



The mission of Mosaic Tea & Coffee is to live out the values of God’s Kingdom, positively impacting the quality of life in our Davis community, through the operation of a ‘common good’ café that utilizes a gift economy model of interaction.

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1.0 Executive Summary

Mosaic Tea & Coffee is a single-unit, large-sized tea shop with simple food and coffee options. The intent of Mosaic is to provide Davis Community Church with a new and creative way to live out its calling as followers of Christ in the 21st century. The tea shop will be located in the Fellowship Hall of Davis Community Church (421 D Street).

Mosaic Tea will operate a 6,103 sq/ft cafe within easy walking distance from the UC Davis campus and downtown. As Mosaic Tea is a program of Davis Community Church (DCC), the space would largely be provided free of charge. DCC has also provided \$100,000 for Fellowship Hall kitchen renovations thanks a bequest from Ida Bryan. The remaining capital necessary to open will be obtained through a 0% loan from DCC, donations, a crowdfunding campaign and grants.

Assuming a 0% startup loan from Davis Community Church, Mosaic Tea is expected to break-even in 10.8 months and generate \$230,400 in sales by the end of year one.

The U.S. Tea Market

The American tea market is growing rapidly. The U.S. is the third largest importer of tea in the world, after Russia and Pakistan, and the only western country to grow in tea imports and consumption. Approximately four in five consumers drink tea, with Millennials being the most likely (87% of millennials drink tea). The U.S. market for tea has more than quadrupled during the past twenty-plus years, according to the U.S. Tea Association¹. This isn't a surprise as tea is the most widely consumed beverage in the world next to water, and can be found in almost 80% of U.S. households. At the same time, coffee consumption has remained fairly stagnant since the 1970's². In terms of revenue, tea is 2 to 3 times *more profitable* than coffee and is projected to exhibit a 5% CAGR between 2017 and 2025³. When examining cost of ingredients alone, tea costs 10 to 20 cents per serving versus 35 to 40 centers per cup of coffee.

With the growing demand for high-quality teas, gourmet coffee and social good businesses, Mosaic Tea will capitalize on its close proximity to the UC Davis campus and central location in the downtown to help build a core group of repeat customers. Mosaic Tea will offer its customers the best prepared, high quality tea and coffee in the area, simple food options, and a flexible and open space design to meet customers' needs.

1.1 Objectives

The primary objective of the Mosaic for **Davis Community Church** is to provide a relevant way to "be Church" in this post-Christian era.

The primary objective of Mosaic for the **wider Davis community and region** is to provide job training and placement for adults with disabilities.

¹ From <http://www.teausa.com/14654/state-of-the-industry>.

² From <https://www.washingtonpost.com/news/wonk/wp/2014/09/03/america-is-slowly-but-surely-becoming-a-nation-of-tea-drinkers/>

³ From Credence Research, Inc. "Tea Market – Growth, Future Prospects and Competitive Analysis, 2017 – 2025."

Secondary objectives for Mosaic include providing a venue that fosters community collaboration and conversation, introducing an alternative economic model through the "pay it forward" concept of gift economy, and creating community by providing a diversity-friendly gathering space.

1.2 Mission

Mosaic is a ministry under the 501(c)3 status of Davis Community Church. It will operate a tea shop ministry that will offer quality beverages and food, accessible to anyone regardless of Socio-economic status (SES) or ability/disability. Mosaic will provide its products to the public utilizing a "pay-it-forward/gift economy" model (see Karma Kitchen, <http://vimeo.com/29671761>). By living out the values of God's Kingdom, we will impact the quality of life and improve the community of Davis and region.

"The mission of Mosaic Tea & Coffee is to live out the values of God's Kingdom, positively impacting the quality of life in our Davis community, through the operation of a 'common good' café that utilizes a gift economy model of interaction."

