Coffee Truck: worked funding package

Route & Roast — fictional reference example

Prepared 4 November 2026 • Version 1 • All amounts USD

This is a fully worked example, not an operating company or a loan application. Names, budgets, customer targets and funding terms are invented for demonstration. No location has been selected and no funds, contracts or permissions are secured. USD is the chosen modelling currency; these figures are not US market-price estimates and must not be relabelled CAD without rebuilding the local budget.

The funding request at a glance

A mobile coffee business using recurring weekday pitches, with occasional events treated as upside outside the base forecast. A dependable route reduces reliance on speculative festival bookings.

The example proposes owner equity of USD 45,000 and a term loan of USD 85,000. The illustrative loan is drawn at opening, bears 8% nominal annual interest and amortizes over 60 monthly payments of USD 1,723. There are no assumed grants, revolving credit facilities or outside investors. Security and personal guarantees are not agreed.

Decision measure	Base case
Total funding	130,000
Opening cash after setup	32,000
First-year sales	227,760
First-year net result after model tax reserve	-1,197
Lowest first-year closing cash	28,304
First-year operating cash / debt service*	1.25x

*This package defines cash coverage as operating cash after the illustrative tax reserve, before interest, divided by principal plus interest paid. It includes changes in working capital. A lender may use a different DSCR definition and covenant; no universal approval threshold is assumed.

Funding is intended to establish one operating unit. Expansion, owner distributions and resale proceeds are excluded. If the proposed loan is unavailable, this exact launch cannot proceed: the owner contribution is less than setup uses. The correct next step is a smaller redesigned project or additional documented funding, not an unfunded opening.

Customers, offer and route to market

The mature target is 130 baskets per day on 20 service days each month, at USD 8 per basket. The model assumes a temperate operating market; the downside includes fewer effective trading days through lower volume.

A lost pitch or breakdown can remove an entire day of sales. Maintain a reserve, an alternative approved pitch and a repair arrangement. Do not assume a public parking space grants permission to trade.

The launch sequence is to test the offer, secure the operating location or route, and only then commit the main equipment spend. Begin with a short menu or product list. Record actual average order value, repeat purchases, fulfilment time and gross margin weekly; adjust the offer when evidence

conflicts with the plan.

Marketing is funded within monthly overheads. Use local outreach, direct customer conversations and repeat-purchase follow-up. No conversion rate, advertising return or social-media audience is claimed as proven. For the first eight weeks, compare sales against the monthly ramp and document why any shortfall occurred.

Operating plan and management

The owner operates the truck with part-time help; compensation is included in payroll. Rent represents a commissary and recurring pitch fees. Utilities include fuel and power. Water capacity, wastewater handling, food storage, vehicle payload and daily travel time must support the planned service window.

The owner role is a proposed responsibility, not evidence of experience. The final application needs a named owner, relevant work history, training record and a coverage plan for absence. Payroll includes an illustrative owner wage and employer-cost allowance; the actual wage, hours, payroll taxes and benefits need a local payroll calculation.

Stock is reviewed weekly. Record waste, supplier lead times and product availability. Separate business banking, daily cash reconciliation and monthly management accounts are required operating controls in this example. No customer concentration, supplier exclusivity or lease terms are presented as signed facts.

Launch gates and milestones

Gate	What must be true before moving on
Before a lease or vehicle commitment	Demand tested; permitted use checked; full installed-cost quotations collected.
Before funding draw	Owner funds evidenced; loan terms accepted; sources equal uses; cash reserve confirmed.
Before opening	Insurance effective; inspections completed; staff trained; supplier and service arrangements ready.
After 30 days	Compare actual baskets or kilograms, margin and cash with the forecast.
After 90 days	Reforecast from observed results; pause discretionary purchases if cash falls below two months of fixed cash overheads.

The two-month cash alert is an internal planning rule, not a lender covenant. It is an early warning rather than a guarantee that two months is sufficient.

