

Broken Clock Brewing Cooperative

Business Plan

4/15/2022

1.0 Executive Summary

Broken Clock Brewing is a brewery cooperative (co-op) located at 3134 California St. NE in Minneapolis. A co-op is a business or organization that is owned and operated by the people who work there or the people who use its services. We produce and offer a variety of artisan craft beer that is driven by the demands of the community we serve. We cater to adults 21 and over living in the Minneapolis metro area with an average income of \$30k and over.

The craft brewing industry has seen tremendous, steady growth over the last 10 years. Craft breweries grossed over 22.2 billion dollars in 2020. Minnesota ranks 12th in the nation for annual production per capita, and 15th in the nation for breweries per capita, which is a clear indicator that there is room for growth in the market. The cooperative brewery concept is extremely popular in Europe and other parts of the world. The United States is also trending upward in this area, with 25 Co-op breweries currently open, and several more in process.

Perhaps the best part of Broken Clock is our commitment to growth and development within the community. We are dedicated to two very important expansion projects over the next five years:

A new production space. Having a new production space will allow us to better serve our community and customers. Customers are seeking Lager and sour style beers and with our current space constraints we are unable to deliver on these styles of beer. We are also seeing a huge shift in trends when it comes to package size restrictions. A new production space will allow us to start producing 12 and 16 ounce cans and open us up to more accounts and customers.

Private Event Space. We get several requests weekly from members, businesses, and other local organizations seeking private event space. Having the ability to serve our community will not only be a bonus to that community but give us an additional stream of revenue.

1.1 Mission

Our Vision:

At Broken Clock Brewing, we believe that being a brewery cooperative is bigger than just brewing great beer. We aspire to make a difference by empowering people, inspiring passion, and fostering collaboration in our community. Being a cooperative means that we put the needs of the community ahead of the bottom line.

Our Mission:

To create high quality experiences and beer through collaboration and service within the community.

This vision and mission will be delivered through five core values (pillars):

1. Dignified Treatment of employees and customers
2. Environmental Sustainability
3. Social and Communal Responsibility

4. Responsible allocation of money and time
5. Access to Continuing Education€€

1.2 Keys to Success

1. Consistent growth through member/owner memberships (Currently averaging 5.8/mo. In 2021)
2. Positive recognition in the communities we serve (4.7/5 google rating)
3. Maintain a gross margin of 70% (Currently at 72.25%)

2.0 Company Summary

Broken Clock Brewing Cooperative is a brewery located in Northeast Minneapolis. The brewery is a member-owned cooperative, and currently has **1,175 owner members**. We currently operating a commercial brewery and taproom that can sell pints, growlers, and crowlers under Minnesota State law. We distribute our beer in kegs to restaurants, and crowlers to liquor stores, and provide Pints, growler fills, crowlers, snacks, and merchandise at our taproom.

Broken Clock Brewing Cooperative started in 2013, when founding members Jeremy Mathison and Jeremy Gharineh developed and refined an idea to create a business that works for people by empowering employees, promoting social and communal connection, and fostering growth and creativity. The duo discussed several business ideas before they learned about the cooperative brewery model. Seeing beer as a unifier in their own lives, the pair continued to research the cooperative model as well as an employee empowerment model called the workers assembly model. Mathison and Gharineh brought this concept to a group of ambitious supporters in 2014, and the concept has grown from a core membership of 14 individuals who incorporated the company in September of 2015 to a community of over 1,175 members and supporters. Broken Clock Brewing Cooperative is now overseen by an official board of directors and has 10 employees.

From our beginnings, Broken Clock Brewing Cooperative has made it a priority to build collaborative, service-oriented relationships with small businesses who share our values. Our intentional partnerships with organizations like Tiny Footprint Coffee, Brewing Change Collaborative, Campaign to Save the Boundary Waters have strengthened our commitment to our core values.

2.1 Company Ownership

Broken Clock is a Corporation with a 308(A) Cooperative distinction. This is the only structure that is allowed when running a true 100% member owned cooperative business. Every member will own one share and control one vote when it comes to voting on its board of directors. This structure limits the liability for its members.