The benefits of Mosaic Tea are:

- **Community:** Building diverse, inclusive community.
- **Formation:** Growing in our understanding of God and relationship to one another as beloved children of God, spanning the ability/disability spectrum.
- **Job Training:** Providing much needed job training opportunities for adults with disabilities.
- **Outreach:** Reaching out to the Mosaic generation (18-35) and young families.
- **Environment:** Creating an environment conducive to the formation of a New Worshiping Community.
- **Economics:** Developing an alternative economic model (gift economy) where anyone, regardless of income, can be a patron.
- **Play:** Providing indoor space for children to play.
- **Music and the Arts:** Offering of space for musicians, theater and artists.
- **Partnerships:** Building partnerships with groups and organizations outside DCC.

1.3 New Worshiping Community

Mosaic Tea & Coffee presents a unique opportunity to provide space for a New Worshiping Community (NWC) at Davis Community Church, one that is focused on connecting with the "spiritual but not religious" and Millennial (ages 18-35) demographics, those with little or no faith background and those who feel discomfort in the traditional church. This community will:

- **Provide a new expression of Christianity and Christian worship that responds to our changing culture**
*"Living out the gospel demands ministry that engages today's cultures (John 1:14). New ways of joining Christians together for contextual ministry will use current and historic ways of "being church" as springboards for creative innovation (Matt. 9:17)."**
- **Seek to make and form new disciples of Jesus**

*“NWCs witness in word and deed (1 John 3:18), continuing Jesus’ own mission of discipling, feeding, teaching, healing, welcoming, crossing boundaries, and proclaiming God’s coming realm. Those with new and renewed faith join the Spirit’s transforming work in the world”**

- **Emphasize the sending by the Spirit to join in God’s mission for the transformation of the world**
*“The Spirit impels us outward, so that worshipers participate in the redemption of the world in Christ (Col. 1:20). Therefore, the primary beneficiaries of the NWC are not its own members but rather its community and world.”**
- **Practice mutual care and accountability**
*Commitment “to love one another (John 13:34) in relationships of mutual care and accountability, as faithful disciples of Jesus. Entrusting ourselves and the church to the Holy Spirit, we seek to grow to maturity in faith and life.”**

**from PCUSA 1001 New Worshipping Communities*

New Worshipping Community at Mosaic Tea:

In 2015, Mosaic Tea & Coffee and Davis Community Church formalized a partnership with the New Worshipping Community, Davis Mosaics. Over the ensuing 24 months (April 2015 – April 2016), the Davis Mosaics NWC has grown to include an average of 40 Millennials at their gatherings. The Davis Mosaics NWC has outgrown its current meeting space and looks forward to worshipping in the larger space of Mosaic Tea & Coffee.

2.0 Summary

Mosaic Tea is an outreach and empowerment program operated by Davis Community Church. To ensure operational and fiscal oversight, an Action Committee will be formed to oversee financial management, policy setting, and leadership support in consultation with Davis Community Church. The Action Committee will have representatives of Davis Community Church, the disabled community, disability service providers, and the community-at-large. The Action Committee will be responsible for oversight of daily operations and event management for all that Mosaic will be doing. Regular reports will be given to Davis Community Church through the New Expressions Commission. There will no separate Board of Directors, but as a ministry of DCC, Mosaic is subject to oversight by the New Expressions Commission and thus the DCC Session.

2.1 Ownership

Mosaic will be a DBA (“Doing Business As”) of the registered nonprofit 501(c)3 Davis Community Church in Davis located at 412 C Street, Davis, CA 95616.

2.2 Space Utilization

Mosaic will utilize the Fellowship Hall utilizing a schedule that does not impede upon current usages of the space. The following Hours of Operation are based upon an analysis of *actual usage* of Fellowship Hall. Fellowship Hall will remain available to regular usage groups (such as Rotary) as well as memorial and wedding receptions on Thursday afternoons and Saturday afternoons.

