



## Company Description

### **Legal Form of Business**

*Sole Athletics* will be established in the state of Oregon as a general partnership. Mr. Mestas will have 10 percent ownership in the company while Mr. Martinez will receive 40 percent ownership. A potential angel investor will own 50 percent of the business. Mr. Mestas and Mr. Martinez will be actively involved in the management of the business, and will have equal influence as members; therefore a combined financial resource pool will be a major benefit of a general partnership because it allows both partners to share the burden of the financial commitment.



Cardio and Isometric stations

### **Company Governance**

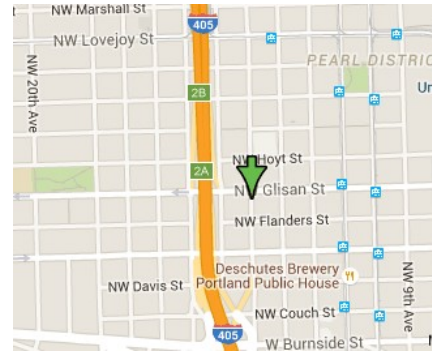
*Sole Athletics* will consist of two partners, Mr. Mestas, Mr. Martinez, and an angel investor. The partners will acquire a loan of \$50,000 to pay for the equipment required to upgrade the already established gym. The angel investor will invest a total of \$425,000 to fund the purchase of the already established gym, Bueno Fitness, which reduces the cost of purchasing new equipment and resources. Mr. Martinez recently inherited money from a deceased relative, allowing him to invest a total of \$300,000 to support the remaining purchase of the business, fund the payroll and marketing campaign, and provide a decent reserve. Since the angel investor will spend the greatest amount of capital, they will receive 50 percent equity. Mr. Martinez will receive 40 percent equity as he contributed a significant percentage of funds. Being a recent college graduate and having no disposable income or savings, Mr. Mestas is unable to provide the business with a significant amount of capital. Because his only contribution will be taking out the loan, he will only attain 10 percent. Each partner will be responsible for a specific area of leadership in the business. Phillip Mestas obtained a Master's Degree in Accounting from Oregon State University. His training has prepared him for the challenges of managing finances and allocating funds. Antonio Martinez received a Bachelor's Degree in Business Management and Administration from the University of Portland, making him well qualified to plan, organize, direct, and control the organizations activities.





## Company Location

*Sole Athletics* will be located at 442 NW 14th Avenue Portland, Oregon 97209. The location holds a building that previously housed a gym, Bueno Fitness, in the Pearl District of Portland. Bueno Fitness was a successful business, but its owners are ready to retire. The owners are searching for young and qualified entrepreneurs to buy their business. *Sole Athletics* surveyed Bueno Fitness members to gather for improvement. The goal is to provide most of the features that customers enjoyed at the old gym, and include them with a variety of new accommodations that members will love. For example, *Sole Athletics* will have cycling and Zumba classes, a nutrition bar, daycare center, and a parkour room. With a surplus of apartments, condominiums, and businesses nearby, there are many people looking for an athletic center that can offer several services located in one area. *Sole Athletics* is conveniently located to accommodate all types of people ranging those people with families to care for and business professionals who want to exercise on their lunch break. To accommodate for the shortage of parking in a downtown setting, *Sole Athletics* will provide customers with modern bike stations, and local transit accessibility. Having local transit stations around the area lets customers commute easily to and from the gym, maximizing foot traffic for *Sole Athletics*.



Sole Athletics Location

## Long and Short Term Goals

### Prior to Opening

- Design a website that successfully highlights the positive aspects of *Sole Athletics*.
- Acquire a loan of \$50,000 to fund a portion of the startup capital of the business.
- Begin a social media campaign on Twitter, Snapchat, Facebook, and Instagram that promotes fitness and increases awareness of the business.

### First 6 Months

- Host an open house event.
- Expand marketing strategy to include advertising through effective radio and local television commercials.

### 36 Months

- If needed, hire a larger staff to accommodate for the growth of the business.
- Have the \$50,000 loan paid in full.