What is a cooperative (Co-op)?

Co-ops function according to a specific set of principles and are built as an ownership model that allows more than just a limited number of individuals to benefit from the

profits of the company. They exist in the capitalist structure to help communities and individuals better themselves through contribution.

The Principles:

Principle 1: Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Principle 2: Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organized in a democratic manner.

Principle 3: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

Principle 4: Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter to agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

Principle 5: Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the public - particularly young people and opinion leaders - about the nature and benefits of cooperation.

Principle 6: Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

Principle 7: Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their members.

Member-Ownership

Our members are Minnesota residents, ages 21 and over. Many of our members are highly involved in their communities and committed to our values of social and communal responsibility, environmental sustainability, and access to continuing education. In accordance with our bylaws, our members assembly votes upon election and removal of directors, passage of advisory resolutions for consideration by the board, and approval of policies for the co-op. They are also encouraged to run for our board of directors, vote on beers we will produce, serve on Broken Clock teams, and attend and/or present at all open board meetings.

We offer four different membership levels:

Single membership. \$200 secures a single lifetime membership.

Household membership. \$300 secures a lifetime family membership for up to 2 persons living at the same address.

Brewers membership. \$350 secures a lifetime membership for one person to brew beer at our brewery at least once a month.

Joint Brewers membership. \$500 secures a lifetime membership for up to 2 persons living at the same address. One of the persons will be allowed to brew beer at our brewery at least once a month.

2.2 Expansion Summary

Our total start-up requirements are \$780,705. \$339,500 will be to purchase new equipment. The buildout cost will be \$441,205. This cost includes buffers for overages and the final cost should almost certainly be lower than the projected cost.

Currently, we have \$200,000 on hand to commit for this expansion. Additionally, we are receiving Landlord Improvements that include: New HVAC, 600amp electrical service, new windows, fire suppression, restrooms, skylights, concrete floor polishing, new parking lot, and exterior landscaping. Will also be doing another member raise in July.

Table: Expansion Costs

Craft Kettle 2 Vessel Brewhouse				
Equipment Item	Item Cost	Notes	Category Subtotal	

Primary Brewhouse Components				\$102,425.00
	15 BBL 2-Vessel Steam Operated	\$77,025.00	Includes all items needed for the brewhouse: Mash/Lauter Tun, Brew Kettle/Whirlpool, Brewhouse Parts	
	30 BBL Hot Liquor Tank	\$13,910.00		
	Hot Liquor Tank Parts/Automation	\$4,800.00		
	Hot Liquor Tank Control Panel	\$3,000.00		
	Cellar Transfer Package	\$2,690.00		
Boiler	20 HP Low Pressure Columbia Steam Boiler w/blowdown and condensate pump	\$21,778.12	Quote from TRAP	\$21,778.12
Cellar	15 BBL Fermenter (QTY 4)	\$42,200.00		\$110,352.25
	30 BBL Fermenter (QTY 1)	\$14,580.00		
	15 BBL Brite Tank (QTY 1)	\$9,960.00		
	30 BBL Brite Tank (QTY 1)	\$14,000.00		
	Carbonation Stones for Brite Tanks (QTY 2)	\$695.00		
	Fermenter and brite parts package and cellar control parts	\$7,620.25		
	2 HP Sanitary Transfer Pump	\$3,075.00		
	Keg Commander Automatic Two Head Keg Washer (34 kegs per hour)	\$16,722.00		
Grain Milling	RMS 6x6 Grain Mill	\$8,825.00		\$13,925.00
	Flex Auger System	\$2,550.00		