PROPOSED HOURS OF OPERATION		
Mondays	Closed	Usage by Rotary
Tuesdays	7:00am – 1:00pm	Family focused venue
	1:00pm – 4:00pm	Mosaic Tea general usage, ½ room available to reserve
	4:00pm	Closed for DCC usage
Wednesdays	7:00am – 1:00pm	Family focused venue
	1:00pm – 4:00pm	Mosaic Tea general usage, ½ room available to reserve
	4:00pm	Closed for DCC usage
Thursdays	7:00am – 1:00pm	Family focused venue
	1:00pm	Closed for DCC usage
Fridays	7:00am – 1:00pm	Family focused venue
	1:00pm – 4:00pm	Mosaic Tea general usage, ½ room available to reserve
	6:00pm – 10:00pm	Live music/theater
Saturdays	7:00am – 1:00pm	Family focused venue
	1:00pm – 4:00pm	Mosaic Tea general usage, ½ room available to reserve
	6:00pm – 10:00pm	Live music/theater
Sundays	7:00am – 1:00pm	DCC Option: Coffee Hour <u>OR</u> Open to the Public <u>OR</u> a combination of both

3.0 Services

The Menu

The menu is going to be extremely simple, initially focusing on beverages (coffee, teas and smoothies) and simple “grab-as-you-go” food items.

Ingredients

Mosaic will place a focus on vendors who employ individuals with disabilities or who support disability organizations. Mosaic will also be ecologically conscious, choosing vendors that are committed to sustainability and environmental care when possible. Patrons will feel like they have contributed to disability and environmental causes as well as to the greater good of the Davis community.

Selected Vendor(s)

Mosaic Tea has selected one of its loose tea vendors, the [Compassion Tea Company](#). Compassion Tea is a Christian-based business that donates 100% of its profits to fund healthcare initiatives in rural Africa. This

charitable added value is anticipated to be a draw for customers, especially customers from Gen X and the Gen Y/Millennials demographics.

Mosaic Tea may utilize the [Happy Cup Coffee Company](#) as its coffee vendor, though the decision has yet to be finalized. Based out of Portland, Oregon, Happy Cup:

- “Offers employment, a competitive wage and a full life to adults with disabilities in our local community – our People with Potential.
- Helps create a better future for the disabled by donating a percentage of our profits to vocational and recreational programming for this community.
- Delivers a responsible, great-tasting cup of coffee.”

4.0 Space Design

Flexibility

A primary function of Mosaic is to provide a space that retains necessary flexibility to accommodate current uses. The space will enable wedding and memorial receptions as well as meetings to occur in the space.

Movable walls/ partitions/pods will be utilized to provide the ability for different configurations of the space, from small, intimate settings to banquet hall.

Interior Accessibility

Mosaic is committed to creating a space that is accessible and responsive to the full-spectrum of our community and will utilize universal design strategies.

Interior Accoutrements

Mosaic will engage the wider public and local artists to provide art for the walls in Fellowship Hall.

5.0 Market Analysis

The U.S. market for tea has more than quadrupled during the past twenty-plus years, according to the U.S. Tea Association⁴. This isn't a surprise as tea is the most widely consumed beverage in the world next to water, and can be found in almost 80% of U.S. households. At the same time, coffee consumption has remained fairly stagnant since the 1970's⁵.

Downtown Davis

Downtown Davis currently offers 7 stand-alone coffee shops and 1 stand-alone tea shop. Observation of the coffee establishments suggests that most of these businesses are at or near capacity. In terms of the sole tea shop, the Tea List, the establishment is only open 29 hrs./week, suggesting potential growth within this niche.

⁴ From <http://www.teausa.com/14654/state-of-the-industry>.