Sources and uses of funding

Sources	USD
Owner cash equity	45,000
Requested term loan	85,000
Total sources	130,000
Uses	USD
Used vehicle and conversion	45,000

Sources	USD
Espresso equipment, grinders and water	18,000
Power, refrigeration and installation	12,000
POS, signage and smallwares	5,000
Refundable deposits	3,000
Opening inventory	3,000
Pre-opening costs expensed	12,000
Unspent opening working-capital cash	32,000
Total uses	130,000

Every equipment amount is an allowance, not a vendor quote. Installed cost must include delivery, electrical or gas work, water treatment, commissioning, training and applicable taxes. The cash reserve is unspent money, not an additional expense. Setup costs are paid at month zero; pre-opening losses reduce opening retained earnings.

Monthly cost structure and capacity

Fixed cash cost at opening	USD per month
Payroll	7,000
Rent	1,200
Utilities	700
Insurance	500
Marketing	300
Admin	450
Maintenance	600
Total	10,750

The mature monthly sales target is 2,600 customer baskets against a fictional capacity ceiling of 3,600. Capacity is a planning limit, not a manufacturer specification. Validate it with staffing, service time, production batches and downtime. Variable cost begins at USD 2.64 per unit; fixed costs remain payable even if sales fall.

Cash operating break-even including scheduled debt payments is approximately 2,328 customer baskets per month, calculated as fixed cash overheads plus loan payment divided by contribution per unit. This excludes working-capital changes and the illustrative tax reserve, so it is not a cash-runway guarantee.

Five-year base financial outlook

USD	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	227,760	262,230	275,499	289,439	304,084
Cost of sales	75,161	86,536	90,915	95,515	100,348
Gross profit	152,599	175,694	184,584	193,924	203,737
Cash overheads	129,000	132,870	136,856	140,962	145,191

USD	Year 1	Year 2	Year 3	Year 4	Year 5
EBITDA	23,599	42,824	47,728	52,962	58,546
Depreciation	16,000	16,000	16,000	16,000	16,000
Interest	6,280	5,084	3,790	2,387	869
Profit before reserve	1,320	21,740	27,938	34,575	41,677
Model tax reserve	2,516	5,435	6,985	8,644	10,419
Net result	-1,197	16,305	20,954	25,931	31,258
Operating cash flow	19,519	32,392	37,045	42,027	47,358
Loan principal paid	14,402	15,598	16,892	18,294	19,813

Year-end balance sheets

USD	Year 1	Year 2	Year 3	Year 4	Year 5
Cash*	37,117	53,911	74,064	97,796	125,341
Receivables	0	0	0	0	0
Inventory	1,716	1,803	1,894	1,990	2,091
Refundable deposits	3,000	3,000	3,000	3,000	3,000
Net fixed assets	64,000	48,000	32,000	16,000	0
Total assets	105,833	106,714	110,958	118,786	130,432
Supplier payables	3,432	3,606	3,788	3,980	4,181
Loan balance	70,598	55,000	38,107	19,813	0
Owner equity	45,000	45,000	45,000	45,000	45,000
Retained earnings	-13,197	3,108	24,062	49,993	81,251
Liabilities and equity	105,833	106,714	110,958	118,786	130,432

*Any negative cash is an unresolved funding gap, not an approved overdraft. Balance-sheet reconciliation is a model control, not evidence that a business is viable. Figures are rounded for display; full monthly schedules accompany this package.

First-year cash movements

Month	Receipts	Operating cash*	Principal	Closing cash
1	12,480	89	1,157	30,933
2	14,560	-311	1,165	29,457
3	16,640	19	1,172	28,304
4	18,720	1,421	1,180	28,544
5	19,760	1,842	1,188	29,198
6	20,800	2,413	1,196	30,415
7	20,800	2,290	1,204	31,501

Month	Receipts	Operating cash*	Principal	Closing cash
8	20,800	2,339	1,212	32,628
9	20,800	2,345	1,220	33,754
10	20,800	2,351	1,228	34,877
11	20,800	2,357	1,236	35,998
12	20,800	2,364	1,245	37,117

*Operating cash includes supplier payments, fixed cash overheads, interest and the model tax reserve. Opening cash is USD 32,000. There are no further capital purchases, funding draws or distributions in months 1–60. Month zero contains all funding and startup investment.

