

Legacy Soil & Stone

— *a working name* —

Financial Narrative

Companion to the Master Proposal and the Financial Model workbook

Sunday Draft · April 12, 2026

A Note About This Document

This is the plain-English companion to the Legacy Soil & Stone financial model workbook (Legacy_Soil_Financial_Model.xlsx). Every formula, every input, every row of the P&L lives in the workbook. This narrative explains what the model is saying.

All numbers are conservative placeholders. The workbook is structured so that a single input change cascades through the model. As real pricing research replaces placeholders, the projections update automatically.

▮ *The structure is stable. The numbers are not.*

For the science, process descriptions, and operational detail behind these numbers, see the Master Proposal.

1. Revenue by Service Line

The business carries four independent service lines, each with its own revenue and COGS structure. The lines share equipment and facilities but are modeled separately.

Line 1 — Marbled Memorial Stones

Product line. Cremains are pearled into aggregate and cast into cement memorial pieces.

Pricing (placeholder)

- **Garden stone:** \$180
- **Worry-stone set:** \$125
- **Candle holder:** \$85
- **Memorial bundle:** \$260
- **Blended revenue per intake:** ~\$160–\$180 depending on product mix

Unit economics

- **Blended COGS:** \$65 — cement, pearling chemistry, forms, finishing, cedar presentation, packaging, shipping
- **Gross margin:** ~64%

COGS flagged in Open Research tab. See Master Proposal §9 for Marble Method process detail.

Volume (placeholder)

- **Year 1:** 8 pieces/mo — one piece every four days
- **Year 2:** 18 pieces/mo
- **Year 3:** 30 pieces/mo

Capacity-led, not demand-forecast. These are what one operator can hold in a Solid-path facility.

Line 2 — Memorial Soil (Private NOR)

Service line. Companion animal composted through commercial unit; finished soil returned in cedar planter.

Pricing by weight tier (placeholder)

- **Tiny (<10 lb):** \$375 — COGS \$85
- **Small (10–20 lb):** \$475 — COGS \$110
- **Medium (20–30 lb):** \$525 — COGS \$135
- **Large (30–40 lb):** \$625 — COGS \$160
- **Blended gross margin:** ~76%

COGS flagged in Open Research tab. See Master Proposal §10 for NOR process detail.

Volume (placeholder)

- **Year 1:** 6 intakes/mo
- **Year 2:** 14 intakes/mo
- **Year 3:** 24 intakes/mo

Blend assumption: mix weighted toward Tiny/Small early, Medium/Large growing with word of mouth.

Line 3 — Community Service: The Shelter Program

Community service and revenue line. Shelter animals diverted from landfill; composted in mass bays; finished soil sold to the community.

Two revenue components

- **Shelter intake fee:** \$15/animal — COGS \$6/animal
- **Community soil bags:** \$12/bag — COGS \$3/bag
- **Blended gross margin:** ~70%

See Master Proposal §7 for shelter program and community soil framing.

Volume (placeholder)

- **Year 1:** 20 animals/mo, 60 bags/mo
- **Year 2:** 60 animals/mo, 220 bags/mo
- **Year 3:** 120 animals/mo, 450 bags/mo

Volume ramps only as mass-bay capacity is built and shelter partnerships are signed.

Line 4 — Academic Research Partnerships

Built on Line 3's mass operation. Research partners pay for access to an instrumented, controlled composting facility.

Economics (placeholder)

- **Revenue per partnership:** \$12,000/yr avg
- **COGS per partnership:** \$3,000 (sensor time, sample prep, staff hours)
- **Gross margin:** ~75%

Volume

- **Year 1:** 0 partnerships
- **Year 2:** 1 partnership
- **Year 3:** 2 partnerships

See Master Proposal §8 for research partner targets (UGA Extension, Auburn, App State, Berry College).

What the four lines do together

The lines are independent — each can function on its own — but they are integrated by design. Lines 1 and 2 serve private families and carry the brand. Line 3 provides the operational scale that makes Line 4 possible. Line 4 validates the science that makes Lines 1 and 2 credible. Revenue concentrates in Lines 1-3; strategic value concentrates in Line 4.

2. Cost Structure

Operating expenses (monthly, Solid path)

- **Rent / mortgage:** \$800
- **Utilities:** \$225
- **Insurance:** \$180
- **Compliance / permits:** \$45
- **Supplies:** \$350
- **Transport / fuel:** \$275
- **Website / software:** \$80
- **Founder draw:** \$2,500
- **Marketing (Yr 2+):** \$200/mo
- **Total monthly OpEx:** ~\$4,455 (Yr 1) / ~\$4,655 (Yr 2+)
- **Total annual OpEx:** ~\$53,460 (Yr 1) / ~\$55,860 (Yr 2+)

Rent, insurance, supplies, and transport are flagged for research in the Open Research tab.