Chilling	14 HP Multistage Glycol Chiller	\$23,106.00		\$29,500.00
Installation/Training Support	On-site Setup Supervision, Commissioning & Training	\$5,950.00		\$5,950.00
Water Treatment	Water Filtration Unit	\$2,181.91	15 GPM catalytic granulated activated charcoal filter	\$2,181.91
TOTAL EQUIPMENT UPGRADE COST				\$286,112.28
Canning line	Gossling Base	\$26,769.00	12 CPM	\$33,341.24
	Cart	\$1,474.00		
	Pre/Post rinse	\$888.00		
	DO buster and CO2 regulating	\$1,482.00		
	Low Flow/High Flow pneumatic actuator	\$2,637.00		
	Tools	\$394.00		
	Package Discount	-\$1,345.76		
	Shipping/crate	\$1,043.00		
TOTAL CANNING LINE COST				\$33,341.24
Walk-In Cooler	10x20x8 w/47" pallet door	\$20,047.00		\$20,047.00
TOTAL COOLER COST				\$20,047.00
TOTAL EQUIPMENT COSTS				\$339,500.52

Buildout Costs

Name	Qty	Unit Cost	Total Cost
Permits			
Building Permit	1	\$ 1,48 0.50	\$ 1,480. 50
Building Permit 2	300	\$ 8.40	\$ 2,520. 00
Plan Check Fee	0.65	\$ 4,00 0.51	\$ 2,600. 33
Surcharge Fee	0.0005	\$ 300,00 0.00	\$ 200.00
Permits Total			\$ 6,800. 83
SAC Fee	5	\$ 2,48 5.00	\$ 12,425 .00
Insurance Requirements	0.0095	\$ 400,00 0.00	\$ 3,800. 00

Plan Prints	1	\$ 400. 00	\$ 400.00
Structural Engineering as needed ALLOWANCE	0	\$ 2,50 0.00	\$.00
Value Engineering/Consultation	12	\$ 95.00	\$ 1,140.00
General Requirements			
Project Management & Coordination	1	\$ 20,00 0.00	\$ 20,000.00
Waste Management & Disposal: Dumpsters	4	\$ 450. 00	\$ 1,800.00
Final Cleaning for MDA Inspection ALLOWANCE	1	\$ 2,50 0.00	\$ 2,500.00
Scissor Lift(s)	3	\$ 600. 00	\$ 1,800.00

General Requirements Total				\$ 28,425. 00
Metals				
Misc. deco Metal Allowance	1	\$ 1,500		\$ 1,500. 00
Misc NSF Stainless Steel ALLOWANCE	1	\$ 0.00	3,50	\$ 3,500. 00
Stainless Steel Coved Base installed ALLOWANCE	23	\$ 00	60.	\$ 1,38 0.00
Metals Total				\$ 6,380. 00
Wood, Plastics, Comp				
Framing and drywall for project	1	\$ 00.00	22,5	\$ 22,500 .00
Misc Carpentry ALLOWANCE	1	\$ 0.00	1,50	\$ 1,50 0.00
Trim Carpentry Labor Allowence	16	\$ 0	65.0	\$ 1,040. 00

Trim Carpentry Materials Allowence	1	\$ 0.00	250	\$ 00	2,500.
Wood, Plastics, Comp Total				\$.00	27,500
Thermal Protection					
Roofing for RTU curb, chiller curb, and 3 penetrations ALLOWANCE	3	\$ 00	525.	\$	525.00
Finishes					
Urethane flooring at bar production area Allowence	620	\$	20.00	\$.00	12,400
FRP up 10' at production area ALLOWANCE	56	\$ 00	200.	\$.00	11,200
FRP at Bar	10	\$ 00	200.	\$	200.00
Finishes Total				\$ 00	25,600.

Equipment			
Rigging to unload and upright brewing equipment ALLOWANCE 1 \$2,750.00 \$2,750.00	1	\$ 2,75 0.00	\$ 2,750. 00
Final placement and leveling of tanks (process piping installation by others)	12	\$ 95.00	\$ 1,140. 00
Rigging for chiller and boiler	1	\$ 1,25 0.00	\$ 1,250. 00
Forklift(s) for equipment unloading ALLOWANCE	1	\$ 950. 00	\$ 950.00
Install boiler, chiller, glycol piping, steam piping, and all connections to brewing equipment allowance	1	\$ 90,00 0.00	\$ 90,000. 00
Remote Refrigeration for owner-provided walk-in cooler ALLOWANCE	1	\$ 6,50 0.00	\$ 6,500. 00
Equipment Total			\$ 102,21 0.00
Fire Suppression			
Modification of existing sprinkler system to accommodate new walk in cooler and layout ALLOWANCE	1	\$ 4,50 0.00	\$ 4,500. 00