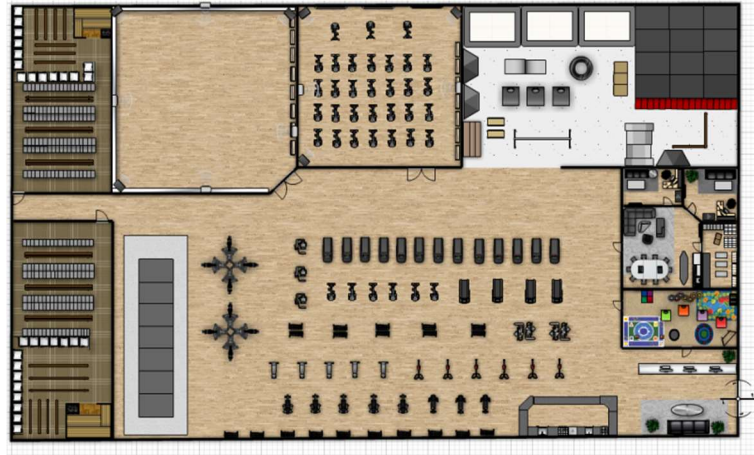


## Operations and Management

### **Business Facilities Described**

#### General Business Hours

The business facility will total 20,000 square feet, separated into six divisions. The divisions will be comprised of a free-weight room, a studio, a parkour room, an office space, a daycare, and a bike room. The athletic club will be accessible for members 24 hours a day via a keycard system. In addition, the business will be staffed from 8 am to 11pm on all days except holidays. A variety of classes will run throughout the day.



Floor Plan

#### Free Weight Room

The free weight room will be comprised of 6,300 square feet of space, and will consist of treadmills, elliptical, stationary bicycles, and various machines designed to build strength and muscle endurance. Additionally, there will be areas for bench-pressing, squatting, and aerobic movements, along with available weights to add intensity. The room will also include a nutrition bar near the entrance where members are able to purchase nutrient dense food and drinks.

#### Studio

The 3,700 square foot studio will be used for classes such as Zumba and high intensity interval training (HIIT). Hardwood floors and mirrors will be featured in the room allowing clear visibility for members during exercises. Top of the line equipment will be used in the room for training and quality instructors.

#### Parkour Room

The 4,500 square foot Parkour Room will be composed of a number of elements, including a full-length course and various pieces of equipment. A spring floor will be featured in the room along with trampolines. Additionally, members will have the opportunity to participate in both classes and open gym.



Parkour Room



### Office

The 1,500 square foot office area consists of three rooms. Mr. Mestas and Mr. Martinez will each have their own small office within the area. The office will also include a multipurpose area that can be used by employees for their breaks or as a conventional meeting room and a storage room that will be located within the area.



Office

### Bicycle Room

This 2,700 square foot room will contain 31 stationary bicycles. The room will also have a speaker system so that music can be played during classes and all participants can hear the instructor's voice. The bicycle room will include a state of the art lighting system to create an exciting and energetic environment for members to enjoy.



Bicycle Room

### Daycare

This 800 square foot room will be located near the office area. The room will be used as a daycare for children during the evening hours. The addition of a daycare will allow parents to have their child cared for while they are at the gym.



Daycare

### **Management Personnel Identified**

The two co-owners and managers of *Sole Athletics* each have degrees that strongly tie to business. The owners possess degrees in accounting, and business management and administration respectively. With each owner having a minimum of five years of education paired with relevant experience, the management team is prepared and eager to open a business of their own.

### Phillip Mestas

Mr. Mestas will be the company's financial manager. He has obtained experience with managing finances through a paid internship at Umpqua Bank. In this role he will have the task of signing payroll and paying the company's expenses. In addition, he will ensure the angel investor receives their respective share. Mr. Mestas will also be responsible for overseeing all of the marketing strategy for the business. His additional tasks will include creating and executing the marketing strategy as well as delegating employees to assist him.



