



CONFIDENTIAL

BUSINESS PLAN

PREPARED NOVEMBER 2016

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Executive Summary

Opportunity

Problem

Bubble tea cafes are growing in popularity throughout the United States, but the city of Sault Ste. Marie has yet to get in on this trend. When it comes to daytime relaxation and refreshment, there are few contemporary options, with a focus instead on more old-fashioned coffee shops and fast food.

Solution

By placing a bubble tea cafe in the downtown area of Sault Ste. Marie, we will be making a modern food service location easily accessible to the under-30 population of the city. It will be appropriate for all ages and all times of day, not just mornings or late evenings, with options for all tastes and price ranges.

Market

Soo Bubble Tea's downtown location will place it conveniently near to the local university and high school, as well as other service-oriented businesses. This will provide the most convenient possible location for local residents under the age of thirty, as well as making it easy for residents to integrate our business into their daily or weekly routines.

Competition

There are no other bubble tea cafes in the entire upper peninsula of Michigan. The nearest alternative, a smoothie or juice bar, also lacks any meaningful presence in Sault Ste. Marie. What the city offers instead are more traditional coffee shops, which offer some cold drinks, but which ultimately focus on selling hot caffeinated beverages in the mornings. Fast food restaurants also offer some cold drinks, but their selections are limited, and are not associated with quality.

Why Us?

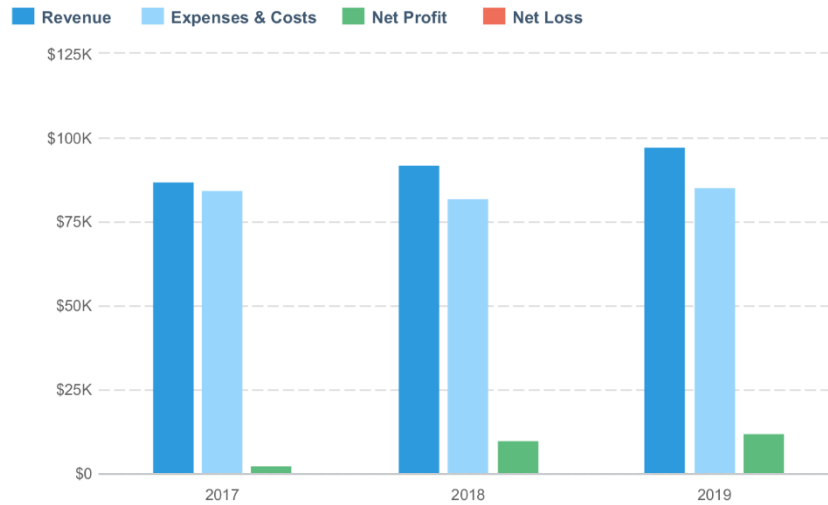
The founder of Soo Bubble tea will be entering the business with a sound sense of the financial side of business management, the foundation on which most small businesses fail. Furthermore, she has a strong local network of community members, maintenance workers, and experienced food service managers. In conjunction with years of experience working with bubble tea cafes in more coastal cities, she is uniquely positioned to take advantage of this gap in the Sault Ste. Marie marketplace.

Expectations

Forecast

Margins in the first year are anticipated to be very tight, with total revenue of \$87,000 and total expenses of \$83,000. This leaves total profits of only about \$4,000. Within the food service industry, managing any profit whatsoever within the first year is extremely difficult; operations are likely to be at a loss for the first few months. Our ultimate goal is one of growth as we establish ourselves in the community. With initial expenses out of the way, our second year should see a minor increase in revenue that results in net profits near doubling, before stabilizing in the third year.

Financial Highlights by Year



Financing Needed

This business will be financed with personal equity of \$10,000, matched by a \$10,000 18-month small business loan from a local credit union. These will go toward leasing a space, acquiring the appropriate licensing, renovating the space, purchasing and installing equipment, and paying for initial operating costs (food, supplies, salary, etc).

Company

Overview

Soo Bubble Tea is registered as a limited-liability corporation housed in the state of Michigan. The owner and founder, K.L. Murray, owns all present shares. There are currently no outside investors involved in this company, nor is the sale of any stock planned for the foreseeable future.

Team

Management Team

The primary executive of Soo Bubble Tea is K.L. Murray, acting as CEO, CFO, and head of marketing operations. With a degree in accounting, her focus is primarily on the managerial side of the business, and less on the customer service aspects. As the business grows, justifying the hiring of a dedicated general manager, more of these responsibilities will be delegated. In the meantime, she will be drawing on her years of experience working with bubble tea establishments in other cities.