⁵ From <https://www.washingtonpost.com/news/wonk/wp/2014/09/03/america-is-slowly-but-surely-becoming-a-nation-of-tea-drinkers/>

STAND ALONE TEA SHOPS <i>Distance from Mosaic Tea</i>		
The Tea List	222 D Street	0.2 miles Open 29 hrs./week
STAND ALONE COFFEE SHOPS <i>Distance from Mosaic Tea</i>		
Cloud Forest Café	222 D Street	0.2 miles
Peet's Coffee	231 E Street	0.3 miles
Barista Brew Café	431 G Street	0.3 miles
Temple Coffee	239 G Street	0.4 miles
Starbucks	208 F Street	0.4 miles
Mishka's Café	610 2 nd Street	0.4 miles
Café 110	110 F Street	0.5 miles

Millennials (1982 – 1996)

There are approximately 35,180 students enrolled at UC Davis, just 3 blocks from Davis Community Church. Millennials are the most likely demographic to drink tea, with 87% drinking tea on a regular basis, according to the U.S. Tea Association. In addition, the ethnic diversity of UC Davis (with many coming from tea drinking cultures) provides additional support for the establishment of a tea shop in the downtown core.

In addition to Millennials' propensity for tea, this generation is known to donate to charity via retail purchase. According to the Blackbaud "Next Generation of American Giving Report⁶," 53% of Millennials donate to charity through retail purchase (Gen X = 49%). This data suggests that Mosaic Tea would provide a preferred method of giving for Gen X and Gen Y that is currently unavailable at Davis Community Church.

Families with Young Children

Families with young children are expected to be a significant proportion of Mosaic Tea's customer base as no indoor play areas for young children exist in the City of Davis.

According to MissionInsite, an analysis tool provided by the Presbytery of Sacramento, there are:

- Approximately 4,447 children under the age of 4 within the City of Davis
- Approximately 7,987 children between the ages of 5 – 17 within the City of Davis

Seniors (65+)

Mosaic Tea is anticipated to be attractive to seniors due to its cushioned seating, "slow-down" environment, flexible seating configurations, and fully open and accessible layout. In addition:

- There are 7,589 individuals over the age of 65 in the City of Davis, according to MissionInsite.
- Mosaic Tea is within easy walking distance of the Davis Senior Center.
- Seniors represent 43% of the Davis Community Church membership.

⁶ From <https://www.blackbaud.com/nonprofit-resources/generational-giving-report-infographic>

Live Music & Theater

Live music and theater is expected to be a significant draw for Mosaic Tea. At the present time, the only available performance hall in the downtown is the Davis Odd Fellows Hall. An additional performance hall is desired by Davis Downtown/Downtown Davis Business Association.

Additional patrons of Mosaic Tea will fall into the following categories:

- People with disabilities
- Parents, family, friends, service providers and supporters of those living with a disability.
- Local Business people working in Downtown Davis.
- Business people and service people who come to downtown Davis occasionally.
- Parents visiting their college-age children at UC Davis.
- Local tourists.
- Friends through our partnerships with local nonprofits and churches.
- Young adults who resonate with our values, our vision, our community activities and our atmosphere.

6.0 Marketing Strategy

- Utilization of marketing services from Erreco Strategies.
- Utilization of marketing services from Bite the Trophy Productions.
- Enlisting the aid of the various nonprofit, university and faith community groups that will help with our activities and our visibility. For example, the UC Davis Global Tea Initiative and UC Davis Tea Club offer tremendous potential in terms of partnership and marketing.
- Utilizing the networks that already exist amongst the disabilities community.
- Our unique approach to providing a fully accessible venue that supports adults with disabilities in Davis will generate significant press and community buzz.
- The pay-it-forward model will allow ALL people to enjoy a cup of tea/coffee, fostering a spirit of generosity and abundance. This unique model will also create tremendous interest and offer residents an alternative way to participate in the local economy.
- Our positioning as a social enterprise will be generate interest across the demographic spectrum.

6.1 Sales Strategy

- We will appeal to a wide variety of supporters with various levels of approaches.
- For the average congregant at Davis Community Church, we will keep the activities, events and needs of Mosaic very visible. We will hold periodic information sessions to educate and inform both the congregation and the public.
- For the significant donor, we will hold an annual information and fund raising event to inform and solicit donations
- We will hold various fund raising events that will allow people to sample our exceptional beverages, experience unique music, and/or interact with renowned speakers.
- We will recruit and train volunteers to reduce our overhead costs, thus enabling more revenue to be utilized by Davis Community Church to further its “common good” mission.