### Antonio Martinez

Mr. Martinez will work as the operations manager for *Sole Athletics*, and will be responsible for overseeing the business so that it may operate efficiently. Having worked at LA Fitness while in college, Mr. Martinez understands the operations of an athletic center. He will be responsible for inventory, memberships, and creating schedules for the employees. Mr. Martinez will also serve as the business representative. In addition to managing the staff, Mr. Martinez will hire and train the employees.

### Angel Investor

The angel investor will be able to determine the businesses direction without being required to have a demanding hands-on influence. They will be invited to attend major meetings and conference calls, and hold a vote in any major decisions the business makes. Finally, the investor will be able to schedule meetings at any time to suggest changes to any part of the business. The angel investor will be able to protect their investment without having a specific role that they must be responsible for on a daily basis.



Potential Angel Investor

## **Workforce Described**

### Current

Upon opening, *Sole Athletics* will have 14 employees including the two owners. Both of the owners will work full time and be responsible for their own specific duties including managing the businesses finances and managing the other employees. The remaining employees will be in charge of managing the free weight room, instructional classes, managing the nutrition bar, running the front desk, and working in the daycare, which will be open evenings for seven days a week. At least one of the instructors will have previous experience working at Soul Cycle, a currently trending business. This will provide a similar style of cycling class that is currently popular worldwide.

### Projected

*Sole Athletics* anticipates increasing the number of employees over the next three years. The projected increase in employees is dependent upon the growth of the business. As revenue increases, and the business meets its growth targets, the owners anticipate hiring additional employees. A potential increase in staff is justified by the fact that it will allow classes to occur more frequently throughout the day. In addition, an increase in staff will enable the gym to be staffed for 24 hours a day. Until those growth targets are met, the gym will be accessible by members at night through a key card system. The benefits will increase member satisfaction as well as bring new customers to the business, who may not be able to attend earlier in the day.



## **Target Market**

### **Size**

According to the International Health Racquet and Sports Club Association, 54.1 million Americans belonged to fitness centers in 2014. The average gym had a retention rate of 72.4 percent. The fact that many Americans are concerned about their health is apparent. Because the average gym member lives less than 10 minutes away from their gym, a gym's location is a huge factor in determining its success. Portland is one of the top gym spending cities in the nation, making it a prime location for the business. In addition, the Pearl District has a population density that is 58 percent higher than that of Portland, and more than half of its residents make more than \$60,000 per year. The businesses location allows it to reach a high number of potential clients. Because the top four companies only account for 13 percent of the industries revenue, it is significantly easier for a new business to enter this industry compared to most other industries. The low entry barriers are beneficial for *Sole Athletics* because it will allow the business to become competitive and profitable quickly.



Sole Athletics Building

### **Growth Potential**

*Sole Athletics* will take business away from its competitors with its variety of high quality services. The strong client base will continue to grow due to a rising interest in fitness clubs. The International Health Racquet and Sports Club Association reported that the industries revenue increased 7.2% in 2014. In addition, they stated that the total amount of sport club members increased by 13 million from 2005 to 2014. The market continues to grow as a result of peoples increased interest in personal fitness. Residents in and around the Pearl District desire a place where they can go to train with like-minded people. *Sole Athletics* will meet the needs of consumers by providing additional surveys to gather further information about members' opinions.

### **Potential Needs**

At the end of 2015, there were approximately 131.7 million people with a gym membership in the United States as opposed to the 50.2 million in 2010, making it apparent that the number of memberships has grown a substantial amount over the past five years. *Sole Athletics* will create and maintain adequate rates for memberships and services offered to customers. Individuals who request state of the art equipment



and quality service need look no further. The business will offer reasonable prices and top class equipment.

According to Bustle, Portland receives 43 inches of rain on average a year, spread out to an average of 154 days. While it is expected that Portland has more rainfall, the truth is that the weather is typically dull, cloudy, and misty, making conditions unsatisfying. A convenient and affordable athletic center will substitute seamlessly for the dreary conditions in the Portland area by providing an indoor athletic center. With the membership rates increasing by a near five percent each year, *Sole Athletics* has potential to establish and develop a strong client base.