Advisors

Outside of the management team, Soo Bubble Tea will be drawing on the resources and experiences of family and friends. K.L. Murray's husband is the former assistant manager of a sushi restaurant in a large city, and is therefore possessed of a great deal of experience within the larger food service industry. Her mother, having lived in the area, has a strong network of contacts on which to draw for help establishing the business in the community. Uncles, aunts, and cousins all work in construction and adjacent industries, allowing for cost-savings on building assessments, renovations, and interior decorating.

This informal network will provide a great deal of support to the business in its early days of operations, and as operations expand, some of these informal consultants may be brought onto the team in an official capacity.

Our Mission

Soo Bubble Tea seeks to provide trendy and fun drinks and atmosphere to Sault Ste. Marie residents of all ages.



Opportunity

Problem & Solution

The city of Sault Ste. Marie is a college town. As of 2010, 38% of residents were under the age of 24, and the median age in the city was around 33. The presence of a public university means that the city is always drawing in young people seeking an education. But the city itself is an old one, a fact that makes itself apparent in the establishments the city has to offer. For people in Sault Ste. Marie looking to get out of the house and spend time with friends, the majority of the options are chain restaurants or bars. There are a few traditional coffee shop options, but there are none of the contemporary light refreshment establishments that have seen such a surge in other cities. No dedicated juice bars, no smoothie shops, no frozen yogurt, and no tea houses. And while there may be places that offer smoothies or frozen yogurt, nowhere in Sault Ste. Marie currently offers bubble tea.

While bubble tea cafes originated in Taiwan, they've grown in popularity in more coastal cities in the United States. These establishments fill a particular specific niche. Earlier than five in the afternoon, most people don't want to go to a bar for a quick pick-me-up. While coffee shops have expanded their non-coffee options, the focus of a traditional cafe is still on hot caffeinated drinks to get people going in the morning or keep them going in the evening.

Soo Bubble Tea will be the first and only bubble tea cafe in Sault Ste. Marie, Michigan. It will provide a young and contemporary establishment for residents and tourists alike to find light refreshment at all hours of the day. With reasonably priced cold beverages based around tea and fruit flavors, Soo Bubble Tea's offerings will be appropriate for all ages. Parents will feel comfortable bringing in their young children, or allowing their teenagers to spend time with friends. A downtown location will make Soo Bubble Tea easy to access, both for people passing through the city, and for students who would like to walk from the college or other schools. Simple offerings and fast service will make it a quick stop during a busy day, while in-house seating will make it just as comfortable as a place to unwind.

Appetizers and snacks to go will give customers something to keep them going between meals. For customers who want more texture to their drinks, boba and coconut jelly will be optional add-ins, not obligatory for those who don't care for them. Hot tea drinks will be offered for those who want them in colder weather, and imported snacks unavailable elsewhere in the area will give customers something to take home for later.

Target Market

We expect our strongest market to be people under the age of 30 in Sault Ste. Marie, Michigan. In particular we believe that tourists and students at the local university will be our strongest market segment.

According to our research, of the approximately 14,000 people living in Sault Ste. Marie, over 5,000 are under the age of 24. Of those, about half are students at the local university, within walking distance of downtown. The local tourism bureau also attributes up to a half million tourists to the area, though these numbers are likely inflated. While the low population of the city sets a low upper limit on a regular customer base, a conservative estimate would place our regular daily service in the low hundreds. These numbers are likely to fluctuate, with more customers in the summer during tourist season, and fewer customers in the winter when the weather is hostile to walks downtown.

Competition

Current Alternatives

There are no true competitors to Soo Bubble Tea currently in Sault Ste. Marie. The closest indirect competitor would be the more traditional coffee shops, such as Cup of the Day or Superior Roasting Company, also located downtown. Outside of downtown, there is also Caffeine Express, and the chain cafe Biggby Coffee.

Another indirect competitor would be fast food restaurants offering cold drinks, such as McDonald's McCafe beverages. There are also drink mixes available in many grocery stores that some consumers may choose to use in lieu of going out for refreshments.

Our Advantages

Soo Bubble Tea will be the only light refreshment establishment offering bubble tea in the Sault Ste. Marie area. The cold fruit tea and milk tea options will be unlike anything available in stores, as well as in existing cafes within the area. Our shelf-stable snacks to go will also be unique for the area. We will be the only cafe focused on tea and other non-coffee drinks. The light, casual, and contemporary atmosphere will have more appeal for a younger demographic, bolstered by the all-ages nature of the products on offer.