6.1.1 Sales Forecast

The sales forecast for Mosaic is not based upon “sales” per se, but rather donations. All customers will be offered their food and tea free of charge as part of a gift economy system. In Mosaic, customers are invited to “pay-it-forward” (donations) so that the next customer(s) may also enjoy Mosaic. These and other donations from individuals will be the sole source of income after Mosaic has passed the startup period.

To predict donations, we had conversations with owners of coffee shops in the downtown area of Davis. We believe that 3200 customers per month, or four customers every five minutes on average, is a reasonable estimate of demand given the location of the DCC Fellowship Hall. The business in Davis is known to be very cyclical, as many students leave town in the summer (July to September). It is hoped that within the first year of operation (and perhaps into the future), any donations in excess of operational costs will be employed to cover those costs during calmer summer months.

We also consulted with experienced business owners associated with the Service Corps of Retired Executives (SCORE), a nonprofit organization “dedicated to helping small businesses start, grow and succeed.” They confirmed that Mosaic's unique business model will be an asset. Unlike a business transaction, in which people seek to save money, Mosaic leverages the naturally generous instinct to reciprocate when people are part of a community, given something for free, and invited to participate in making the world a better place. Thus, Mosaic is not in direct competition with other for-profit coffee shops in town. Rather than selling a good per se, Mosaic is offering a formational community experience.

Naturally, donation amounts will vary greatly. While a good number of customers may only donate a couple of dollars, and some nothing at all, we anticipate that many will generously donate much more than the value of the food and tea they consume. Thus, considering that many people spend around \$6 per visit to a coffee shop, we estimate an average donation of \$6 per customer. It is also somewhat likely that Mosaic will continue to do individual fundraising and receive donations from outside the context of visiting the tea shop.

We estimated one year of cash flow based on a constant demand process of getting \$6 in donations per customer and four customers every 5 minutes, on average (see Appendix D: Cash Flow Analysis). The analysis ignores seasonality, but shows that the cash on hand after one year to be \$102,817.

6.2 Competitive Edge

Mosaic will be the only pay-it-forward business in the region as well as the one of the few job training programs available for adults with disabilities. Mosaic will also be the only tea and coffee shop in downtown Davis that provides a venue suitable for families with young children as well as the only downtown music/theater venue in the downtown. In addition, Mosaic will be one of only two shops in downtown Davis that focuses on loose teas. Mosaic will be seen as a way to have good tea, conversation, and community while also supporting an outstanding cause.

The interior decor will tap into the diversity of art and art groups to foster a mixed community feel. Artwork on the walls will evoke the spirit of change and a dedication to the common good. We want other patrons to

feel privileged to be dining with others not of their normal social milieu as a way to better the overall community of Davis. This will be a major competitive advantage.

7.0 Management Summary

Mosaic will employ General Manager(s) who will take charge of other employees and the overall operation of the business.

7.0.1 Responsibilities of Mosaic General Manager

The Mosaic general manager supervises the hiring, scheduling, training, and disciplining of all employees and volunteers. Additionally, the Mosaic general manager will work closely with the trainers and trainees, assigning tasks as the trainer and general manager find appropriate.

Additionally, Mosaic managers oversee financial aspects, such as budgeting, inventory, and payroll. Mosaic managers will do a daily balance report to monitor the gift economy noting when Mosaic is in the black or if there is a deficit.

Managers will attend the Mosaic board of directors meetings on a regular basis. Mosaic will be in communication with the staff of Davis Community Church. The manager of Mosaic will also report directly to the New Expressions Commission of Davis Community Church.

7.0.2 Job Qualifications

General Managers in the coffee shop industry must possess some previous work experience in either customer service or management. Experience helps a manager lead employees and solve problems. Mosaic employees/volunteers/trainer-trainees should look to the general manager for guidance and support in the workplace. Along with experience, managers must also be at least 21 years of age. Many cafés insist managerial applicants possess a high school diploma or GED.