Portland Rain

### **Risks and Potential Adverse Results**

The business has many potential risks such as a change in gym membership demographics. A report from the International Health Racquet and Sports Club Association said that in recent years, the most prominent age group with athletic club memberships shifted from the 18 to 34 year old age group to age groups both older and younger. *Sole Athletics* plans to account for this change by introducing classes that appeal to both generations. The yoga and fitness classes that occur in the studio will attract more mature clients, while the parkour room and unique cycling classes will grasp the attention of the young and middle age group.



Competitor

Another possible risk is the growth in popularity of at home fitness equipment. The National Sporting Goods Association reported that sales of exercise related equipment increased from 5.1 billion to 5.3 billion in just one year. To counteract this dilemma, *Sole Athletics* will provide clients with experiences non attainable from home such as: unique classes with professional fitness trainers, a well knit community of people dedicated to personal fitness, state of the art equipment, and customer service. A unique variety of amenities will ensure that the business builds and maintains a strong consumer base.



## Financial Institution

*Sole Athletics* will use Umpqua Bank as its financial institution to best meet the needs of the business. Because the bank has a reputation for working with startup businesses, it is an excellent fit for *Sole Athletics*. Mr. Mestas has a positive past relationship working with the bank, ensuring a favorable reception. The company's ability to meet its goals will solidify and continue a strong relationship, for years to come.



## Loan Request

### **Purpose of Loan and Amount Requested**

Mr. Martinez, one of the co-owners of *Sole Athletics*, will individually invest \$300,000 into the company, but will need an extra loan to satisfy remaining obligatory costs. The possessors intend to acquire a loan from Umpqua Bank for \$50,000 combined with the \$425,000 from the potential angel investor, which will be used for the start-up of the business. Initial overhead costs encompass necessary equipment and hardware including gym equipment like treadmills and stair climbers, as well as items required in order to operate the business. With an interest rate of 5.2 percent, *Sole Athletics* will have the necessary capital to pay off the loan within 2.5 years with a regular monthly payment of about \$1,781. The total start-up capital will be \$775,000. This money will be used to pay the \$727,050 start-up cost, leaving *Sole Athletics* with \$47,950 or 6.2 percent in reserve.

| Start-Up Expenses     |                  |
|-----------------------|------------------|
| 2 Month Utilities     | 1,000            |
| Business              | 625,000          |
| Front Desk Register   | 600              |
| Legal Fees            | 6,000            |
| Member-tag Scanners   | 1,200            |
| Office Supplies       | 250              |
| Parkour Equipment     | 15,000           |
| Prepaid Insurance     | 6,000            |
| Speaker System        | 12,000           |
| Spring Floor          | 20,000           |
| Stationary Bikes      | 40,000           |
| <b>Total Start-Up</b> | <b>\$727,050</b> |

| Start-up Capital        |                  |
|-------------------------|------------------|
| Angel Investor          | 425,000          |
| Owners Investment       | 300,000          |
| Loan Request            | 50,000           |
| <b>Start-up Capital</b> | <b>\$775,000</b> |

| Reserve               |  |                 |
|-----------------------|--|-----------------|
| Total Capital         |  | 775,000         |
| Less Total Start-Up   |  | 727,050         |
| <b>Equals Reserve</b> |  | <b>\$47,950</b> |



## Itemized Planned Expenditures

The table below is *Sole Athletics*' planned expenditures for the first six months of the business being open. It includes the projections for sales as well as operating expenses. The direct cost of goods includes the pricing for all materials used in the Nutrition Bar as well as merchandise offered year round, while the projected revenue includes all services provided. *Sole Athletics* expects a decline in cash balance between the first four months due to initial opening and seasonal factors.

