 10,507					
Inventory:Food & other beverages				\$ 9,225	\$ 7,380	
Beer				\$ 3,840	\$ 3,072	
Supplies	\$ 162					
Credit Card Expense*				\$ 302	\$ 242	
Maintenance Expense	\$ 150					
Internet access	\$ 20					
Advertising expense						\$ 711
Telephone	\$ 50					\$ 411
Insurance: workers comp	\$ 2,027					
general liability	\$ 5,000					
umbrella	\$ 1,250					
Bank Expense						
Payroll Tax						
Accounting	\$ 150					
Totals	\$ 27,998	\$ 24,000	\$ 25,500	\$ 13,366	\$ 10,693	\$ 711
						\$ 411

* assumption: 1/5 of sales is paid with credit card
credit card fee is 2% of credit card sales

**Each of the five members of management are paid yearly salaries of \$20,000.

Staff:

120 hours per week	# of manage ment perform- ing task	<u>Additional staff</u>
For every shift:		
2 waiters / busboys / hosts	2	4
2 cooks / dishwashers	2	4
1 bartender	1	2

The following management members will perform the following roles:

Gene	waiter/busboy/host
Kelly	waitress/busboy/hostess
Alex	bartender
Jim	cook/dishwasher
Santiago	cook/dishwasher

Management will work 60 hours per week; 20 hours performing management functions and 40 hours performing staff functions. All staff members will work 40 hour per week.

JAKs will need to hire 4 waiters, 4 cooks, and 2 bartenders. Monthly wages

	wages/hour	yearly wages	# of employees	Monthly wages for staff:
waiters	\$ 3		4	\$ 1,920
cooks		20000	4	\$ 6,667
bartenders	\$ 6		2	\$ 1,920
Monthly staff salary				<u>\$ 10,507</u>

General and Administrative, and Depreciation Expenses per month

Year 1		<u>Aug-99</u>	<u>Sep-99</u>	<u>Oct-99</u>	<u>Nov-99</u>	<u>Dec-99</u>	<u>Jan-00</u>	<u>Feb-00</u>	<u>Mar-00</u>	<u>Apr-00</u>	<u>May-00</u>	<u>Jun-00</u>	<u>Jul-00</u>
G&A*	\$52,950	\$52,711	\$52,711	\$52,711	\$52,711	\$52,711	\$52,650	\$52,650	\$52,711	\$52,650	\$52,650	\$52,650	\$52,650
Depreciation**		277.21	277.21	277.21	277.21	277.21	277.21	277.21	277.21	277.21	277.21	277.21	277.21

CGS

*G&A includes rent, wages, supplies, credit card expense, maintenance, internet access, advertising, telephone, insurance, bank expense, payroll tax, and accounting expense.

**Kitchen, Office, and Miscellaneous Equipment, Furniture, and Intangible assets are depreciated straightline over 15 years.

General and Administrative, and Depreciation Expenses per month

Year 2		<u>Aug-00</u>	<u>Sep-00</u>	<u>Oct-00</u>	<u>Nov-00</u>	<u>Dec-00</u>	<u>Jan-01</u>	<u>Feb-01</u>	<u>Mar-01</u>	<u>Apr-01</u>	<u>May-01</u>	<u>Jun-01</u>	<u>Jul-01</u>
G&A*	\$52,711	\$52,711	\$52,711	\$52,711	\$52,711	\$52,711	\$52,650	\$52,650	\$52,711	\$52,650	\$52,650	\$52,650	\$52,650
Depreciation**		277.21	277.21	277.21	277.21	277.21	277.21	277.21	277.21	277.21	277.21	277.21	277.21

CGS

General and Administrative, and Depreciation Expenses per month

Year 3

	<u>Aug-01</u>	<u>Sep-01</u>	<u>Oct-01</u>	<u>Nov-01</u>	<u>Dec-01</u>	<u>Jan-02</u>	<u>Feb-02</u>	<u>Mar-02</u>	<u>Apr-02</u>	<u>May-02</u>	<u>Jun-02</u>	<u>Jul-02</u>
G&A*	\$54,211	\$54,211	\$54,211	\$54,211	\$54,211	\$54,150	\$54,150	\$54,211	\$54,150	\$54,150	\$54,150	\$54,150
Depreciation**		277.21	277.21	277.21	277.21	277.21	277.21	277.21	277.21	277.21	277.21	277.21

CGS

Purchases

	year1									
	Aug 99		Sep-99		Oct-99		11/1/1999		Dec-99	
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units
Beginning Inventory	\$ 4,917	10,716	\$ 842	1,104	\$ 1,578	2,484	\$ 2,315	3,864	\$ 3,051	5,244
Purchases	<u>\$ 5,535</u>	<u>8,868</u>	<u>\$ 13,064</u>	<u>24,480</u>	<u>\$ 13,064</u>	<u>24480</u>	<u>13064.4</u>	<u>24480</u>	<u>13064.4</u>	<u>24480</u>
Total Goods Available For Sale	\$ 10,451	19,584	\$ 13,906	25,584	\$ 14,643	26,964	\$ 15,379	28,344	\$ 16,116	29,724
Ending Inventory	\$ 842	1,104	\$ 1,578	2,484	\$ 2,315	3,864	\$ 3,051	5,244	\$ 3,788	6,624
Cost of Goods Sold	\$ 9,610	18,480	\$ 12,328	23,100	\$ 12,328	23100	12327.9	23100	12327.9	23100

Assumptions:

*For pre-opening, JAK's will buy 1 week's worth of food and 1 month's worth of beer. Therefore, in Aug 1999, JAK's will need to purchase 3 weeks worth of food and no beer.