Mosaic job qualifications also include: ability to schedule and work with volunteers, the ability to work closely and be sensitive to people on the margins of our community, work collaboratively with many organizations including the host organization, Davis Community Church. Healthy leadership and organizational skills are a must for Mosaic's Managerial position.

7.1 Organizational Structure

The Board of Directors will provide oversight, financial management, policy setting, and leadership support. It will have representatives Davis Community Church, the disabled community, disability service providers, and

the community at-large. The Action Committee will consist of the various activity leaders and will be operations and event management for all that Mosaic will be doing. The make-up of the Action Committee will be fluid and include all responsible people who are leading activities and events as needed.

7.2 Personnel Plan

The personnel plan shows in detail in the following table.

HOUR SHIFTS	MONDAY 7AM-4PM	TUESDAY 7AM-4PM	WEDNESDAY 7AM-1PM	THURSDAY 7AM-4PM	FRIDAY 7AM-4PM	SATURDAY 7AM-4PM 6PM-10PM	SUNDAY 7AM-1PM
6:30AM-7:30AM							
7:30AM-8:30AM							
8:30AM-9:30AM		M/V-2/TRS	M/V-2	M/V-2	M/V-2	MII/Vols	Greg/V-2
9:30AM-10:30AM		M/V-2	M/V-2	M/V-2	M/V-2	MII/Vols	Greg/V-2
10:30AM-11:30AM		M/V-2	M/V-2	M/V-2	M/V-2	MII/Vols	Greg/V-2
11:30AM-12:30PM		M/V-2	M/V-2	M/V-2	M/V-2	MII/Vols	V-2
12:30PM-1:30PM		M/V-2	M/V-2	M/V-2	M/V-2	MII/Vols	V-2
1:30PM-2:30PM		M/V-2	M/V-2	M (Office time)	M/V-2		
2:30PM-3:30PM		M/V-2	M/V-2	M (Office time)	M/V-2		
3:30PM-4:30PM		M/V-2	M/V-2	M (Office time)	M/V-2		
4:30PM-5:30PM							
5:30PM-6:30PM					MII/Vols		
6:30PM-7:30PM					MII/Vols		
7:30PM-8:30PM					MII/Vols		
8:30PM-9:30PM					MII/Vols		
9:30PM-10:30PM					MII/Vols		

Mosaic is closed		Payroll Costs	Hourly Wage	Hours/week	Weekly Pay	Monthly Pay
M=Manager		Manager	\$18.00/hr	32	\$576.00	\$2,476.80
MII=Manager II		Manager II	\$15.00/hr	10	\$150.00	\$645.00
					TOTAL	\$3,121.80

8.0 Financial Analysis

The following financial analysis components can be found in the Appendix.

- Appendix A: Financial Analysis Overview
- Appendix B: Detailed Startup Expenses
- Appendix C: Monthly Revenue Analysis
- Appendix D: Cash Flow Analysis

8.1 General Assumptions

The financial plan depends on important assumptions. Mosaic assumes the following:

- A slow-growth economy, without major recession.
- No unforeseen changes in funding availability.
- A continued interest in Mosaic by the community at-large.
- 3,200 customers per month, on average.
- \$6.00 per customer, on average.
- Constant operational costs (although room exists for increases)
- Mosaic will retain funds equal to one month of operational expenses at all times.
- Startup expenses are covered by grants and donations.
- 40 hours/week of operation.
- Total DCC utility expenses increase by 27% and Mosaic pays the difference.
- DCC's Workman's Comp Insurance stays at current policy rate.
- No impact on DCC's liability insurance.
- No impact on DCC's existing human resources policies.