Strengths, Weaknesses, Opportunities, and Threats



Execution

Marketing & Sales

Marketing Plan

Soo Bubble Tea's marketing program will be focused heavily on word-of-mouth, as well as high-visibility signage and locally distributed flyers. Advertising in the buyer's guide, and at the local university, should help raise awareness in the early days of the business. Offering coupons is expected to help bring people in the door, while a loyalty program should help to bring them back.

While a social media presence is planned, this is not expected to be a significant source of attention from new customers. Very few people who live in the area use social media as a way of finding new places to eat or drink. Good reviews on sites like Yelp will be vital to drawing in tourists, who depend on those kinds of sites when visiting new cities.

By keeping our prices in the relatively low \$4 range, with cheap add-on options costing approximately \$.50, we ought to be in the same approximate price range as more traditional cafes. This is just enough to position ourselves as a premium and exclusive product compared to fast food options, but cheap enough that customers can consider regular purchases to be a reasonable expense.

Sales Plan

The retail establishment will be equipped with an iPad-based point-of-sale system using Square, allowing us to accept cash, all major credit cards, and contactless payment apps like Android or Apple Pay. This system will also allow us to accept online orders for pickup, so that customers are able to place their orders remotely instead of at the counter. Rather than paying a flat monthly fee for this system, Square charges a small percentage fee for each transaction. Compared to other systems with similar features, we estimate that Soo Bubble Tea will pay less in transaction fees than we would spend on a flat-rate system. If business exceeds the amount at which the transaction fees cost

us more than a flat-rate system, the lack of a contract with Square means that we will be able to consider alternate point-of-sale systems and negotiate payments with Square.

Operations

Locations & Facilities

Soo Bubble Tea will operate out of a storefront in downtown Sault Ste. Marie, within walking distance of the local university. There are also multiple residential neighborhoods near the location in question, so it should be ideal for local consumers in terms of convenience. Nearness to other service-related businesses will make it easy for potential customers to integrate a stop for drinks into their usual routine. Being on the main stretch of the downtown Sault Ste. Marie area will also make it an easy location for visiting tourists to locate.

At approximately 1,400 square feet, we are negotiating a one-year lease at a rate of approximately \$1,400 a month, or \$16,800 annually. The building features dedicated parking spaces and is handicapped-accessible. It will need to see a few minor modifications to accommodate equipment, primarily in terms of counter space, but should otherwise be perfectly suited for a cafe-style establishment. This space should be more than enough to meet our needs for the foreseeable future.

Technology

The technology our customers will interact with most is our post-of-sale system through Square. This system will also integrate automatically with Intuit Quickbooks for bookkeeping and Deputy for employee scheduling and timesheets, both of which will also work together to simplify payroll management. Our website will offer an easy way for customers to check our hours and menu offerings, as well as access the remote ordering system through Square. Facebook, Twitter, and Instagram will be used to maintain a social media presence and keep in touch with customers.

Equipment & Tools

The space we are using will necessitate the purchase of a dishwasher and small fridge for dairy products, and a freezer for ice. Because our hot snack options will be limited, an induction cooktop and convection oven should be all we require for their preparation. Drinks, iced and otherwise, will be prepared in a commercial blender, while a hot water heater will allow us to prepare hot drinks. Bubble tea is typically served in a vacuum-sealed cup punctured by an extra-large straw, and the offerings at Soo Bubble Tea will be no different, so a commercial manual cup-sealing machine will be included in our equipment costs. All other necessities will be of an essentially disposable or consumable nature. For this equipment, we have estimated costs at about \$2,000. These costs may increase with time, as the business grows and necessitates the purchase of more equipment to support a larger consumer base. For now, we are keeping our purchases conservative in keeping with our business estimates.

For our establishment to feel welcoming, we will need to purchase tables, chairs, counters, and various decor items. Through contacts in the construction and carpentry industries, we hope to keep these costs to \$3,000. As the space is acquired and renovations begin, this number is likely to fluctuate, based on anything from how utilities are laid out to changes in the cost of raw materials.