Purchases

	Jan-00		Feb-00		Mar-00		Apr-00		May-00		Jun-00
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars
Beginning Inventory	\$ 3,788	6,624	\$ 4,377	7,728	\$ 4,966	8,832	\$ 5,703	10,212	\$ 6,292	11,316	\$ 6,881
Purchases	<u>10451.5</u>	<u>19584</u>	<u>10451.5</u>	<u>19584</u>	<u>13064.4</u>	<u>24480</u>	<u>10451.5</u>	<u>19584</u>	<u>10451.5</u>	<u>19584</u>	<u>10451.5</u>
Total Goods Available For Sale	\$ 14,239	26,208	\$ 14,828	27,312	\$ 18,030	33,312	\$ 16,154	29,796	\$ 16,743	30,900	\$ 17,316
Ending Inventory	\$ 4,377	7,728	\$ 4,966	8,832	\$ 5,703	10,212	\$ 6,292	11,316	\$ 6,881	12,420	\$ 7,440
Cost of Goods Sold	9862.3	18480	9862.3	18480	12327.9	23100	9862.3	18480	9862.3	18480	9862.3

Purchases

	year2 Aug-00		Sep-00		Oct-00		Nov-00		Dec-00		Jan-01
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars
Beginning Inventory	\$ 8,059	14,628	\$ 8,796	16,008	\$ 9,532	17,388	\$ 10,269	18,768	\$ 11,005	20,148	\$ 11,742
Purchases	<u>13064.4</u>	<u>24480</u>	<u>13064.4</u>	<u>24480</u>	<u>13064.4</u>	<u>24480</u>	<u>13064.4</u>	<u>24480</u>	<u>13064.4</u>	<u>24480</u>	<u>10451.5</u>
Total Goods Available For Sale	\$ 21,124	39,108	\$ 21,860	40,488	\$ 22,597	41,868	\$ 23,333	43,248	\$ 24,070	44,628	\$ 22,148
Ending Inventory	\$ 8,796	16,008	\$ 9,532	17,388	\$ 10,269	18,768	\$ 11,005	20,148	\$ 11,742	21,528	\$ 12,316
Cost of Goods Sold	12327.9	23100	12327.9	23100	12327.9	23100	12327.9	23100	12327.9	23100	9862.3

Purchases

	Mar-01	Apr-01	May-01	Jun-01	Jul-01	year3 Aug-01
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	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars
Beginning Inventory	\$ 12,920	23,736	\$ 16,122	29,736	\$ 14,246	26,220	\$ 14,835	27,324	\$ 15,424	28,428	\$ 16,013
Purchases	<u>13064.4</u>	<u>24480</u>	<u>10451.5</u>	<u>19584</u>	<u>10451.5</u>	<u>19584</u>	<u>10451.5</u>	<u>19584</u>	<u>10451.5</u>	<u>19584</u>	<u>13064.4</u>
Total Goods Available For Sale	\$ 25,984	48,216	\$ 26,574	49,320	\$ 24,697	45,804	\$ 25,286	46,908	\$ 25,875	48,012	\$ 29,027
Ending Inventory	\$ 16,122	29,736	\$ 14,246	26,220	\$ 14,835	27,324	\$ 15,424	28,428	\$ 16,013	29,532	\$ 19,200
Cost of Goods Sold	9862.3	18480	12327.9	23100	9862.3	18480	9862.3	18480	9862.3	18480	9862.3

Purchases

	Oct-01		Nov-01		Dec-01		Jan-02		Feb-02	
	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars
Beginning Inventory	35,532	\$ 19,952	36,912	\$ 20,688	38,292	\$ 21,425	39,672	\$ 22,161	41,052	\$ 20,285
Purchases	<u>24480</u>	<u>13064.4</u>	<u>24480</u>	<u>13064.4</u>	<u>24480</u>	<u>13064.4</u>	<u>24480</u>	<u>10451.5</u>	<u>19584</u>	<u>10451.5</u>
Total Goods Available For Sale	60,012	\$ 33,016	61,392	\$ 33,753	62,772	\$ 34,489	64,152	\$ 32,613	60,636	\$ 30,736
Ending Inventory	36,912	\$ 20,688	38,292	\$ 21,425	39,672	\$ 22,161	41,052	\$ 20,285	37,536	\$ 18,408
Cost of Goods Sold	23100	12327.9	23100	12327.9	23100	12327.9	23100	12327.9	23100	12327.9

Purchases

	Apr-02		May-02		Jun-02		Jul-02	
	Dollars	Units	Dollars	Units	Dollars	Units	Dollars	units
Beginning Inventory	\$ 21,610	40,020	\$ 22,200	41,124	\$ 20,323	37,608	\$ 20,912	38,712
Purchases	<u>10451.5</u>	<u>19584</u>	<u>10451.5</u>	<u>19584</u>	<u>10451.5</u>	<u>19584</u>	<u>10451.5</u>	<u>19584</u>
Total Goods Available For Sale	\$ 32,062	59,604	\$ 32,651	60,708	\$ 30,775	57,192	\$ 31,364	58,296
Ending Inventory	\$ 22,200	41,124	\$ 20,323	37,608	\$ 20,912	38,712	\$ 21,501	39,816
Cost of Goods Sold	9862.3	18480	12327.9	23100	9862.3	18480	9862.3	18480

Sales

<u>Normal sales</u>	: sales during Jan-Feb, Apr-July		# of orders
occupancy	77 people		per hour
assumptions : of	average	1/4 of occupancy:	19 people per hour
occupancy=			
	3/4 of people order <u>beer</u>		14
	1/4 of people order other <u>beverage</u>		5
	3/4 of people order a <u>meal</u>		14
	1/4 of people order <u>appetizer</u>		5
	1/4 of people order <u>dessert</u>		5

*Sales, and therefore Inventory, for Aug 1999, the first month of operation will be for a normal season month, not a sports season month, since our first month of operation may be slower than usual for this time of the year.

