**Start-Up Costs**

Expenses for the first month based on what we need to start up the business.

|  |  |
| --- | --- |
| Start-Up Expenses | Amount |
| Employee Pay | $11,650 |
| Rent | $1,500 |
| Electricity, Water | $1,000 |
| Advertising | $1,000 |
| Internet | $300 |
| Insurance | $1,000 |
| Web Hosting Services | $200 |

**Total - Start-Up Expenses: $16,650**

|  |  |
| --- | --- |
| Start-Up Assets | Amount |
| Gym Equipment | $44,460 |
| Office Supplies | $400 |
| Lobby Furniture | $1,000 |
| VR Machines | $6,000 |
| Projectors | $3,000 |
| Wii-U Gaming Consoles | $1,000 |
| Xbox w/ Kinect | $2,000 |

**Total - Start-Up Assets: $57,860**

**Total Start-Up Costs: $74,510**

**Source and Use of Funds**

Our company will start with 4 founders. Each will be supplying $15,000 to the start-up costs. This will give us $60,000. The bank will loan us an amount equaling $200,000. They will do so by calculating what $60,000 is 30% of (which is $200,000), and loan us the remaining amount ($140,000). This will allow our company to begin with $200,000.

Our use of the funds are highlighted above in the tables for expenses and assets required. To start off we need a large amount of money to go into buying the equipment necessary to begin the gym. The start-up month will be, by far, the most expensive month we will need because of this. The following months will require some purchases of equipment but not nearly as much as the beginning, meaning our expenses per month will be cut by half or more following the first month.

**Break-Even Analysis**

Currently we are making a predicted $16,833 per month of profit. After the first month we are estimating monthly expenses to be roughly $17,000.

The first year will be very minimal if any profit although with the next table we can see that if our profit begins to rise as we gain a following we will begin making quite a bit of money as the facility progresses.

**Profit and Loss**

|  |  |  |
| --- | --- | --- |
| Income | Year 1 | Year 2 |
| Memberships | $128,000 | $140,800 |
| Merchandise | $15,000 | $16,500 |
| App purchases | $12,000 | $13,200 |
| In-store Food | $30,000 | $33,000 |
| Day passes | $17,000 | $18,700 |

* Year 2 will have an estimated increase in each category by 10%
* Net profit was found by calculating how much was made total – the costs for that year ($74,510 for the first month and $17,000 per month afterwards)
* Year 2 was calculated @ $18,000 expenses per month for the entire year to account for the larger spending required with a larger customer base. There was also no added equipment fees this year but could be bought if needed with the $6,200 made.

**Net Profit:**

**Year 1: -$59,510**

**Year 2: $6,200**

**Balance Information**

Assets:

We will be beginning with $200,000 and will be making an estimated $202,000 that year. This will give us cash assets of $402,000 to work with that year as a total figure.

A large portion of this will be used for long term assets which includes, gym equipment, gaming related equipment, and furniture for the lobby.

Short term assets include office supplies and merchandise which will be sold in-store and online from our website.

Liabilities:

We have $140,000 loaned from the bank currently that we will be using in our start-up costs. The current plan is to pay 4% per year once our net pay per year is no longer a negative amount.