Plumbing			
Plumbing subcontract	1	\$ 62,99 0.00	\$ 62,990. 00
HVAC			
Install new 10ton RTU with exposed spiral ducting ALLOWANCE	0	\$ 35,00 0.00	\$.00
Electrical			
Electrical subcontract ALLOWANCE	1	\$ 67,40 0.00	\$ 67,400. 00
Controls allowance	1	\$ 3,50 0.00	\$ 3,500. 00
Electrical Total			\$ 70,900. 00
Company Overhead & Margin			
Company Overhead Percentage	3.50%	\$ 3,40 6.29	\$ 15,867.2 6

Company's Profit Margin	3.50%	\$ 3,406.29	\$ 15,867.26
Contingency Reserve	10%	\$ 3,406.29	\$ 45,335.04
Company Overhead & Margin Total			\$ 77,069.57
Total Buildout Cost			\$ 441,205.39

3.0 Products and Services

Broken Clock Brewing offers several different products and services including:

Products

- Off-sale growlers and crowlers
- Wholesale Keg and crowler sales to restaurants and liquor stores
- Retail merchandise and pre-packaged food

The successful production space expansion will enable the sale of wholesale 12oz and 16oz cans to several restaurants and liquor stores that currently cannot purchase our products due to our packaging constraints. This expansion also allows us to brew Lagers, Sours, and expand our Barrel Aging program and deliver to our customers two of the most requested styles of beer. We will also be adding private rental space, giving us an additional revenue stream that we currently do not have.

4.0 Market Analysis Summary

Minnesota's craft beer market had a \$2.2 billion-dollar impact on the craft beer market in 2020, making it the 12th highest in the nation. The number of micro-breweries in Minnesota has grown 107% in the last 5 years (105 to 217) yielding the 12th most craft beer in the United States (547,818 barrels).

Market Feasibility

The Brewers Association did an extensive feasibility study, and concluded the following about where a brewery should be located:

- 150,000 people within a 15-mile radius
- Average income of \$30k
- 50% of target age group
- Per capita consumption should be in the top 1/3
- 5+ successful restaurants in the area
- 3+ successful bars in the area
- 1-3 tap rooms in the area
- 0-3 brewpubs in the area
- Foot traffic should be moderate to heavy
- Commerce is a must
- Parking should be ample for P.M. business
- Expansion potential is desirable
- Aesthetics are moderately important
- Access must be uncomplicated
- Neighborhood support is important

Location specific:

- Downtown: Important
- Office buildings: Important during lunch
- Sporting facility: Asset
- College: Post-grads = Asset
- Tourist attraction: Asset

4.1 Target Market Segment Strategy

Northeast Minneapolis, also known as the "Arts District", provides the perfect market for Broken Clock Brewing. The average income in the area is \$66k and the average age is 35.6 making it obvious why the brewing industry thrives in this area. The Northeast Arts District is also ideal for the cooperative model. We partner with several local artists and other small individually owned businesses to deliver our products and services to market. This segment of the population is extremely receptive to our values and cooperative model because they have a direct connection with them and their community.

Restaurants and bars are also very receptive to our cooperative model because it allows us to deliver a much more competitive product to the market. This is because we are beholden to the people who consume our product and not a small group of decision makers. We eliminate a lot of the uncertainty that goes into bringing in new products because our collective group of members have voted on the beers they enjoy and want to see on tap.

4.2 Service Business Analysis

Broken Clock Brewing Cooperative falls into the microbrewery category. A microbrewery is a brewery that produces less than 15,000 barrels (17,600 hectoliters) of beer per year with 75 percent or more of its beer sold off-site. Microbreweries sell to the public by one or more of the following methods: the traditional three-tier system (brewer to

wholesaler to retailer to consumer); the two-tier system (brewer acting as wholesaler to retailer to consumer); and, directly to the consumer through carry-outs and/or on-site taproom or restaurant sales. Broken Clock will be a combination of three concepts;

1. Microbrewery, manufacturing and selling our beer on and off premise.
2. Educational epicenter for all things beer related
3. A Community outreach vehicle allowing member-owners and the community the opportunity to have a voice with a business they influence.