Milestones & Metrics

Milestones Table

Milestone	Due Date
Licensing	December 09, 2016
Lease Acquisition	December 11, 2016
General Renovation	December 18, 2016
Marketing Materials	December 18, 2016
Equipment Installation	December 25, 2016
Launch	January 15, 2017

Key Metrics

Our primary focus during this initial launch will be on sales. Not only will we want to carefully track how many individual sales are made, we also want to know the total revenue of each sale, in order to establish the average revenue per person. Tracking customer retention over the first few months will allow us to track the efficacy of our marketing and adjust as necessary in order to keep our numbers where we want them. We will also want to track overall waste, because so many of our products are consumable and waste can drive up our variable costs unduly.

Risk Evaluation

The food service industry in particular is susceptible to many risks. Most businesses within the industry, regardless of the specific nature of what they are serving, fail within the first year.

The biggest risk facing Soo Bubble Tea is that of a lack of interest within the target market. Because there is such a low upper limit on growth in terms of geographic

demographics, it is vital to success that a consistent community of consumers be found locally. While tourists will give us a boost in the summer months, locals will keep us going in the winter. Without enough customers making regular visits to our establishment, Soo Bubble Tea has no chance of success.

Another risk is that currently established businesses will expand their offerings into bubble tea. A significant part of our advantage is in the unique nature of the product we will be providing. If consumers can instead find that product at businesses that have been around longer, and which therefore seem more reliable, it will be a major blow to our ability to compete.

Exit Strategy

If Soo Bubble Tea can consistently turn a profit, outside acquisition. However, the market in Sault Ste. Marie is unlikely to lead to such an outcome, as most commercial properties do not sell.

If a profit cannot be made, liquidation of assets should minimize the losses. The low cost of operating within the city therefore helps to minimize losses in a worst-case scenario.

If, over the long-term, Soo Bubble Tea is able to maintain profit margins over a period of several years, acquisition would mostly likely come from the inside. Profitability would mean that more employees would join the team over time, and be promoted into managerial roles. After the current owner decides to retire, it could be possible for such a manager to acquire the business in order to maintain it.

Otherwise, Soo Bubble Tea would close with the retirement of K.L. Murray from the business, and all assets would be sold.