| First Six Month Itemized Planned Expenditures |                   |                   |                   |                   |                 |                 |
|---|-------------------|-------------------|-------------------|-------------------|-----------------|-----------------|
| Sales   | Sep               | Oct               | Nov               | Dec               | Jan             | Feb             |
| Projected Sales                               | 17,541            | 23,387            | 28,064            | 41,558            | 60,446          | 70,049          |
| Direct Cost of Goods                          | 3,200             | 3,200             | 3,300             | 3,750             | 4,501           | 3,430           |
| <b>Gross Margin</b>                           | <b>\$ 14,341</b>  | <b>\$ 20,187</b>  | <b>\$ 24,764</b>  | <b>\$ 37,808</b>  | <b>\$55,945</b> | <b>\$66,619</b> |
| Operating Expenses                            | Sep               | Oct               | Nov               | Dec               | Jan             | Feb             |
| Accounting                                    | 150               | 150               | 150               | 150               | 150             | 150             |
| Advertising                                   | 100               | 200               | 400               | 650               | 700             | 650             |
| Insurance                                     | 6,000             |                   |                   | 6,000             |                 |                 |
| Investment Repayment                          | 1,200             | 1,200             | 1,200             | 1,200             | 1,200           | 1,200           |
| Loan Repayment                                | 1,781             | 1,781             | 1,781             | 1,781             | 1,781           | 1,781           |
| Maintenance                                   | 200               | 200               | 300               | 340               | 400             | 400             |
| Miscellaneous                                 | 200               | 200               | 300               | 300               | 300             | 300             |
| Office Expenses                               | 50                | 50                | 100               | 100               | 200             | 200             |
| Payroll                                       | 25,880            | 25,880            | 25,880            | 25,880            | 25,880          | 25,880          |
| Payroll Tax                                   | 3,584             | 3,584             | 3,584             | 3,584             | 3,584           | 3,584           |
| Utilities                                     | 3,065             | 3,250             | 3,465             | 3,856             | 3,965           | 3,945           |
| <b>Total Operating Expenses</b>               | <b>\$ 42,210</b>  | <b>\$ 36,495</b>  | <b>\$ 37,160</b>  | <b>\$ 43,841</b>  | <b>\$38,160</b> | <b>\$38,090</b> |
| <b>Earnings Before Taxes</b>                  | <b>\$(27,869)</b> | <b>\$(16,308)</b> | <b>\$(12,396)</b> | <b>\$ (6,034)</b> | <b>\$17,785</b> | <b>\$28,529</b> |
| Reconciliation                                | Sep               | Oct               | Nov               | Dec               | Jan             | Feb             |
| Opening Cash Balance                          | 47,950            | 20,081            | 3,772             | (8,624)           | (14,658)        | 3,127           |
| Total Revenues                                | 14,341            | 20,187            | 24,764            | 37,808            | 55,945          | 66,619          |
| Total Disbursements                           | 42,210            | 36,495            | 37,160            | 43,841            | 38,160          | 38,090          |
| Net Cash Flow                                 | (27,869)          | (16,308)          | (12,396)          | (6,034)           | 17,785          | 28,529          |
| <b>Closing Cash Balance</b>                   | <b>\$ 20,081</b>  | <b>\$ 3,772</b>   | <b>\$ (8,624)</b> | <b>\$(14,658)</b> | <b>\$ 3,127</b> | <b>\$31,656</b> |



The table below shows the projections for the last six months of *Sole Athletics*' first year. During the winter months the business is expected to increase in sales due to a higher demand for fitness indoors, and potential New Year's resolutions. The spring is another high for the business as customers will search for a source to get ready for the summer. The owners are projected to take a salary, but are prepared to go without salary if the business is not profitable. In addition, *Sole Athletics* is expected to break even after the eighth month of operation.