4.3 Competition and Buying Patterns

With any industry that grows, so does the competition. Northeast Minneapolis has the largest concentration of microbreweries and taprooms in the area. A large reason for this is because of the popularity of community-oriented activities in this area. With the demographic and psychographic breakdown of the Northeast area, breweries, local coffee shops, small restaurants and art studios are very popular, and contribute to the thriving community.

The Northeast Minneapolis neighborhood also has another brewing Co-op, Fair State Brewing Cooperative.

5.0 Web Plan Summary

Broken Clock's website plays a very important role during these early stages. It's the virtual business card and portfolio for the company, as well as an online "home." It's an informative site that explains the business model, specifically the cooperative philosophy and the member-owner benefits. We've intentionally edited our site to reduce "wordiness" so that we don't lose readers. The site helps with fundraising, guests are able to see what's on tap, events happening, and prospective members can purchase memberships directly on the site.

5.1 Website Marketing Strategy

Not relying on selling products on-line means that we don't need to spend money on banner ads and other costly advertising campaigns. Instead, we will focus on more locally driven advertising through keyword searches and third party review sites such as Google and Untappd. We want our site to be viewed by those looking for specific experiences within their traveling radius such as "breweries in Minneapolis." Social media does a great job with location specific targeted marketing, which is why we will utilize several of the services these platforms offer.

6.0 Strategy and Implementation Summary

Broken Clock Brewing is a brewing cooperative, and most people are unfamiliar with the cooperative model, so it's vital that we educate the masses about what that really means to them as the consumer. Direct, face-to-face community, and social media-based implementation is vital. We need to spend time building relationships with those in the local community through partnerships, local trade shows, and community events.

6.1 SWOT Analysis

The SWOT analysis provides an opportunity to examine the internal strengths and weaknesses Broken Clock must address. It also allows us to examine the opportunities presented to us as well as potential threats.

6.1.1 Strengths

- Our cooperative based business model allows for the community to have a distinct reason to support the business because they're part of it.
- Multiple artisan brewers available allow for unique flavors and styles, and maximum appeal to every palate.
- A board of directors with a diverse experience base is leading the business.
- Taproom sales and wholesale gives us multiple streams of income.
- The craft brewing industry grew over 100% in the last 5 years and is still growing.
- Profit margins (usually over 85%) are extremely favorable in the brewing industry.
- Being able to still brew while building out allows us to not have to lose any production time.
- Our location is established for consumers of craft beer.

6.1.2 Weaknesses

- The target space of the taproom is not on a major thoroughfare or street.
- We will be renting the location, therefore, locked into a lease.
- Our location can be hard to find.
- Operating as a co-op does keep payroll costs higher.

6.1.3 Opportunities

- Using local brewers through our brewer membership is a concept that is currently not being used in Minnesota.
- There is a growing popularity and need for more cooperative businesses.
- Our community connections will allow us to maximize opportunities in the community.
- Expanding from our existing space to adjacent space allows for quicker expansion and lower rent/square foot than average.

6.1.4 Threats

- U.S. and Minnesota state liquor laws are ever changing and always pose a potential threat.
- Brick and mortar locations can put a business at risk when it comes to construction projects and urban development.
- The Craft brewing industry is showing great growth and will provide more competition in the market.
- Securing funding as a cooperative business is always a challenge.

6.2 Competitive Edge

Broken Clock Brewing Cooperative's competitive advantage is derived from many factors. The following differentiate us from our competitors.

Cooperative based business. Being a brewery Co-op gives us a very distinct advantage because we will have a built-in customer base. The local community benefits because they are directly involved in the success of our business as we are dedicated to supporting the community with an amazing offer. Member-owners will also be invited to take part in exclusive events only offered by Broken Clock.