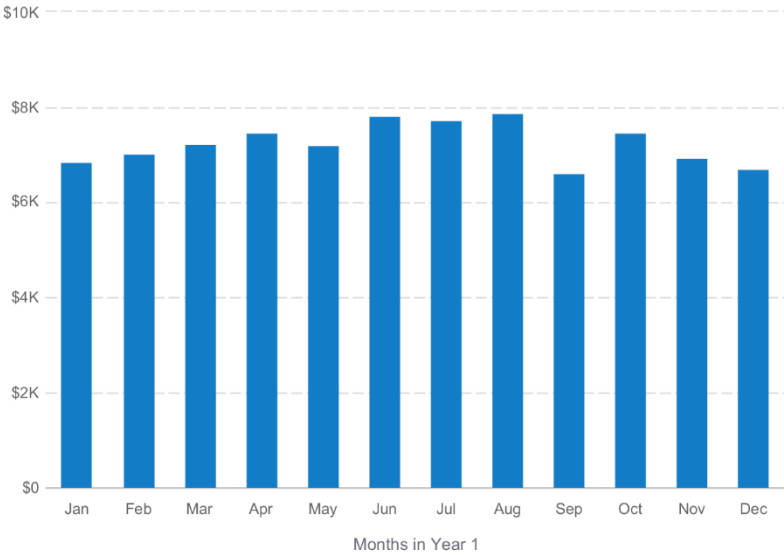
Financial Plan

Forecast

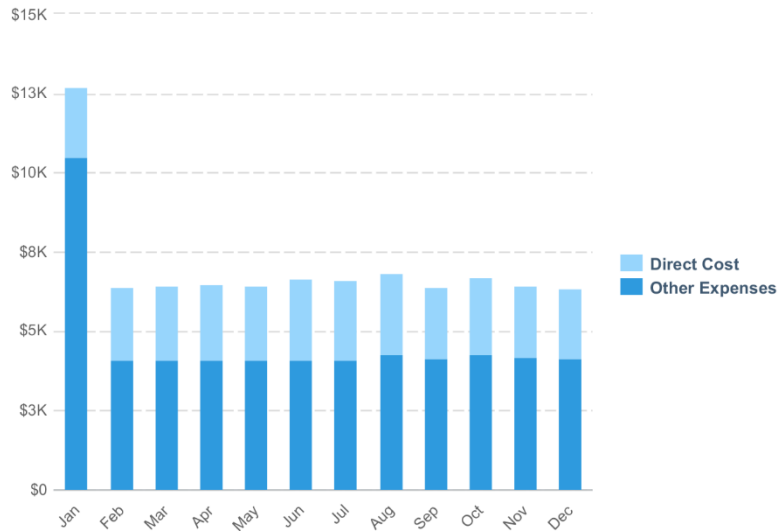
Key Assumptions

We expect to serve a minimum average of 40 customers daily during year one of operations. In order to keep estimates conservative, we will assume that this number holds steady through the first three years. We have based these estimates on local market research, which actually suggest higher daily ranges, but which we have scaled down in consideration of the hurdles faced by an entirely new business. Because of likely seasonal fluctuations, most estimates must be based on averages, with the assumption that higher-traffic seasons will compensate for those with lower traffic.

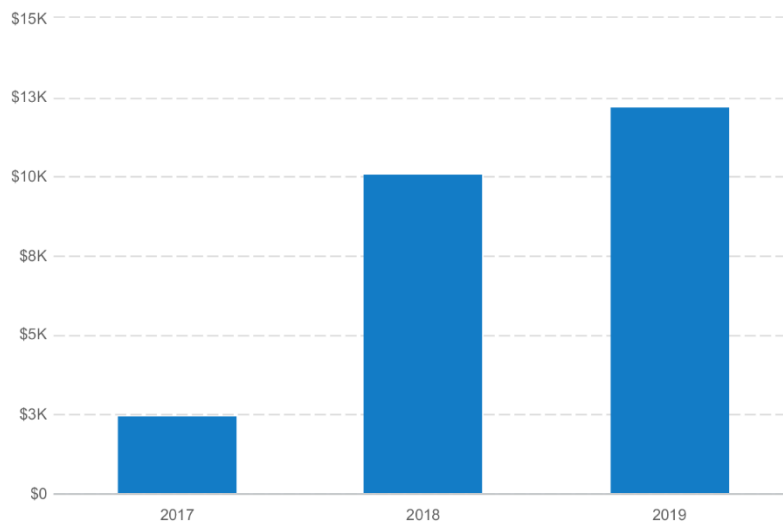
Revenue by Month



Expenses by Month



Net Profit (or Loss) by Year



Financing

Use of Funds

Current estimates of startup costs for Soo Bubble Tea are around \$20,000 in total. \$1,000 of this will go to licensing costs in order to comply with regulations in Chippewa County and the state of Michigan. These costs are split between a sales tax license and a food license. The deposit and first lease payment on the property will be approximately \$2,800, while equipment and renovation costs are at approximately \$5,000. Almost all other costs are associated with starting operating costs, from fixed costs like utilities to variable costs like inventory purchases.

Sources of Funds

K.L. Murray will be investing up to \$10,000 of her own personal funds into Soo Bubble Tea in order to cover basic startup costs. This will be matched by an 18-month small business loan from a local credit union. This loan will be paid back in its entirety within year two, while the personal capital investment will remain with Soo Bubble Tea.

Statements

Projected Profit & Loss

	2017	2018	2019
Revenue	\$87,014	\$92,260	\$97,680
Direct Costs	\$28,267	\$29,710	\$31,250
Gross Margin	\$58,747	\$62,550	\$66,430
Gross Margin %	68%	68%	68%
Operating Expenses			
Salary	\$18,000	\$18,900	\$19,845
Employee Related Expenses	\$3,600	\$3,780	\$3,972
Rent	\$16,800	\$16,800	\$16,800
POS	\$2,394	\$2,536	\$2,688
Utilities	\$6,000	\$6,000	\$6,000
Free Wifi	\$840	\$840	\$840
Insurance	\$600	\$600	\$600
Deposit	\$1,400		
Equipment	\$2,000		
Renovations	\$3,000		
Total Operating Expenses	\$54,634	\$49,456	\$50,745
Operating Income	\$4,113	\$13,094	\$15,685
Interest Incurred	\$635	\$92	
Depreciation and Amortization	\$400	\$400	\$400
Income Taxes	\$616	\$2,520	\$3,057
Total Expenses	\$84,552	\$82,178	\$85,452
Net Profit	\$2,462	\$10,082	\$12,228
Net Profit / Sales	3%	11%	13%