| <b>Last Six Month Itemized Planned Expenditures</b> |                 |                 |                  |                  |                  |                   |
|---|-----------------|-----------------|------------------|------------------|------------------|-------------------|
| <b>Mar</b>  | <b>Apr</b>      | <b>May</b>      | <b>Jun</b>       | <b>Jul</b>       | <b>Aug</b>       | <b>Total</b>      |
| 62,109  | 58,314          | 65,566          | 66,816           | 61,825           | 58,688           | 614,362           |
| 2,680   | 2,680           | 3,160           | 3,310            | 3,476            | 3,440            | 40,127            |
| <b>\$59,429</b>                                     | <b>\$55,634</b> | <b>\$62,406</b> | <b>\$ 63,506</b> | <b>\$ 58,349</b> | <b>\$ 55,248</b> | <b>\$574,235</b>  |
|   |                 |                 |                  |                  |                  |                   |
| <b>Mar</b>  | <b>Apr</b>      | <b>May</b>      | <b>Jun</b>       | <b>Jul</b>       | <b>Aug</b>       | <b>Total</b>      |
| 150   | 150             | 150             | 150              | 150              | 150              | 1,800             |
| 540   | 450             | 400             | 400              | 300              | 200              | 4,990             |
| 6,000   |                 |                 | 6,000            |                  |                  | 24,000            |
| 1,200   | 1,200           | 1,200           | 1,200            | 1,200            | 1,200            | 14,400            |
| 1,781   | 1,781           | 1,781           | 1,781            | 1,781            | 1,781            | 21,372            |
| 340   | 300             | 250             | 200              | 200              | 200              | 3,330             |
| 300   | 250             | 200             | 200              | 200              | 200              | 2,950             |
| 150   | 150             | 100             | 100              | 50               | 50               | 1,300             |
| 25,880  | 25,880          | 25,880          | 25,880           | 25,880           | 25,880           | 310,560           |
| 3,584   | 3,584           | 3,584           | 3,584            | 3,584            | 3,584            | 43,013            |
| 3,856   | 3,810           | 3,545           | 3,250            | 3,065            | 3,060            | 42,132            |
| <b>\$43,781</b>                                     | <b>\$37,555</b> | <b>\$37,090</b> | <b>\$ 42,745</b> | <b>\$ 36,410</b> | <b>\$ 36,305</b> | <b>\$469,847</b>  |
|   |                 |                 |                  |                  |                  |                   |
| <b>\$15,647</b>                                     | <b>\$18,078</b> | <b>\$25,316</b> | <b>\$ 20,760</b> | <b>\$ 21,939</b> | <b>\$ 18,942</b> | <b>\$104,389</b>  |
|   |                 |                 |                  |                  |                  |                   |
| <b>Mar</b>  | <b>Apr</b>      | <b>May</b>      | <b>Jun</b>       | <b>Jul</b>       | <b>Aug</b>       | <b>Total</b>      |
| 31,656  | 47,304          | 65,382          | 90,698           | 111,458          | 133,397          | 531,543           |
| 59,429  | 55,634          | 62,406          | 63,506           | 58,349           | 55,248           | 574,235           |
| 43,781  | 37,555          | 37,090          | 42,745           | 36,410           | 36,305           | 469,847           |
| 15,647  | 18,078          | 25,316          | 20,760           | 21,939           | 18,942           | 104,389           |
| <b>\$47,304</b>                                     | <b>\$65,382</b> | <b>\$90,698</b> | <b>\$111,458</b> | <b>\$133,397</b> | <b>\$152,339</b> | <b>\$ 635,931</b> |



## Projected Sales Forecast

| Fee                          | Sales Forecast |               |               |               |               |               |               |               |               |               |               |                |
|------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
|                              | Sep            | Oct           | Nov           | Dec           | Jan           | Feb           | Mar           | Apr           | May           | Jun           | Jul           | Aug            |
| Number of Members            | 150 mem.       | 200 mem.      | 240 mem.      | 350 mem.      | 480 mem.      | 505 mem.      | 495 mem.      | 485 mem.      | 500 mem.      | 500 mem.      | 490 mem.      | 480 mem.       |
| Membership Fees              | 13,493         | 17,990        | 21,588        | 31,483        | 43,176        | 45,425        | 44,525        | 43,626        | 44,975        | 44,975        | 44,076        | 43,176         |
| Daycare                      | 1,349          | 1,799         | 2,159         | 3,778         | 8,635         | 9,085         | 6,234         | 4,363         | 6,746         | 7,196         | 7,052         | 6,045          |
| Nutrition Bar                | 2,699          | 3,598         | 4,318         | 6,297         | 8,635         | 9,539         | 9,350         | 8,725         | 9,445         | 9,445         | 9,697         | 9,067          |
| Mid Annual Fee               | 0              | 0             | 0             | 0             | 0             | 6,000         | 2,000         | 1,600         | 4,400         | 5,200         | 1,000         | 400            |
| <b>Total Projected Sales</b> | <b>17,541</b>  | <b>23,387</b> | <b>28,064</b> | <b>41,558</b> | <b>60,446</b> | <b>70,049</b> | <b>62,109</b> | <b>58,314</b> | <b>65,566</b> | <b>66,816</b> | <b>61,825</b> | <b>58,688</b>  |
|                              |                |               |               |               |               |               |               |               |               |               |               | <b>614,362</b> |