Artisan brewers. People love variety. Showcasing multiple brewers allows for added styles and provides a better product. People quickly form an allegiance and loyalty to certain breweries because they enjoy the style that their beer delivers. We give members and non-members the unique ability to enjoy a variety of member-driven beers.

Employee-Owned Labor and Production. The primary value of placing the ownership of labor and production back into the hands of the worker is that it promotes equity, solidarity, diversity, and empowerment. Workers are encouraged to invest in the process of democratically self-managing the workload. Each employee is given equal say in the amount and type of work that they participate in. Every employee is assigned a team based on passions and skills. Each team can exercise autonomy in decision-making for team-specific operations. This enlists loyalty and pride of ownership within the workforce.

6.3 Marketing Strategy

Our company will need to appeal and market to three distinct groups:

- Community members 21 and older with an average income of 30k per year living within a 15-mile radius of Minneapolis.
- Restaurants and bars serving local beer.
- Beer enthusiasts and home brewers.

Community members. As a cooperative business, a lot of our business is retained from word of mouth. Besides word of mouth, we will need to use social media and influential community leaders to help via press releases. Local beer events will open the door and give us a direct connection to people in the local community and allow for us to directly speak to potential member-owners.

Restaurants and Bars. This group mostly cares about what sells in the bar. We are uniquely positioned to take advantage of this, because it's the consumer that drives our beer. Hard statistics that show their consumers have chosen the beer encourages the restaurant owner to purchase more because it's what the consumer wants. The best way to deliver this is through door-to-door direct sales and connecting with the business owner.

Beer enthusiasts and home brewers. Beer enthusiasts can be found where the beer is. They aren't looking for elaborate marketing campaigns, they're looking to talk about their love and knowledge of beer. That's why building relationships with local home

brew supply stores and home-brew clubs is key. Craft beer retailers will also be a great source of word-of-mouth connection. When marketing to this group, the most important element is to be more personable and listen versus being overly informative on the offering.

6.4 Sales Strategy

Our focus is to take a community first sales approach. We don't want to "sell" a product or service; we are selling people on the fact that they are part of a cooperative and their contribution is staying in the communities where they live. Many our patrons will also be member-owners, so they will truly be contributing to something that belongs to them. Education is vital to selling this business to the consumer.

Sales will be focused on driving business to the Taproom and maintaining brand presence by maintain relationships with existing wholesale accounts

6.4.1 Sales Forecast

Retail Beer Sales

For retail beer sales we kept the 2021 pace (including discounts) and added a 2% increase post covid. On top of that, we now can produce the top 3 most requested products, Lagers, Sours, and Seltzers.

Membership Sales

To calculate this number, we kept the same pace as 2021. We believe this number should grow as we continue to pull away from the COVID-19 threat. Current rate is 5.9 per month at an average price of \$193.90.

Merchandise/NA Beverages/Food/Video Game Revenue

We kept this number at the same pace as 2021.

Wholesale sales

To get this number, we took our 2019 numbers (Pre-COVID) and added 300 cases of 12 and 16oz cans per month. We believe we should be able to obtain this number based on our industry peers' sales numbers that range from 120-200/cases/mo per sales representative. We have 3 sales representatives.

Friendsgiving

This is our annual fundraiser. In 2020 we raised \$7,160(on-line only) in donations and in 2019 we raised \$12,136.88 in donations.

Igloo Rental

For this number we kept things at the same rate as the last 12 months.

Event Space Rental

Private space rental will be a new opportunity for us. For this we calculated \$3,000/mo.