During <u>sports season</u> :	sales during March, Aug-Dec		# of orders
assumptions:	25% more sales than normal		per hour
	average	0.3125 of occupancy:	24 people per hour
	3/4 of people order <u>beer</u>		18
	1/4 of people order other <u>beverage</u>		6
	3/4 of people order a <u>meal</u>		18
	1/4 of people order <u>appetizer</u>		6
	1/4 of people order <u>dessert</u>		6

		unit sales	unit sales	pre-opening	Inventory	Sales per			
		per month	per year	purchases	turnover	month			
				(units)	(#of orders)	in dollars			
Beer									
	6930	unit sales per month	<u>draft</u>						
			Miller	770	9240	950	10	\$	1,347
			Miller Lite	770	9240	950	10	\$	1,347
			Ice House	770	9240	950	10	\$	1,347
			Red Dog	770	9240	950	10	\$	1,347
			<u>bottled</u>						
			Miller Lite	770	9240	792	12	\$	1,925
			Miller	770	9240	792	12	\$	1,925
			Ice House	770	9240	792	12	\$	1,925
			Red Dog	770	9240	792	12	\$	1,925
			Lowenbrau	770	9240	792	12	\$	1,925
			Total monthly beer sales in normal season:			6930		\$	15,015
			sports season:			8663		\$	18,768

Other Beverages

Meals

		unit sales	unit sales	pre-opening	Inventory	Sales per			
		per week	per year	purchases	turnover	month			
				(units)		in dollars			
	1733	unit sales/week							
	6930	unit sales/mnth							
			wings	433	22523	440	51	\$	8,575
			ground beef patty	433	22523	435	52	\$	7,363

chicken breast	108	5631	108	52	\$	2,273
dolphin fillet	54	2815	54	52	\$	1,407
hot dogs	162	8446	164	51	\$	2,761
beef steak	108	5631	108	52	\$	2,382
pizza	325	16892	328	51	\$	7,796
churros	108	5631	108	52	\$	216
	1733					<u>\$ 32,776</u>

appetizers

578
2310

weekly sales (units)
month sales (units)

	unit sales per week	unit sales per year	Pre-opening purchases	Inventory turnover	Sales per mth (\$)
fried mozzarella	41	2145	42	51	\$ 816
beer battered onion rings	41	2145	42	51	\$ 816
chicken fingers	41	2145	42	51	\$ 981
potato skins	41	2145	42	51	\$ 981
fish fingers	41	2145	48	45	\$ 981
nachos	41	2145	42	51	\$ 701
french fries	289	15015	312	48	\$ 2,310
croquettes	41	2145	48	45	\$ 82
					<u>\$ 7,672</u>

		unit sales	unit sales per	Pre-opening	Inventory	Monthly Sale
		<u>per week</u>	<u>year</u>	<u>purchases</u>	<u>turnover</u>	(\$)
desserts						
	578	unit sales per week				
	2310	month sales				
		pastelitos	193	10010	193	52 \$ 385
		key lime pie	193	10010	200	50 \$ 2,271
		applied pie	193	10010	200	50 \$ 2,271
						<u>\$ 4,928</u>
						reorder every week
		Total food sales per month normal season:				\$ 45,377
		sports season:				\$ 56,721
		Monthly food sales in units during normal season:			11,550	
		sports season:			14,438	
		Monthly beer sales in units during normal season:			6,930	
		sports season:			8,663	
		yearly sales in units of food & beer: year 1:			244,860	
		year 2&3			249,480	
		Total food and beer sales per month during;	normal season			\$ 60,392
			sports season			\$ 75,490

Analysis

	<u>Aug-99</u>	<u>Sep-99</u>	<u>Oct-99</u>	<u>Nov-99</u>	<u>Dec-99</u>	<u>Jan-00</u>	<u>Feb</u>	
Sales (\$)								
Food	\$ 22,500	\$ 56,722	\$ 56,722	\$ 56,722	\$ 56,722	\$ 45,377	\$ 45,377	
Beer	\$ 7,500	\$ 18,769	\$ 18,769	\$ 18,769	\$ 18,769	\$ 15,015	\$ 15,015	
Total Sales (\$)	<u>\$ 30,000</u>	<u>\$ 75,490</u>	<u>\$ 75,490</u>	<u>\$ 75,490</u>	<u>\$ 75,490</u>	<u>\$ 60,392</u>	<u>\$ 60,392</u>	
Sales (units)								
Food	11,550	14,438	14,438	14,438	14,438	11,550	11,550	
Beer	6,930	8,663	8,663	8,663	8,663	6,930	6,930	
Total sales (units)	<u>18,480</u>	<u>23,100</u>	<u>23,100</u>	<u>23,100</u>	<u>23,100</u>	<u>18,480</u>	<u>18,480</u>	
Purchases (\$)	pre-open	<u>Aug-99</u>	<u>Sep-99</u>	<u>Oct-99</u>	<u>Nov-99</u>	<u>Dec-99</u>	<u>Jan-00</u>	<u>Feb</u>
Food	\$ 1,845	\$ 5,535	\$ 9,225	\$ 9,225	\$ 9,225	\$ 9,225	\$ 7,380	\$ 7,380
Beer	\$ 3,072	\$ -	\$ 3,840	\$ 3,840	\$ 3,840	\$ 3,840	\$ 3,072	\$ 3,072
Total Purchases (\$)	<u>\$ 4,917</u>	<u>\$ 5,535</u>	<u>\$ 13,064</u>	<u>\$ 13,064</u>	<u>\$ 13,064</u>	<u>\$ 13,064</u>	<u>\$ 10,451</u>	<u>\$ 10,451</u>
Purchases (units)								
Food	2,956	8,868	14780	14780	14780	14780	11824	11,824
Beer	7,760	-	9700	9700	9700	9700	7760	7,760
Total Purchases (units)	<u>10,716</u>	<u>8,868</u>	<u>24480</u>	<u>24480</u>	<u>24480</u>	<u>24480</u>	<u>19584</u>	<u>19,584</u>