APPENDIX A: FINANCIAL ANALYSIS OVERVIEW

Renovation Costs		\$227,698		
Equipment		\$16,670		
One month of operations		\$10,828		
Other startup expenses (see list)		\$3,948		
Total Startup Costs		\$250,644		
	Low Scenario	Anticipated Scenario	High Scenario	Very High Scenario
	(Somewhat Unlikely)	(Most Likely)	(Somewhat Likely)	(Somewhat Unlikely)
Food purchases	\$1,270	\$1,270	\$1,651	\$1,905
Paper products	\$965	\$965	\$1,254	\$1,447
Payroll	\$7,247	\$7,247	\$7,247	\$8,497
Payroll taxes	\$400	\$400	\$400	\$480
Utilities	\$775	\$775	\$775	\$984
Total Monthly Operations Costs	\$10,657	\$10,657	\$11,327	\$13,313
Number of customers per month	2,560	3,200	3,840	3,840
Average donations per customer	\$6.00	\$6.00	\$6.00	\$8.00
Additional grant money	\$0.00	\$0.00	\$0.00	\$0.00
Monthly gross revenue and donations	\$15,360.00	\$19,200.00	\$23,040.00	\$30,720.00

APPENDIX B: DETAILED STARTUP EXPENSES

Renovation-Infrastructure Expenses

Modular furniture and tables	\$42,994
Acoustic Treatments	\$24,998
Flooring	\$30,000
Lighting	\$12,000
Kitchen/bathroom/point-of-sale	\$100,000
Wheelchair Ramp	\$830
Contracted Construction Services	\$15,000
Total	\$225,822

Equipment

Expensed equipment (see next page)	\$16,670
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One month of operations

Food purchases	\$1,270
Paper products	\$1,135
Payroll	\$7,247
Payroll taxes	\$400
Utilities	\$775
Total	\$10,828

Other startup expenses

Legal support	\$500
License fees, health dept. fees, facility use fees (donated facility time of 40 hrs/wk)	\$0
Workman's comp. insurance (based on current DCC rate of \$54 per month for 6 employees)	\$648
Insurance (no additional liability insurance needed)	\$0
Menu design	\$100
Signage (for supplies only, donated time)	\$500
Research & development (donated time)	\$0
Marketing & web presence (donated time)	\$0
Brochures	\$200
Remodel, graduated plan * (plumbing water filtration system)	\$2,000
Total	\$3,948

TOTAL REQUIRED STARTUP FUNDING \$257,268

Item	Company	#	Cost Per	Total Cost
Brewer, coffee into air pot	Crestco, West Sac.	3	\$792	\$2,376
Extra Air Pots	Crestco 2.2 Liters, Metal ex.	5	\$28	\$140
Speed Rack, 12 rack	Crestco	1	\$158	\$158
Speed Rack Cover	WEB rest. Store online	1	\$28	\$28
Ice Maker, small	Online, Manitowac Brand	1	\$1,500	\$1,500
Ice Tea Quick Brew	Bunn, 3 gal.	2	\$469	\$938
Sheet pan, 18x26	Crestco	6	\$8	\$48
Sheet pan, half 13x18	Crestco	12	\$7	\$84
Small plates, DCC's				\$0
Mugs, donation idea				\$0
Glasses, Iced drink 3 doz/case	Crestco, high ball Lexington	3	\$59	\$177
Spoons, for tea, long 12/pk	Crestco	5	\$13	\$63
Tea Infuser Systems	Teavana, Joli mug&infuser	30	\$16	\$480
Loose leaf Tea Canisters	Bamboo, 4.5 cup	12	\$22	\$264
Tongs	Crestco	10	\$4	\$40
Baked Goods Display Cases	Crestco	2	\$260	\$520
Dairy Holders, self serve	Crestco	3	\$18	\$54
Rack for sweeteners, self serve	Amazon	1	\$56	\$56
Bucket for bottled drinks	Amazon	1	\$18	\$18
Grinder for coffee beans	Astra, 2lb commercial	1	\$474	\$474
5 Gal hot water dispenser	Bunn, for tea at temp.	1	\$900	\$900
Commercial Grade Micowave	Crestco	1	\$300	\$300
Cash System ipads	Apple -2 series	2	\$380	\$760
Cube system	Apple free, no cost % based		\$0	\$0
Cash Drawer	Apple Square	1	\$100	\$100
Receipt Printer	Apple Square	1	\$279	\$279
Counter/Storage long counter	Home Depot	1	\$3,000	\$3,000
Blend Tech smoothie makers	jlhufford.com	2	\$830	\$1,660
True Freezer	Crestco	1	\$1,850	\$1,850
Children's Tables	IKEA MAMMUT child's table	3	\$35	\$105
Children's Chairs	IKEA MAMMUT stool	12	\$8	\$96
Mat for play space	amazon, Eva Foam floor mat	1	\$30	\$30
Storage/Toy shelf	amazon, ECR4Kids shelf	1	\$73	\$73
Misc. Toys/books	Local, Target etc.	1	\$100	\$100
			Total	\$16,670