Table: Sales Forecast

	2022	2023	2024	3 year total	Assumptions
Revenue					
Pints/Flights	\$358,594.57	\$394,454.03	\$433,899.43	\$1,186,948	2022 including discounts and 2% increase post covid, and now we can produce the top 3 most requested products. Lagers, Sours, and Seltzers
Wholesale	\$264,690.00	\$291,159.00	\$320,274.90	\$876,124	
Memberships	\$20,643.50	\$22,707.85	\$24,978.64	\$68,330	
Merchandise	\$35,575.87	\$39,133.46	\$43,046.80	\$117,756	
Special Bombers	\$9,000.00	\$9,900.00	\$10,890.00	\$29,790	
N/A Beverages	\$7,282.48	\$8,010.73	\$8,811.80	\$24,105	
Crowler/Growler	\$72,881.64	\$80,169.80	\$88,186.78	\$241,238	
Event Space	\$15,000.00	\$16,500.00	\$18,150.00	\$49,650	
Food	\$17,560.95	\$19,317.05	\$21,248.75	\$58,127	
Other (Friendsgiving)	\$50,000.00	\$55,000.00	\$60,500.00	\$165,500	
Other (Pull Tabs)	\$3,625.00	\$3,987.50	\$4,386.25	\$11,999	
Igloo Rental	\$27,205.20	\$29,925.72	\$32,918.29	\$90,049	
Video Game	\$1,143.01	\$1,257.31	\$1,383.04	\$3,783	
Total Revenue	\$883,202.22	\$971,522.44	\$1,068,674.69	\$2,923,399.35	

7.0 Management Summary

Staff:

Jeremy Mathison – Operations Manager

Head Brewer – William Hubbard

Sales Manager – Tom Peets

Taproom Manager – Kian Dziak

Events/Marketing Coordinator – Samantha Colenso

Assistant Brewer/Packaging – Tate Levendusky

Taproom Staff – Seamus Kennedy, Vicki Epper, Darren Loude,

Sales Representatives – Megan Moroff, Blair Demko

Board Members:

Broken Clock Brewing Cooperative is overseen by a board of directors. Currently, all of our directors also serve as member volunteers. Our board of directors is made up of 15 individuals with unique skill sets including business creation and ownership, attorneys, health care, consulting, public safety, risk management, and other various fields. One common thread that connects our board members is their desire for connection and community.

BOARD MEMBERS

Mitch Nemmers
Jeremiah Passe
Wayne Maki
Jeff Wood
David Sroka
Tom Wimler
Nicole Kor
Nic Puechner
Vicki Epper
Samantha Farrell

Marcellin Kopandru
Jeff Traeger
Nick Beattie
Elizabeth Balcer

8.0 Projected Profit and Loss

The following is the forecasted three-year P&L for broken Clock.

	2022	2023	2024	3 year total
Revenue				
Pints/Flights	\$358,594.57	\$394,454.03	\$433,899.43	\$1,186,948
Wholesale	\$264,690.00	\$291,159.00	\$320,274.90	\$876,124
Memberships	\$20,643.50	\$22,707.85	\$24,978.64	\$68,330
Merchandise	\$35,575.87	\$39,133.46	\$43,046.80	\$117,756
Special Bombers	\$9,000.00	\$9,900.00	\$10,890.00	\$29,790
N/A Beverages	\$7,282.48	\$8,010.73	\$8,811.80	\$24,105
Crowler/Growler	\$72,881.64	\$80,169.80	\$88,186.78	\$241,238
Event Space	\$15,000.00	\$16,500.00	\$18,150.00	\$49,650
Food	\$17,560.95	\$19,317.05	\$21,248.75	\$58,127
Other (Friendsgiving)	\$50,000.00	\$55,000.00	\$60,500.00	\$165,500
Other (Pull Tabs)	\$3,625.00	\$3,987.50	\$4,386.25	\$11,999
Igloo Rental	\$27,205.20	\$29,925.72	\$32,918.29	\$90,049
Video Game	\$1,143.01	\$1,257.31	\$1,383.04	\$3,783
Total Revenue	\$883,202.22	\$971,522.44	\$1,068,674.69	\$2,923,399.35
Cost of Goods Sold	\$105,984.27	\$116,582.69	\$128,240.96	\$350,807.92
Brewing Ingredients	\$113,226.52	\$124,549.18	\$137,004.09	\$374,779.80
Total Cost of Goods Sold	\$219,210.79	\$241,131.87	\$265,245.06	\$725,588
Gross Margin	\$663,991.43	\$730,390.57	\$803,429.63	\$2,197,812
				\$0
Merchant Fees	\$21,050.02	\$23,155.03	\$25,470.53	\$69,676