Analysis

	<u>Oct-00</u>	<u>Nov-00</u>	<u>Dec-00</u>	<u>Jan-01</u>	<u>Feb-01</u>	<u>Mar-01</u>	<u>Apr-01</u>	<u>May-01</u>	<u>Jun-01</u>	<u>Jul-01</u>	
Sales (\$)											
Food	\$ 56,722	\$ 56,722	\$ 56,722	\$ 45,377	\$ 45,377	\$ 56,722	\$ 45,377	\$ 45,377	\$ 45,377	\$ 45,377	\$
Beer	\$ 18,769	\$ 18,769	\$ 18,769	\$ 15,015	\$ 15,015	\$ 18,769	\$ 15,015	\$ 15,015	\$ 15,015	\$ 15,015	\$
Total Sales (\$)	<u>\$ 81,515</u>	<u>\$ 81,515</u>	<u>\$ 81,515</u>	<u>\$ 65,212</u>	<u>\$ 65,212</u>	<u>\$ 81,515</u>	<u>\$ 65,212</u>	<u>\$ 65,212</u>	<u>\$ 65,212</u>	<u>\$ 65,212</u>	<u>\$</u>
Sales (units)											
Food	14,438	14,438	14,438	11,550	11,550	14,438	11,550	11,550	11,550	11,550	
Beer	8,663	8,663	8,663	6,930	6,930	8,663	6,930	6,930	6,930	6,930	
Total sales (units)	<u>23,100</u>	<u>23,100</u>	<u>23,100</u>	<u>18,480</u>	<u>18,480</u>	<u>23,100</u>	<u>18,480</u>	<u>18,480</u>	<u>18,480</u>	<u>18,480</u>	
Purchases (\$)											
Food	\$ 9,225	\$ 9,225	\$ 9,225	\$ 7,380	\$ 7,380	\$ 9,225	\$ 7,380	\$ 7,380	\$ 7,380	\$ 7,380	\$
Beer	\$ 3,840	\$ 3,840	\$ 3,840	\$ 3,072	\$ 3,072	\$ 3,840	\$ 3,072	\$ 3,072	\$ 3,072	\$ 3,072	\$
Total Purchases (\$)	<u>\$ 13,064</u>	<u>\$ 13,064</u>	<u>\$ 13,064</u>	<u>\$ 10,451</u>	<u>\$ 10,451</u>	<u>\$ 13,064</u>	<u>\$ 10,451</u>	<u>\$ 10,451</u>	<u>\$ 10,451</u>	<u>\$ 10,451</u>	<u>\$</u>
Purchases (units)											
Food	14780	14780	14780	11824	11824	14780	11824	11824	11824	11824	
Beer	9700	9700	9700	7760	7760	9700	7760	7760	7760	7760	
Total Purchases (units)	<u>24480</u>	<u>24480</u>	<u>24480</u>	<u>19584</u>	<u>19584</u>	<u>24480</u>	<u>19584</u>	<u>19584</u>	<u>19584</u>	<u>19584</u>	

Analysis

	<u>Oct-01</u>	<u>Nov-01</u>	<u>Dec-01</u>	<u>Jan-02</u>	<u>Feb-02</u>	<u>Mar-02</u>	<u>Apr-02</u>	<u>May-02</u>	<u>Jun-02</u>	<u>Jul-02</u>
Sales (\$)										
Food	\$ 56,722	\$ 56,722	\$ 56,722	\$ 45,377	\$ 45,377	\$ 56,722	\$ 45,377	\$ 45,377	\$ 45,377	\$ 45,377
Beer	\$ 18,769	\$ 18,769	\$ 18,769	\$ 15,015	\$ 15,015	\$ 18,769	\$ 15,015	\$ 15,015	\$ 15,015	\$ 15,015
Total Sales (\$)	<u>\$ 75,490</u>	<u>\$ 75,490</u>	<u>\$ 75,490</u>	<u>\$ 60,392</u>	<u>\$ 60,392</u>	<u>\$ 75,490</u>	<u>\$ 60,392</u>	<u>\$ 60,392</u>	<u>\$ 60,392</u>	<u>\$ 60,392</u>
Sales (units)										
Food	14,438	14,438	14,438	11,550	11,550	14,438	11,550	11,550	11,550	11,550
Beer	8,663	8,663	8,663	6,930	6,930	8,663	6,930	6,930	6,930	6,930
Total sales (units)	<u>23,100</u>	<u>23,100</u>	<u>23,100</u>	<u>18,480</u>	<u>18,480</u>	<u>23,100</u>	<u>18,480</u>	<u>18,480</u>	<u>18,480</u>	<u>18,480</u>
Purchases (\$)										
Food	\$ 9,225	\$ 9,225	\$ 9,225	\$ 7,380	\$ 7,380	\$ 9,225	\$ 7,380	\$ 7,380	\$ 7,380	\$ 7,380
Beer	\$ 3,840	\$ 3,840	\$ 3,840	\$ 3,072	\$ 3,072	\$ 3,840	\$ 3,072	\$ 3,072	\$ 3,072	\$ 3,072
Total Purchases (\$)	<u>\$ 13,064</u>	<u>\$ 13,064</u>	<u>\$ 13,064</u>	<u>\$ 10,451</u>	<u>\$ 10,451</u>	<u>\$ 13,064</u>	<u>\$ 10,451</u>	<u>\$ 10,451</u>	<u>\$ 10,451</u>	<u>\$ 10,451</u>
Purchases (units)										
Food	14780	14780	14780	11824	11824	14780	11824	11824	11824	11824
Beer	9700	9700	9700	7760	7760	9700	7760	7760	7760	7760
Total Purchases (units)	<u>24480</u>	<u>24480</u>	<u>24480</u>	<u>19584</u>	<u>19584</u>	<u>24480</u>	<u>19584</u>	<u>19584</u>	<u>19584</u>	<u>19584</u>