This table represents the projected sales for each service that Sole Athletics will provide. The gym is predicted to begin with few members due to its name recognition and the fact that it will have recently opened. Over the first few months, membership is predicted to increase. Near January, membership will drastically increase because people will be attempting to accomplish their New Year's resolutions, as well as prepare for a new start in the year. After January, membership is projected to stay consistent with a slight increase in the spring due to people's desire to get back into shape for summer. Membership will slightly decrease throughout the summer months; due in part to the fact that people will be transferring the majority of their physical activity outside.



### Projections for Future Stability of Company

*Sole Athletics* is expected to be successful in the future due to dedication and perseverance of the co-owners. The projected sales in the businesses second year are much larger than the projected sales in the first year because the business will start the second year with a consistent client base rather than no previous members. Each following year the projected sales increase a conservative 2.5 percent. A conservative estimate is used to ensure that the actual sales are not significantly lower than actually anticipated.

| <b>Sales</b>                    | <b>1st<br/>9/16-8/17</b> | <b>2nd<br/>9/17-8/18</b> | <b>3rd<br/>9/18-8/19</b> | <b>5th<br/>9/20-8/21</b> |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Projected Sales                 | 614,362                  | 673,545                  | 690,384                  | 725,335                  |
| Direct Cost of Goods            | 40,127                   | 42,010                   | 42,578                   | 43,378                   |
| <b>Gross Margin</b>             | <b>\$ 574,235</b>        | <b>\$ 631,535</b>        | <b>\$ 647,806</b>        | <b>\$ 681,957</b>        |
|                                 |                          |                          |                          |                          |
| <b>Operating Expenses</b>       | <b>9/16-8/17</b>         | <b>9/17-8/18</b>         | <b>9/18-8/19</b>         | <b>9/20-8/21</b>         |
| Accounting                      | 1,800                    | 1,800                    | 1,800                    | 1,800                    |
| Advertising                     | 4,990                    | 5,100                    | 5,559                    | 5,780                    |
| Insurance                       | 24,000                   | 24,000                   | 24,000                   | 24,000                   |
| Investment Repayment            | 14,400                   | 14,400                   | 14,400                   | 14,400                   |
| Loan Repayment                  | 21,372                   | 21,372                   | 10,686                   | 0                        |
| Maintenance                     | 3,330                    | 3,330                    | 4,100                    | 4,520                    |
| Miscellaneous                   | 2,950                    | 3,000                    | 3,270                    | 3,560                    |
| Office Expenses                 | 1,300                    | 1,300                    | 1,417                    | 1,600                    |
| Payroll                         | 310,560                  | 310,560                  | 310,560                  | 315,560                  |
| Payroll Tax                     | 43,013                   | 43,013                   | 43,013                   | 43,863                   |
| Utilities                       | 42,132                   | 42,132                   | 42,132                   | 42,132                   |
| <b>Total Operating Expenses</b> | <b>\$ 469,847</b>        | <b>\$ 470,007</b>        | <b>\$ 460,937</b>        | <b>\$ 457,215</b>        |
|                                 |                          |                          |                          |                          |
| <b>Earnings Before Taxes</b>    | <b>\$ 104,388</b>        | <b>\$ 161,528</b>        | <b>\$ 186,869</b>        | <b>\$ 224,742</b>        |



## **Supporting Documents**

### **Works Cited**

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