Projected Balance Sheet

	2017	2018	2019
Cash	\$3,478	\$10,685	\$23,526
Accounts Receivable	\$0	\$0	\$0
Inventory	\$2,475	\$2,605	\$2,604
Other Current Assets			
Total Current Assets	\$5,953	\$13,290	\$26,130
Long-Term Assets	\$2,000	\$2,000	\$2,000
Accumulated Depreciation	(\$400)	(\$800)	(\$1,200)
Total Long-Term Assets	\$1,600	\$1,200	\$800
Total Assets	\$7,553	\$14,490	\$26,930
Accounts Payable	\$0	\$0	\$0
Income Taxes Payable	\$412	\$635	\$765
Sales Taxes Payable	\$1,196	\$1,311	\$1,393
Short-Term Debt	\$3,483		
Prepaid Revenue			
Total Current Liabilities	\$5,091	\$1,946	\$2,158
Long-Term Debt	\$0	\$0	\$0
Total Liabilities	\$5,091	\$1,946	\$2,158
Paid-in Capital	\$10,000	\$10,000	\$10,000
Retained Earnings	(\$10,000)	(\$7,538)	\$2,542
Earnings	\$2,462	\$10,080	\$12,228
Total Owner's Equity	\$2,462	\$12,542	\$24,770
Total Liabilities & Equity	\$7,553	\$14,488	\$26,928

Projected Cash Flow Statement

	2017	2018	2019
Net Cash Flow from Operations			
Net Profit	\$2,462	\$10,082	\$12,228
Depreciation and Amortization	\$400	\$400	\$400
Change in Accounts Receivable	\$0	\$0	\$0
Change in Inventory	(\$2,475)	(\$130)	\$1
Change in Accounts Payable	\$0	\$0	\$0
Change in Income Tax Payable	\$412	\$223	\$130
Change in Sales Tax Payable	\$1,196	\$115	\$82
Change in Prepaid Revenue			
Net Cash Flow from Operations	\$1,995	\$10,690	\$12,841
Investing & Financing			
Assets Purchased or Sold	(\$2,000)		
Investments Received	\$10,000		
Change in Long-Term Debt	(\$3,483)	\$0	\$0
Change in Short-Term Debt	(\$3,034)	(\$3,483)	
Dividends & Distributions			
Net Cash Flow from Investing & Financing	\$1,483	(\$3,483)	\$0
Cash at Beginning of Period	\$0	\$3,478	\$10,685
Net Change in Cash	\$3,478	\$7,207	\$12,841
Cash at End of Period	\$3,478	\$10,685	\$23,526

Appendix

Profit and Loss Statement

Profit and Loss Statement (With Monthly Detail)

2017	Jan '17	Feb '17	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17
Revenue	\$6,865	\$7,044	\$7,224	\$7,470	\$7,208	\$7,837	\$7,739	\$7,868	\$6,621	\$7,482	\$6,943	\$6,713
Direct Costs	\$2,198	\$2,293	\$2,335	\$2,386	\$2,338	\$2,530	\$2,514	\$2,593	\$2,246	\$2,421	\$2,242	\$2,171
Gross Margin	\$4,667	\$4,751	\$4,889	\$5,084	\$4,870	\$5,307	\$5,225	\$5,275	\$4,375	\$5,061	\$4,701	\$4,542
Gross Margin %	68%	67%	68%	68%	68%	68%	68%	67%	66%	68%	68%	68%
Operating Expenses												
Salary	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Employee Related Expenses	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Rent	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400
POS	\$189	\$194	\$199	\$205	\$198	\$216	\$213	\$216	\$182	\$206	\$191	\$185
Utilities	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Free Wifi	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70
Insurance	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Deposit	\$1,400											
Equipment	\$2,000											
Renovations	\$3,000											

Soo Bubble Tea

Total Operating Expenses	\$10,409	\$4,014	\$4,019	\$4,025	\$4,018	\$4,036	\$4,033	\$4,036	\$4,002	\$4,026	\$4,011	\$4,005
Operating Income	(\$5,742)	\$737	\$870	\$1,059	\$852	\$1,271	\$1,192	\$1,239	\$373	\$1,035	\$690	\$537
Interest Incurred	\$75	\$71	\$67	\$63	\$59	\$55	\$51	\$47	\$43	\$39	\$35	\$30
Depreciation and Amortization	\$33	\$34	\$33	\$33	\$34	\$33	\$33	\$34	\$33	\$33	\$34	\$33
Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$145	\$59	\$193	\$124	\$95
Total Expenses	\$12,715	\$6,412	\$6,454	\$6,507	\$6,449	\$6,654	\$6,631	\$6,855	\$6,383	\$6,712	\$6,446	\$6,334
Net Profit	(\$5,850)	\$632	\$770	\$963	\$759	\$1,183	\$1,108	\$1,013	\$238	\$770	\$497	\$379
Net Profit / Sales	(85%)	9%	11%	13%	11%	15%	14%	13%	4%	10%	7%	6%