Downside: fewer sales, higher unit costs

The downside reduces unit sales 25% throughout the forecast and raises variable unit costs 10%. Fixed overheads and scheduled loan payments remain unchanged. For the roastery, credit collection also extends from one month to two months. No automatic rescue loan or owner contribution is added.

Measure	Base year 1	Downside year 1
Revenue	227,760	170,820
Net result	-1,197	-42,467
Operating cash	19,519	-22,051
Lowest monthly cash	28,304	-4,454

The maximum downside cash deficit over 60 months is USD 102,296. This is the minimum mathematical shortfall before adding any safety buffer, financing fees or interest on new funding. It is not an approved borrowing amount. If the downside cannot be funded, reduce commitments, prove stronger demand or redesign the launch before signing contracts.

Management response: review cash weekly; renegotiate discretionary spend; protect food safety, maintenance and service quality; chase receivables promptly; and set a dated decision to resize or stop. Cost reductions and fresh funding are not silently built into this downside.

Assumptions and model limitations

- Sales ramp: 60%, 70%, 80%, 90%, 95%, then 100% of mature monthly volume. Thereafter volume grows 3% annually, constrained by stated capacity. Prices and unit costs rise 2% annually; fixed overheads rise 3% annually. These are illustrative settings, not economic forecasts.

- Collections: shop and truck collect in the sale month; the roastery collects 20% immediately and 80% the following month in the base case. Truck event income and customer deposits are excluded because this example uses recurring pitches only.

- Inventory: target closing stock equals 0.25 month of cost of sales for shop/truck and 1.25 months for roasting. Purchases replenish sales and adjust stock; half of current-month purchases remains unpaid at month end. Supplier credit is unconfirmed and must be replaced by actual terms.

- Fixed assets depreciate straight-line over 60 months with zero residual value for this model. Actual accounting lives and tax depreciation may differ. No replacement capital is assumed during the forecast; a repair allowance is included, but a replacement schedule remains a required borrower-specific addition.

- Tax: 25% of positive monthly accounting profit is charged and paid as an illustrative reserve. This is not a statutory US or Canadian rate or a tax return calculation. No loss offsets, deferred taxes or

sales-tax receivables/payables are modelled. All operating values are net of sales tax. A local accountant must replace this simplification before submission.

- Owner wages are within payroll; no dividends or drawings are assumed. Personal living costs and other personal debt must be tested separately. All borrowing is drawn at month zero; interest-only periods, fees, staged construction draws and opening delays are excluded.

- This example uses one continuous trading year without seasonal multipliers. Validate seasonality, opening delays, replacement equipment, local taxes, insurance exclusions and supplier-credit availability before relying on cash balances.

The CSV files contain values, not spreadsheet formulas. Edit the case inputs at the top of the included Python generator and rerun it to recalculate consistently; manually changing one CSV cell does not update the other statements.

Evidence register: what is still missing

Written pitch permissions; trial-day receipts; commissary agreement; vehicle inspection and conversion quote; insurer terms; power-load and water-capacity calculations.

Evidence	Status in this example	Owner / next action
Identity, ownership and management CV	Not supplied	Founder: provide real legal identity and relevant experience.
Owner equity and personal commitments	Not supplied	Founder: bank evidence and personal budget; disclose other debt.
Demand and customer commitments	Illustrative only	Founder: collect trials, counts or signed orders.
Equipment, installation and occupancy	Unquoted allowances	Founder: obtain written, dated supplier and premises quotes.
Loan terms and collateral	Unapproved assumptions	Lender and founder: agree amount, fees, security and conditions.
Permits and insurance	Not verified	Local authority / insurer: confirm the actual address and activity.
Tax, payroll and financial model	Not professionally reviewed	Accountant: replace simplifications and review all linked schedules.

A US or Canadian application needs the local legal entity, currency, taxes, labour costs, permits and lender forms. Translation of the currency label alone is insufficient. For a new company, do not fabricate historic accounts: state that none exist and supply the opening statement and available actual transactions.