APPENDIX C: MONTHLY REVENUE ANALYSIS

		Average Number of Customers Per Hour					
		14	16	18	20	22	24
Avg	\$4	\$8,960	\$10,240	\$11,520	\$12,800	\$14,080	\$15,360
Monthly	\$5	\$11,200	\$12,800	\$14,400	\$16,000	\$17,600	\$19,200
Gross	\$6	\$13,440	\$15,360	\$17,280	\$19,200	\$21,120	\$23,040
Rev	\$7	\$15,680	\$17,920	\$20,160	\$22,400	\$24,640	\$26,880
Per	\$8	\$17,920	\$20,480	\$23,040	\$25,600	\$28,160	\$30,720
Cust	\$9	\$20,160	\$23,040	\$25,920	\$28,800	\$31,680	\$34,560
	\$10	\$22,400	\$25,600	\$28,800	\$32,000	\$35,200	\$38,400

RULES OF THUMB FOR BREAKING EVEN:

1. Average at least four customers every five minutes⁷
2. Average at least \$6 in donations per customer
3. Average \$120 per hour of operation
4. Seek additional startup and operational funding
5. Average at least \$10,657 per month to make long-run profit

⁷ Four customers every hour is based upon 1) Data from Sinisa Novakovic, owner of Mishka's Café, who said they averaged 300 customers/day (day = 10 hours) upon opening, equating to 30 customers per hour and 2) data from <http://smallbusiness.chron.com> that coffee shops average 230 customers/day (day = 10 hours), equating to 23 customers per hour. To be conservative due to its location on the north end of the downtown, Mosaic Tea estimates 160 customers/day (day = 8 hours), equating to 20 customers per hour.

APPENDIX D: CASH FLOW ANALYSIS

	Mo. 0	Mo. 1	Mo. 2	Mo. 3	Mo. 4	Mo. 5	Mo. 6	Mo. 7	Mo. 8	Mo. 9	Mo. 10	Mo. 11	Mo. 12	
Startup Funding	\$66,446													
Equipment Expense	\$16,670													
Startup Expenses	\$3,948													
Food Purchases	\$1,270	\$1,270	\$1,270	\$1,270	\$1,270	\$1,270	\$1,270	\$1,270	\$1,270	\$1,270	\$1,270	\$1,270	\$1,270	\$16,514
Paper Products	\$1,135	\$965	\$965	\$965	\$965	\$965	\$965	\$965	\$965	\$965	\$965	\$965	\$965	\$12,716
Utilities		\$775	\$775	\$775	\$775	\$775	\$775	\$775	\$775	\$775	\$775	\$775	\$775	\$9,300
Payroll		\$7,247	\$7,247	\$7,247	\$7,247	\$7,247	\$7,247	\$7,247	\$7,247	\$7,247	\$7,247	\$7,247	\$7,247	\$86,964
Payroll Taxes													\$4,800	\$4,800
PROJECTED EXPENSES	\$2,406	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$10,257	\$15,057	\$130,293
PROJECTED REVENUE		\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$19,200	\$230,400
														\$100,107

Mosaic is projected to generate \$230,400 in sales by the end of year one.

ASSUMPTIONS:

- 3,200 customers per month, on average
- \$6 donation per customer, on average
- Constant operational costs
- Mosaic maintains one month of operational expense reserves at all times