Soo Bubble Tea

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Gross Margin	\$58,747	\$62,550	\$66,430
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Operating Expenses			
Salary	\$18,000	\$18,900	\$19,845
Employee Related Expenses	\$3,600	\$3,780	\$3,972
Rent	\$16,800	\$16,800	\$16,800
POS	\$2,394	\$2,536	\$2,688
Utilities	\$6,000	\$6,000	\$6,000
Free Wifi	\$840	\$840	\$840
Insurance	\$600	\$600	\$600
Deposit	\$1,400		
Equipment	\$2,000		
Renovations	\$3,000		
Total Operating Expenses	\$54,634	\$49,456	\$50,745
Operating Income	\$4,113	\$13,094	\$15,685
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Soo Bubble Tea

Net Profit / Sales

3%

11%

13%

Balance Sheet

Balance Sheet (With Monthly Detail)

2017	Jan '17	Feb '17	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17
Cash	(\$243)	\$255	\$887	\$626	\$1,099	\$2,236	\$1,914	\$3,352	\$3,328	\$2,904	\$3,462	\$3,478
Accounts Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Inventory	\$2,293	\$2,335	\$2,386	\$2,338	\$2,530	\$2,514	\$2,593	\$2,246	\$2,421	\$2,242	\$2,171	\$2,475
Other Current Assets												
Total Current Assets	\$2,050	\$2,590	\$3,273	\$2,964	\$3,629	\$4,750	\$4,507	\$5,598	\$5,749	\$5,146	\$5,633	\$5,953
Long-Term Assets	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Accumulated Depreciation	(\$33)	(\$67)	(\$100)	(\$133)	(\$167)	(\$200)	(\$233)	(\$267)	(\$300)	(\$333)	(\$367)	(\$400)
Total Long-Term Assets	\$1,967	\$1,933	\$1,900	\$1,867	\$1,833	\$1,800	\$1,767	\$1,733	\$1,700	\$1,667	\$1,633	\$1,600
Total Assets	\$4,017	\$4,523	\$5,173	\$4,831	\$5,462	\$6,550	\$6,274	\$7,331	\$7,449	\$6,813	\$7,266	\$7,553
Accounts Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$145	\$204	\$193	\$317	\$412
Sales Taxes Payable	\$388	\$787	\$1,196	\$424	\$833	\$1,279	\$440	\$888	\$1,262	\$424	\$817	\$1,196
Short-Term Debt	\$6,566	\$6,615	\$6,664	\$6,714	\$6,764	\$6,814	\$6,269	\$5,720	\$5,167	\$4,610	\$4,049	\$3,483
Prepaid Revenue												
Total Current Liabilities	\$6,954	\$7,402	\$7,860	\$7,138	\$7,597	\$8,093	\$6,709	\$6,753	\$6,633	\$5,227	\$5,183	\$5,091

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Long-Term Debt	\$2,913	\$2,339	\$1,761	\$1,178	\$591	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$9,867	\$9,741	\$9,621	\$8,316	\$8,188	\$8,093	\$6,709	\$6,753	\$6,633	\$5,227	\$5,183	\$5,091
Paid-in Capital	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Retained Earnings	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Earnings	(\$5,850)	(\$5,218)	(\$4,448)	(\$3,485)	(\$2,726)	(\$1,543)	(\$435)	\$578	\$816	\$1,586	\$2,083	\$2,462
Total Owner's Equity	(\$5,850)	(\$5,218)	(\$4,448)	(\$3,485)	(\$2,726)	(\$1,543)	(\$435)	\$578	\$816	\$1,586	\$2,083	\$2,462
Total Liabilities & Equity	\$4,017	\$4,523	\$5,173	\$4,831	\$5,462	\$6,550	\$6,274	\$7,331	\$7,449	\$6,813	\$7,266	\$7,553