Cash Flow

	Pre-open	Year 1											
		Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Mar-00	Apr-			
Cash from Investing Activities	\$ 65,000												
Cash from previous period		\$ 4,179	\$ (195)	\$ 9,131	\$ 18,781	\$ 28,107	\$ 37,757	\$ 39,103	\$ 40,774	\$ 50,100	\$ 51,700		
Cash flow from operations		\$ 31,950	\$ 80,397	\$ 80,397	\$ 80,397	\$ 80,397	\$ 80,397	\$ 64,318	\$ 64,318	\$ 80,397	\$ 64,318		
Cash outflow:													
Inventory: Food and other drinks	\$ (1,844.92)	\$ (5,535)	(30,148.88)	(30,148.88)	(30,148.88)	(30,148.88)	(24,119.15)	(24,119.15)	(30,148.94)	(24,119.15)			
Beer	\$ (3,071.80)		(10,049.63)	(10,049.63)	(10,049.63)	(10,049.63)	(8,039.72)	(8,039.72)	(10,049.65)	(8,039.72)			
Equipment	\$ (37,064.63)												
Furniture	\$ (2,571.50)												
Supplies	\$ (323.58)		\$ (324)	\$ -	\$ (324)	\$ -	\$ (324)	\$ -	\$ (324)	\$ (324)	\$ (324)	\$ (324)	\$ (324)
Cable		\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)
Satellite	\$ (2,863)												
Rent	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)
Wages: Staff		\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)
Management		\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)
Maintenance		\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)
Credit card expense		\$ (242)	\$ (302)	\$ (302)	\$ (302)	\$ (302)	\$ (242)	\$ (242)	\$ (302)	\$ (242)	\$ (302)	\$ (242)	\$ (242)
Internet access		\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)
Advertising expense		\$ (711)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)
Accounting		\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)
Insurance: workers comp	\$ (200)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)
general liability	\$ (500)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)
umbrella	\$ (120)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)
Licenses: Liquor	\$ (10,000)												
Occupational	\$ (262)												
Telephone		\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)
Net cash provided (used)		\$ 4,179	\$ (195)	\$ 9,131	\$ 18,781	\$ 28,107	\$ 37,757	\$ 39,103	\$ 40,774	\$ 50,100	\$ 51,700		

Cash Flow

	year 2										
	<u>Aug-00</u>	<u>Sep-00</u>	<u>Oct-00</u>	<u>Nov-00</u>	<u>Dec-00</u>	<u>Jan-01</u>	<u>Feb-01</u>	<u>Mar-01</u>	<u>Apr-01</u>	<u>May-01</u>	
Cash from Investing Activities											
Cash from previous period	\$ 56,134	\$ 72,457	\$ 88,456	\$ 104,778	\$ 120,777	\$ 137,100	\$ 143,785	\$ 150,793	\$ 166,792	\$ 173,801	
Cash flow from operations	\$ 93,743	\$ 93,743	\$ 93,743	\$ 93,743	\$ 93,743	\$ 74,994	\$ 74,994	\$ 93,743	\$ 74,994	\$ 74,994	
Cash outflow:											
Inventory: Food and other drinks	(35,153.56)	(35,153.56)	(35,153.56)	(35,153.56)	(35,153.56)	(28,122.76)	(28,122.76)	(35,153.56)	(28,122.76)	(28,122.76)	
Beer	(11,717.85)	(11,717.85)	(11,717.85)	(11,717.85)	(11,717.85)	(9,374.25)	(9,374.25)	(11,717.85)	(9,374.25)	(9,374.25)	
Equipment											
Furniture											
Supplies	\$ -	\$ (324)	\$ -	\$ (324)	\$ -	\$ (324)	\$ -	\$ (324)	\$ -	\$ (324)	
Cable	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	
Satellite											
Rent	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	
Wages: Staff	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	
Management	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	
Maintenance	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	
Credit card expense	\$ (302)	\$ (302)	\$ (302)	\$ (302)	\$ (302)	\$ (242)	\$ (242)	\$ (302)	\$ (242)	\$ (242)	
Internet access	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	
Advertising expense	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	
Accounting	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	
Insurance: workers comp	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	
general liability	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	
umbrella	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	
Licenses: Liquor											
Occupational											
Telephone	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	
Net cash provided (used)	<u>\$ 72,457</u>	<u>\$ 88,456</u>	<u>\$ 104,778</u>	<u>\$ 120,777</u>	<u>\$ 137,100</u>	<u>\$ 143,785</u>	<u>\$ 150,793</u>	<u>\$ 166,792</u>	<u>\$ 173,801</u>	<u>\$ 180,481</u>	

Cash Flow

	year 3										
	<u>Aug-01</u>	<u>Sep-01</u>	<u>Oct-01</u>	<u>Nov-01</u>	<u>Dec-01</u>	<u>Jan-02</u>	<u>Feb-02</u>	<u>Mar-02</u>	<u>Apr-02</u>	<u>May-02</u>	
Cash from Investing Activities											
Cash from previous period	\$ 194,179	\$ 213,548	\$ 232,594	\$ 251,963	\$ 271,008	\$ 290,377	\$ 299,500	\$ 308,946	\$ 327,991	\$ 337,437	
Cash flow from operations	\$ 99,836	\$ 99,836	\$ 99,836	\$ 99,836	\$ 99,836	\$ 79,869	\$ 79,869	\$ 99,836	\$ 79,869	\$ 79,869	
Cash outflow:											
Inventory: Food and other drinks	(37,438.47)	(37,438.47)	(37,438.47)	(37,438.47)	(37,438.47)	(29,950.77)	(29,950.77)	(37,438.47)	(29,950.77)	(29,950.77)	
Beer	(12,479.49)	(12,479.49)	(12,479.49)	(12,479.49)	(12,479.49)	(9,983.59)	(9,983.59)	(12,479.49)	(9,983.59)	(9,983.59)	
Equipment											
Furniture											
Supplies	\$ -	\$ (324)	\$ -	\$ (324)	\$ -	\$ (324)	\$ -	\$ (324)	\$ -	\$ (324)	
Cable	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	
Satellite											
Rent	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	
Wages: Staff	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	\$ (10,507)	
Management	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	\$ (8,333)	
Maintenance	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	
Credit card expense	\$ (302)	\$ (302)	\$ (302)	\$ (302)	\$ (302)	\$ (242)	\$ (242)	\$ (302)	\$ (242)	\$ (242)	
Internet access	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	\$ (20)	
Advertising expense	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	\$ (411)	
Accounting	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	\$ (150)	
Insurance: workers comp	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	\$ (2,027)	
general liability	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	
umbrella	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	
Licenses: Liquor											
Occupational											
Telephone	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	
Net cash provided (used)	<u>\$ 213,548</u>	<u>\$ 232,594</u>	<u>\$ 251,963</u>	<u>\$ 271,008</u>	<u>\$ 290,377</u>	<u>\$ 299,500</u>	<u>\$ 308,946</u>	<u>\$ 327,991</u>	<u>\$ 337,437</u>	<u>\$ 346,555</u>	