Gross margin profile

- **Line 1 (stones):** ~64%
- **Line 2 (soil):** ~76%
- **Line 3 (shelter):** ~70% blended
- **Line 4 (research):** ~75%
- **Blended all lines:** ~71% at current placeholder mix

Margin rises with Line 2 share; compresses slightly with heavy Line 3 bag volume. Expected to settle in the 68–74% range once real supplier pricing replaces placeholders.

3. Startup Capital

Solid path (~\$21K–\$23K)

- **Commercial small-animal composter:** \$4,200
- **Starter mass composting bay:** \$3,800
- **Bench pan granulator:** \$3,500
- **Cement mixing station:** \$700
- **Facility fit-out, cold storage, intake area:** \$4,000–\$5,000
- **First-year insurance + permits:** \$2,500–\$3,000
- **Intake kits, packaging, supplies:** \$2,000–\$2,500

No dedicated vehicle — personal transport covers Year 1 pickup radius. Functional, legal, all four lines operational.

See Startup_Solid sheet in the workbook for line-item detail.

Dream path (~\$110K–\$120K)

- **Facility (modular build on owned land):** ~\$40K–\$50K
- **Site work + memorial forest:** ~\$15K–\$20K
- **Composter array (qty 3):** \$13,000
- **Full mass-composting bay:** \$11,000
- **Marble Method studio:** \$3,500
- **Research-partner workroom:** \$3,000
- **Used pickup van:** ~\$12K–\$15K

Not assumed at launch. Carried as the target if Year 1 validates and aligned investment arrives.

See Startup_Dream sheet in the workbook for line-item detail.

4. Three-Year P&L Summary

All values flow from the Assumptions sheet. At current placeholders:

Year 1 — validation

- **Revenue:** ~\$52K (Line 1: \$17K, Line 2: \$22K, Line 3: \$12K, Line 4: \$0)
- **COGS:** ~\$15K
- **Gross profit:** ~\$36K (71% margin)
- **Operating expenses:** ~\$53K
- **EBITDA:** ~(\$17K)
- **Net:** ~(\$17K)

Expected shape. Validation year, not a profit year. The loss is small enough to carry on the startup budget.

Year 2 — first profitable year

- **Revenue:** ~\$160K
- **Gross profit:** ~\$114K
- **OpEx:** ~\$56K
- **EBITDA:** ~\$59K
- **Net (after ~22% tax provision):** ~\$46K

Year 3 — at scale

- **Revenue:** ~\$297K
- **Gross profit:** ~\$213K
- **OpEx:** ~\$56K
- **EBITDA:** ~\$158K
- **Net (after tax):** ~\$123K

Assumes Solid path held — no Dream-path capital spend in these years. If the Dream upgrade happens in Year 3, net compresses temporarily.

See P&L_3yr sheet in the workbook for the full computation.

5. Sensitivity & Break-Even

Most sensitive inputs

- **Line 2 volume** — the workhorse revenue line. If intake is half of plan, the P&L shape changes.
- **Line 3 shelter volume** — more impact on Yr 2-3 than expected. One shelter vs. three changes the trajectory.
- **Line 1 COGS** — carried at \$65. If pearling chemistry pushes it to \$110, Line 1 margin compresses hard.
- **Facility cost** — \$800/mo is a placeholder. \$1,500/mo delays Year 2 profitability.
- **Founder draw** — \$2,500/mo is below market. At \$4,000/mo, break-even revenue rises ~\$18K/yr.

Break-even

Monthly break-even at current OpEx (~\$4,450/mo) requires a gross-profit mix of roughly: 4 stones + 4 soil intakes + ~15 shelter animals/mo with associated bag sales. That is roughly two-thirds of the Year 1 volume plan — achievable, but margin-sensitive.

What the model does not do

- Does not forecast demand — assumes capacity-led volume.
- Does not model seasonality.
- Does not include Dream-path capital inside the Yr 1-3 P&L.
- Does not monetize Line 4's reputational return.

6. Next Steps With This Model

- Replace flagged placeholders with real supplier pricing (see Open Research tab).
- After first Marble Method bench run, replace Line 1 COGS with observed value.
- After first instrumented NOR run, replace Line 2 COGS and confirm carbon-recipe cost.
- After first shelter pilot, replace Line 3 intake and bag volumes with observed numbers.
- After Phase 3 (quiet launch), begin replacing projections with actuals across all lines.

— *end of financial narrative* —

Celebrate the life. Respect the grief.