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	2017	2018	2019
Cash	\$3,478	\$10,685	\$23,526
Accounts Receivable	\$0	\$0	\$0
Inventory	\$2,475	\$2,605	\$2,604
Other Current Assets			
Total Current Assets	\$5,953	\$13,290	\$26,130
Long-Term Assets	\$2,000	\$2,000	\$2,000
Accumulated Depreciation	(\$400)	(\$800)	(\$1,200)
Total Long-Term Assets	\$1,600	\$1,200	\$800
Total Assets	\$7,553	\$14,490	\$26,930
Accounts Payable	\$0	\$0	\$0
Income Taxes Payable	\$412	\$635	\$765
Sales Taxes Payable	\$1,196	\$1,311	\$1,393
Short-Term Debt	\$3,483		
Prepaid Revenue			
Total Current Liabilities	\$5,091	\$1,946	\$2,158
Long-Term Debt	\$0	\$0	\$0
Total Liabilities	\$5,091	\$1,946	\$2,158
Paid-in Capital	\$10,000	\$10,000	\$10,000
Retained Earnings	(\$10,000)	(\$7,538)	\$2,542
Earnings	\$2,462	\$10,080	\$12,228
Total Owner's Equity	\$2,462	\$12,542	\$24,770
Total Liabilities & Equity	\$7,553	\$14,488	\$26,928

Cash Flow Statement

Cash Flow Statement (With Monthly Detail)

2017	Jan '17	Feb '17	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17
Net Cash Flow from Operations												
Net Profit	(\$5,850)	\$632	\$770	\$963	\$759	\$1,183	\$1,108	\$1,013	\$238	\$770	\$497	\$379
Depreciation and Amortization	\$33	\$34	\$33	\$33	\$34	\$33	\$33	\$34	\$33	\$33	\$34	\$33
Change in Accounts Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in Inventory	(\$2,293)	(\$42)	(\$51)	\$48	(\$192)	\$16	(\$79)	\$347	(\$175)	\$179	\$71	(\$304)
Change in Accounts Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in Income Tax Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$145	\$59	(\$11)	\$124	\$95
Change in Sales Tax Payable	\$388	\$399	\$409	(\$772)	\$409	\$446	(\$839)	\$448	\$374	(\$838)	\$393	\$379
Change in Prepaid Revenue												
Net Cash Flow from Operations	(\$7,722)	\$1,023	\$1,161	\$272	\$1,010	\$1,678	\$223	\$1,987	\$529	\$133	\$1,119	\$582
Investing & Financing												

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Assets Purchased or Sold	(\$2,000)											
Investments Received	\$10,000											
Change in Long-Term Debt	(\$570)	(\$574)	(\$578)	(\$583)	(\$587)	(\$591)	\$0	\$0	\$0	\$0	\$0	\$0
Change in Short-Term Debt	\$49	\$49	\$49	\$50	\$50	\$50	(\$545)	(\$549)	(\$553)	(\$557)	(\$561)	(\$566)
Dividends & Distributions												
Net Cash Flow from Investing & Financing	\$7,479	(\$525)	(\$529)	(\$533)	(\$537)	(\$541)	(\$545)	(\$549)	(\$553)	(\$557)	(\$561)	(\$566)
Cash at Beginning of Period	\$0	(\$243)	\$255	\$887	\$626	\$1,099	\$2,236	\$1,914	\$3,352	\$3,328	\$2,904	\$3,462
Net Change in Cash	(\$243)	\$498	\$632	(\$261)	\$473	\$1,137	(\$322)	\$1,438	(\$24)	(\$424)	\$558	\$16
Cash at End of Period	(\$243)	\$255	\$887	\$626	\$1,099	\$2,236	\$1,914	\$3,352	\$3,328	\$2,904	\$3,462	\$3,478

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	2017	2018	2019
Net Cash Flow from Operations			
Net Profit	\$2,462	\$10,082	\$12,228
Depreciation and Amortization	\$400	\$400	\$400
Change in Accounts Receivable	\$0	\$0	\$0
Change in Inventory	(\$2,475)	(\$130)	\$1
Change in Accounts Payable	\$0	\$0	\$0
Change in Income Tax Payable	\$412	\$223	\$130
Change in Sales Tax Payable	\$1,196	\$115	\$82
Change in Prepaid Revenue			
Net Cash Flow from Operations	\$1,995	\$10,690	\$12,841
Investing & Financing			
Assets Purchased or Sold	(\$2,000)		
Investments Received	\$10,000		
Change in Long-Term Debt	(\$3,483)	\$0	\$0
Change in Short-Term Debt	(\$3,034)	(\$3,483)	
Dividends & Distributions			
Net Cash Flow from Investing & Financing	\$1,483	(\$3,483)	\$0
Cash at Beginning of Period	\$0	\$3,478	\$10,685
Net Change in Cash	\$3,478	\$7,207	\$12,841
Cash at End of Period	\$3,478	\$10,685	\$23,526