Balance Sheet

1

JAK's Sports Bar and Grill
Balance Sheet
7/31/1999

Assets

Current:

Cash	\$ 10,000
Petty Cash	\$ 300
	\$ 4,917
Inventory	
Prepaid Rent	\$ 2,000
Refundable Deposits	<u>\$ 300</u>
Total Current Assets	\$ 17,517

Noncurrent

Long term Investments	\$ -
Property Plant and Equipment	
Kitchen Equipment	\$ 27,312
Furniture	\$ 2,572
Office Equipment	\$ 985
Misc Equipment	\$ 8,768
Accumulated Depreciation	<u>\$ -</u>
Net Property, Plant, and Equipment	\$ 39,636
Intangible Assets	
Liquor License	\$ 10,000
Occupational License	\$ 262
Accumulated Depreciation	\$ -
Net Intangible Assets	<u>\$ 10,262</u>
Total Assets	<u><u>\$ 67,415</u></u>

Liabilities

Sales Tax Payable	\$ -
Payroll Taxes Payable	\$ -

Owners Equity

Common Stock	\$ 67,415
Retained Earnings	<u>\$ -</u>
Total Liabilities and Owners Equity	<u><u>\$ 67,415</u></u>

2

JAK's Sports Bar and Grill
Balance Sheet
July 31, 2000

Assets

Current:

Cash	\$ 38,942
Petty Cash	\$ 300
	\$ 8,059
Inventory	
Refundable Deposits	<u>\$ 300</u>
Total Current Assets	\$ 47,601

Noncurrent

Long-term Investments	\$ 53,569
Property Plant and Equipment	
Kitchen Equipment	\$ 27,312
Furniture	\$ 2,572
Office Equipment	\$ 985
Misc Equipment	\$ 8,768
Accumulated Depreciation	<u>\$ (2,642)</u>
Net Property, Plant, and Equipment	\$ 36,994
Intangible Assets	
Liquor License	\$ 10,000
Occupational License	\$ 262
Accumulated Depreciation	\$ (684)
Net Intangible Assets	<u>\$ 9,578</u>
Total Assets	<u><u>\$ 147,742</u></u>

Liabilities

Sales Tax Payable	\$ 4,181
Payroll Tax Payable	\$ 1,441

Owners Equity

Common Stock	\$ 67,415
Retained Earnings	<u>\$ 84,314</u>
Total Liabilities and Owner's Equity	<u><u>\$ 157,351</u></u>

3 JAK's Sports Bar and Grill
Balance Sheet
July 31, 2001

Assets

Current:

Cash	\$ 86,261
Petty Cash	\$ 300
	\$ 16,013
Inventory	
Refundable Deposits	<u>\$ 300</u>
Total Current Assets	\$ 102,874

Noncurrent

Long term Investments	\$ 188,515
Property Plant and Equipment	
Kitchen Equipment	\$ 27,312
Furniture	\$ 2,572
Office Equipment	\$ 985
Misc Equipment	\$ 8,768
Accumulated Depreciation	<u>\$ (5,285)</u>
Net Property, Plant, and Equipment	\$ 34,351
Intangible Assets	
Liquor License	\$ 10,000
Occupational License	\$ 262
Accumulated Depreciation	<u>\$ (1,368)</u>
Net Intangible Assets	<u>\$ 8,894</u>
Total Assets	<u><u>\$ 334,634</u></u>

Liabilities

Sales Tax Payable	\$ 4,875
Payroll Taxes Payable	\$ 1,441

Owners Equity

Common Stock	\$ 67,415
Retained Earnings	\$ 270,514
Total Liabilities and Owners Equity	<u><u>\$ 344,244</u></u>

4 JAK's Sports Bar and Grill
Balance Sheet
July 31, 2002

Assets

Current:

Cash	\$ 110,295
Petty Cash	\$ 300
	\$ 21,501
Inventory	
Refundable Deposits	\$ 300
Total Current Assets	\$ 132,396
Noncurrent	
Long-term Investments	\$ 392,690
Property Plant and Equipment	
Kitchen Equipment	\$ 27,312
Furniture	\$ 2,572
Office Equipment	\$ 985
Misc Equipment	\$ 8,768
Accumulated Depreciation	<u>\$ (7,927)</u>
Net Property, Plant, and Equipment	\$ 31,709
Intangible Assets	
Liquor License	\$ 10,000
Occupational License	\$ 262
Accumulated Depreciation	\$ (2,052)
Net Intangible Assets	<u>\$ 8,210</u>
Total Assets	<u>\$ 565,005</u>
Liabilities	
Sales Tax Payable	\$ 5,191
Payroll Tax Payable	\$ 1,441
Owners Equity	
Common Stock	\$ 67,415
Retained Earnings	<u>\$ 500,567</u>
Total Liabilities and Owners Equity	<u>\$ 574,615</u>

Assumptions:

*JAK's will pay for it's inventory of food and beer when delivered, therefore there is no accounts payable.