Advertising	\$13,248.03	\$14,572.84	\$16,030.12	\$43,851
Bad Debts				
Bank Service Fees	\$24.00	\$24.00	\$24.00	\$72
Brewing Supplies	\$6,622.68	\$6,622.68	\$6,622.68	\$19,868
Licenses/Permits	\$3,949.92	\$3,949.92	\$3,949.92	\$11,850
Over/Short	-\$912.48	-\$912.48	-\$912.48	-\$2,737
Charity	\$0.00	\$0.00	\$0.00	\$0
Phone/Internet expense	\$1,068.00	\$1,068.00	\$1,068.00	\$3,204.00
Continuing Education	\$1,200.00	\$1,200.00	\$1,200.00	\$3,600.00
Contract Labor	\$4,455.24	\$4,544.34	\$4,635.23	\$13,635
Dues/Subscriptions	\$6,880.20	\$6,880.20	\$6,880.20	\$20,641
Rent or Lease -- Vehicles, Machinery, Equipment	\$11,524.20	\$11,524.20	\$11,524.20	\$34,573
Insurance (other than health)	\$8,457.24	\$8,457.24	\$8,457.24	\$25,372
Interest Expense (Included below)	\$0.00	\$0.00	\$0.00	\$0
Janitorial	\$4,804.53	\$4,804.53	\$4,804.53	\$14,414
Leasehold Improvements	\$0.00	\$0.00	\$0.00	\$0
Meals/Entertainment	\$504.00	\$504.00	\$504.00	\$1,512
Office Expense	\$1,099.32	\$1,099.32	\$1,099.32	\$3,298
Operating Expenses	\$674.40	\$687.89	\$701.65	\$2,063.93
Outside Services	\$3,672.48	\$3,672.48	\$3,672.48	\$11,017
Payroll	\$336,200.00	\$346,286.00	\$356,674.58	\$1,039,161
Postage	\$224.04	\$224.04	\$224.04	\$672.12
Reimbursements	\$2,900.00	\$2,900.00	\$2,900.00	\$8,700
Rent or Lease -- Other Business Property	\$79,950.65	\$123,596.95	\$137,411.78	\$340,959
CAM+ Fees	\$26,633.85	\$26,633.85	\$26,633.85	\$79,901.55
Repairs/Maintenance	\$6,000.00	\$6,000.00	\$6,000.00	\$18,000.00
Distribution/Delivery expense	\$4,950.00	\$4,950.00	\$4,950.00	\$14,850.00
Utilities	\$13,135.96	\$13,135.96	\$13,135.96	\$39,407.88
Interest Income				

Total Operating Expenses	\$558,316.29	\$615,580.99	\$643,661.83	\$1,817,559.10
Income (Before Other Expenses)	\$105,675.14	\$114,809.59	\$159,767.80	\$380,252.53
Interest (included below)				
Original Commercial Loan	\$12,174.68	\$0.00	\$0.00	\$12,174.68
2019 Friendsgiving Loan	\$3,415.93	\$0.00	\$0.00	\$3,415.93
2% Minneapolis Loan	\$1,919.33	\$0.00	\$0.00	\$1,919.33
Co-signers payment	\$875.00	\$0.00	\$0.00	\$875.00
MNVest Fund	\$0.00	\$0.00	\$0.00	\$0.00
Jeremy Loan (10K)	\$0.00	\$0.00	\$0.00	\$0.00
Taproom Loan	\$6,033.58	\$0.00	\$0.00	\$6,033.58
EIDL	\$1,002.00	\$12,024.00	\$12,024.00	\$25,050.00
Shared Capital Loan	\$35,610.00	\$85,464.00	\$85,464.00	\$206,538.00
Income (Before Other Expenses)	\$105,675.14	\$114,809.59	\$159,767.80	\$380,252.53
Total Other Expenses	\$61,030.52	\$97,488.00	\$97,488.00	\$256,006.52
Net Profit/Loss	\$44,644.62	\$17,321.59	\$62,279.80	\$124,246.01