Bank and investor reading guide

For a lender, lead with the requested amount, verified owner contribution, source of repayment, collateral where requested, downside cash coverage and the evidence register. Add the lender's application forms, personal financial statement if required, credit consent and any guarantor information through a secure channel. These public example files contain no real personal financial information.

For an equity investor, add the proposed investment amount, ownership offered, capitalization table, governance rights, owner remuneration, distribution policy and a reasoned route to returns. None of those terms is agreed here. This example is debt-funded; it does not imply a valuation, an exit buyer or a promised investor return.

Submission checklist

- Replace the fictional identity, location, budget and targets with documented business information.

- Obtain dated quotations and explain any allowances or contingencies still outstanding.

- Link customer evidence to the forecast rather than treating market size as proof of sales.

- Add the actual staffing roster, lease or pitch terms, permits and installation plan.

- Have an accountant reconcile taxes, payroll, working capital and replacement spending.

- Ask the intended lender which statements, time periods and coverage definition it requires.

- Review the downside and document a credible response to any cash deficit.

- Export a dated PDF and retain the editable plan, assumptions and supporting evidence together.

Research and review boundary

The SBA business-planning guidance supports explaining funding needs alongside projections. BDC explains why lenders examine loan purpose and cash flow, and may request forecasts with and without financing. These sources inform the package structure; they do not validate these fictional business assumptions.

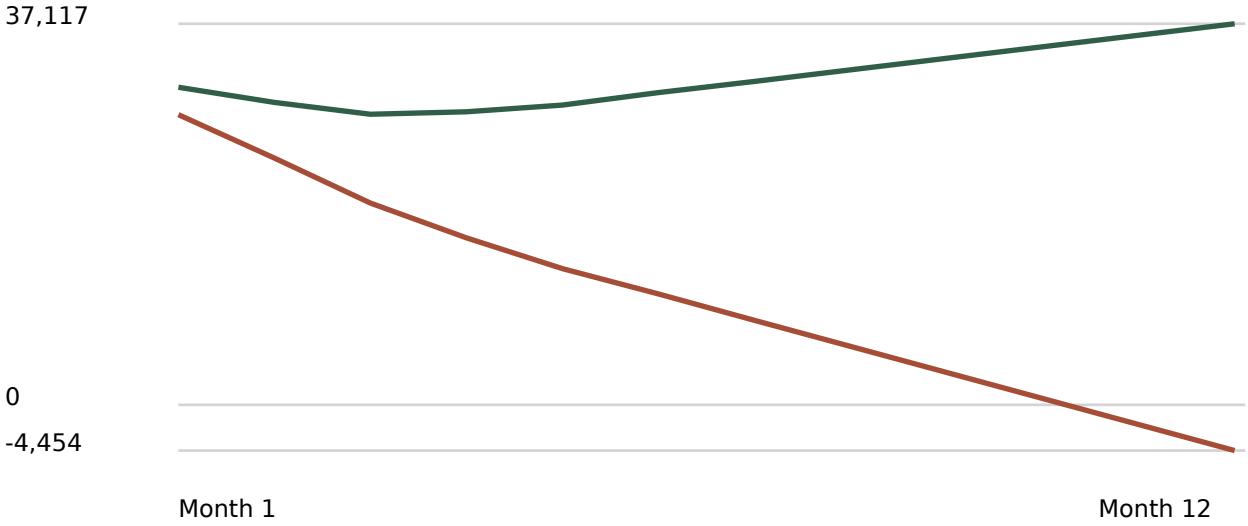
- SBA: https://www.sba.gov/counseling/plan-your-business/

- BDC borrowing preparation:
https://www.bdc.ca/en/articles-tools/money-finance/get-financing/how-to-get-business-loan-canada

- BDC cash-flow planning:
https://www.bdc.ca/en/articles-tools/money-finance/manage-finances/making-projection-coming-year

Sources checked 4 November 2026. This package has not been reviewed by an accountant, lender, lawyer or local permitting authority. It demonstrates the structure of a funding submission, not eligibility for funding or a prediction of approval.

First-year cash: base and downside



Green: base. Rust: downside. USD. Negative balances show unfunded requirements; no overdraft is assumed.