* Payroll tax is 7.65%

Income Statement

	Year 1										
	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00
Net sales	\$ 31,950	\$ 80,397	\$ 80,397	\$ 80,397	\$ 80,397	\$ 64,318	\$ 64,318	\$ 80,397	\$ 64,318	\$ 64,318	\$ 64,318
CGS:											
Beg Inv	\$ 4,917	\$ 842	\$ 1,578	\$ 2,315	\$ 3,051	\$ 3,788	\$ 4,377	\$ 4,966	\$ 5,703	\$ 6,292	\$ 6,88
+Purch	\$ 5,535	\$ 13,064	\$ 13,064	\$ 13,064	\$ 13,064	\$ 10,451	\$ 10,451	\$ 13,064	\$ 10,451	\$ 10,451	\$ 10,45
-End Inv	\$ 842	\$ 1,578	\$ 2,315	\$ 3,051	\$ 3,788	\$ 4,377	\$ 4,966	\$ 5,703	\$ 6,292	\$ 6,881	\$ 7,47
CGS*	\$ 15,600	\$ 39,255	\$ 39,255	\$ 39,255	\$ 39,255	\$ 31,404	\$ 31,404	\$ 39,255	\$ 31,404	\$ 31,404	\$ 31,40
Gross Profit	\$ 16,350	\$ 41,142	\$ 41,142	\$ 41,142	\$ 41,142	\$ 32,914	\$ 32,914	\$ 41,142	\$ 32,914	\$ 32,914	\$ 32,91
Rent	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,00
Wages: Management	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,50
Staff	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,33
Cable	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 35
Telephone	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 5
Supplies	\$ 350		\$ 350		\$ 350		\$ 350		\$ 350		\$ 35
Credit Card	159.75	401.99	401.99	401.99	401.99	321.59	321.59	401.99	321.59	321.59	321.5
Internet Access	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 2
Advertising	\$ 711	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$ 41
Accounting	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 15
Insurance:workers comp	\$ 2,027	\$ 2,028	\$ 2,029	\$ 2,030	\$ 2,031	\$ 2,032	\$ 2,033	\$ 2,034	\$ 2,035	\$ 2,036	\$ 2,03
general liability	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 41
umbrella	\$ 1,250	\$ 1,251	\$ 1,252	\$ 1,253	\$ 1,254	\$ 1,255	\$ 1,256	\$ 1,257	\$ 1,258	\$ 1,259	\$ 1,26
Payroll Tax Expense	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,44
Maintenance	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 15
Total General and Administrative	<u>\$ 27,916</u>	<u>\$ 27,510</u>	<u>\$ 27,862</u>	<u>\$ 27,514</u>	<u>\$ 27,866</u>	<u>\$ 27,438</u>	<u>\$ 27,790</u>	<u>\$ 27,522</u>	<u>\$ 27,794</u>	<u>\$ 27,446</u>	<u>\$ 27,79</u>
Depreciation	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>27</u>
Operating Income before Taxes	\$(11,843)	\$ 13,355	\$ 13,003	\$ 13,351	\$ 12,999	\$ 5,199	\$ 4,847	\$ 13,343	\$ 4,843	\$ 5,191	\$ 4,83

Investment Income**Yearly Income**

* Net Sales includes sales and sales tax of 6.5%.

*Markup is 100% of cost.

Income Statement

	Year 2									
	<u>Aug-00</u>	<u>Sep-00</u>	<u>Oct-00</u>	<u>Nov-00</u>	<u>Dec-00</u>	<u>Jan-01</u>	<u>Feb-01</u>	<u>Mar-01</u>	<u>Apr-01</u>	<u>Ma</u>
Net sales	\$ 93,743	\$ 93,743	\$ 93,743	\$ 93,743	\$ 93,743	\$ 74,994	\$ 74,994	\$ 93,743	\$ 74,994	\$ 74,
CGS:										
Beg Inv	\$ 8,059	\$ 8,796	\$ 9,532	\$ 10,269	\$ 11,005	\$ 11,742	\$ 12,331	\$ 12,920	\$ 16,122	\$ 14,
+Purch	\$ 13,064	\$ 13,064	\$ 13,064	\$ 13,064	\$ 13,064	\$ 10,451	\$ 10,451	\$ 13,064	\$ 10,451	\$ 10,
-End Inv	\$ 8,796	\$ 9,532	\$ 10,269	\$ 11,005	\$ 11,742	\$ 12,331	\$ 12,920	\$ 16,122	\$ 14,246	\$ 14,
CGS*	<u>\$ 45,771</u>	<u>\$ 45,771</u>	<u>\$ 45,771</u>	<u>\$ 45,771</u>	<u>\$ 45,771</u>	<u>\$ 36,617</u>	<u>\$ 36,617</u>	<u>\$ 45,771</u>	<u>\$ 36,617</u>	<u>\$ 36,</u>
Gross Profit	\$ 47,972	\$ 47,972	\$ 47,972	\$ 47,972	\$ 47,972	\$ 38,377	\$ 38,377	\$ 47,972	\$ 38,377	\$ 38,
Rent	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,
Wages: Management	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,
Staff	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,
Cable	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$
Telephone	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$
Supplies	\$ 350		\$ 350		\$ 350		\$ 350		\$ 350	
Credit Card	468.71	468.71	468.71	468.71	468.71	374.97	374.97	468.71	374.97	37,
Internet Access	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$
Advertising	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$
Accounting	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$
Insurance:workers comp	\$ 2,039	\$ 2,040	\$ 2,041	\$ 2,042	\$ 2,043	\$ 2,044	\$ 2,045	\$ 2,046	\$ 2,047	\$ 2,
general liability	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$
umbrella	\$ 1,262	\$ 1,263	\$ 1,264	\$ 1,265	\$ 1,266	\$ 1,267	\$ 1,268	\$ 1,269	\$ 1,270	\$ 1,
Payroll Tax Expense	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,
Maintenance	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$
Total General and Administrative	<u>\$ 27,949</u>	<u>\$ 27,601</u>	<u>\$ 27,953</u>	<u>\$ 27,605</u>	<u>\$ 27,957</u>	<u>\$ 27,515</u>	<u>\$ 27,867</u>	<u>\$ 27,613</u>	<u>\$ 27,871</u>	<u>\$ 27,</u>

Depreciation	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>
Operating Income before Taxes	\$ 19,746	\$ 20,094	\$ 19,742	\$ 20,090	\$ 19,738	\$ 10,585	\$ 10,233	\$ 20,082	\$ 10,229	\$ 10,
Investment Income	<hr/>									

Yearly Income

* Net Sales includes sales and sales tax of 6.5%.

*Markup is 100% of cost.

Income Statement

	year 3									
	<u>Aug-01</u>	<u>Sep-01</u>	<u>Oct-01</u>	<u>Nov-01</u>	<u>Dec-01</u>	<u>Jan-02</u>	<u>Feb-02</u>	<u>Mar-02</u>	<u>Apr-02</u>	<u>Ma</u>
Net sales	\$ 99,836	\$ 99,836	\$ 99,836	\$ 99,836	\$ 99,836	\$ 79,869	\$ 79,869	\$ 99,836	\$ 79,869	\$ 79,
CGS:										
Beg Inv	\$ 16,013	\$ 19,215	\$ 19,952	\$ 20,688	\$ 21,425	\$ 22,161	\$ 20,285	\$ 18,408	\$ 21,610	\$ 22,
+Purch	\$ 13,064	\$ 13,064	\$ 13,064	\$ 13,064	\$ 13,064	\$ 10,451	\$ 10,451	\$ 13,064	\$ 10,451	\$ 10,
-End Inv	\$ 19,215	\$ 19,952	\$ 20,688	\$ 21,425	\$ 22,161	\$ 20,285	\$ 18,408	\$ 21,610	\$ 22,200	\$ 20,
CGS*	<u>\$ 48,746</u>	<u>\$ 48,746</u>	<u>\$ 48,746</u>	<u>\$ 48,746</u>	<u>\$ 48,746</u>	<u>\$ 38,997</u>	<u>\$ 38,997</u>	<u>\$ 48,746</u>	<u>\$ 38,997</u>	<u>\$ 38,</u>
Gross Profit	\$ 51,090	\$ 51,090	\$ 51,090	\$ 51,090	\$ 51,090	\$ 40,872	\$ 40,872	\$ 51,090	\$ 40,872	\$ 40,
Rent	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,
Wages: Management	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,507	\$ 10,
Staff	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,
Cable	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$
Telephone	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$
Supplies	\$ 350		\$ 350		\$ 350		\$ 350		\$ 350	\$
Credit Card	499.18	499.18	499.18	499.18	499.18	399.34	399.34	499.18	399.34	399,
Internet Access	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$
Advertising	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$ 411	\$
Accounting	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$
Insurance:workers comp	\$ 2,051	\$ 2,052	\$ 2,053	\$ 2,054	\$ 2,055	\$ 2,056	\$ 2,057	\$ 2,058	\$ 2,059	\$ 2,
general liability	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$
umbrella	\$ 1,274	\$ 1,275	\$ 1,276	\$ 1,277	\$ 1,278	\$ 1,279	\$ 1,280	\$ 1,281	\$ 1,282	\$ 1,
Payroll Tax Expense	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,441	\$ 1,
Maintenance	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$
Total General and Administrative	<u>\$ 28,003</u>	<u>\$ 27,655</u>	<u>\$ 28,007</u>	<u>\$ 27,659</u>	<u>\$ 28,011</u>	<u>\$ 27,563</u>	<u>\$ 27,915</u>	<u>\$ 27,667</u>	<u>\$ 27,919</u>	<u>\$ 27,</u>

Depreciation	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	
Operating Income before Taxes	\$ 22,809	\$ 23,157	\$ 22,805	\$ 23,153	\$ 22,801	\$ 13,031	\$ 12,679	\$ 23,145	\$ 12,675	\$ 13,031
Investment Income	<hr/>									

Yearly Income

* Net Sales includes sales and sales tax of 6.5%.

*Markup is 100% of cost.

Break Even Analysis									
				Total sales per quarter	Total sales per quarter	Sales price per unit	Total variable cost per quarter**	Total units bought per quarter	Average cost per unit
				(\$)	(units)				
Fiscal 2000-Quarter 1									
Food				\$ 135,943	40,425	\$ 3.36	\$ 26,357	41,384	0.64
Beer				\$ 45,038	24,255	\$ 1.86	\$ 11,068	27,160	0.41
Weighted Average Contribution Margin*		\$ 2.25			64,680			68,544	
Break Even*** (Units)		70,367							
(Sales)									
*weighted average contribution margin is based on a product mix of 62.5% food and 37.5% beer, derived from dividing total food sales in units and total beer sales in units by total sales in units, respectively. WACM is calculated by multiplying .625 times the contribution margin for food (sales price per unit-average cost per unit) and adding it to .375 times the contribution margin for beer (sales price per unit-average cost per unit).									
**Total variable cost per quarter includes credit card expense as well as cost of inventory.									
*** Break even is calculated by dividing total fixed costs (G&A- credit card expense) by the weighted average contribution margin.									
		<u>Break-even (units)</u>							
Fiscal 2000 Quar. 1		70,367							
	2	69,965							
	3	69,965							
	4	69,965							
Fiscal 2001 Quar. 1		69,965							
	2	69,965							
	3	69,965							

