

Brooklyn Basketball Academy

BUSINESS PLAN

STRATEGIES



★ BROOKLYN ★
BASKETBALL
ACADEMY

(347) 689-9535

152 6th Street, Brooklyn NY



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INTRODUCTION

Brooklyn Basketball Academy is an elite basketball training facility and academy located in the vibrant borough of Brooklyn, New York. We are dedicated to providing aspiring basketball players of all ages with top-notch coaching, cutting-edge training programs, and a nurturing environment that fosters growth and development on and off the court. Our mission is to empower athletes to reach their full potential, equipping them with the skills, knowledge, and mindset necessary to excel in the game of basketball.

At Brooklyn Basketball Academy, we take immense pride in being the only youth basketball academy in Brooklyn with not one, but two local facilities. Our unique distinction sets us apart, and we are dedicated to providing the best opportunities for basketball enthusiasts in our community. While there is another program in Brooklyn, it's important to note that it operates as a not-for-profit organization, further highlighting our commitment to offering comprehensive and exceptional programs to our players.

With Brooklyn's vibrant basketball culture and passionate players, we strive to be the go-to destination for those seeking to excel in the game. Whether you're a young aspiring player with dreams of playing at the collegiate or professional level, a high school athlete aiming for excellence, or an adult looking to elevate your skills, our comprehensive programs cater to all skill levels and aspirations.



“BBA was an awesome experience for my son. They not only develop players but also teach them through team concepts. Most importantly they value developing discipline and teamwork.”

— Steve Nash, 2X NBA MVP

Meet the Founder:

Giorgi, the visionary founder of Brooklyn Basketball Academy Inc., has an inspiring journey in the world of basketball. Hailing from Georgia, he showcased his talent early, representing his U16 Georgian Basketball National Team. At the age of 17, he ventured to the USA, seeking new opportunities to fuel his passion for the sport. Giorgi's dedication and skills led him to join the renowned Mountain State Academy in West Virginia, where he contributed to one of the top 25 varsity teams in the nation.



Continuing his impressive trajectory, Gio made waves at Hamilton Heights Christian Academy in Tennessee, securing a spot in the school's Hall of Fame. Earning a full athletic scholarship, he attended Union University in Jackson, TN, where he shone as a freshman, starting 10 consecutive games. Later, Gio transferred to the University of Minnesota Crookston, where he pursued a bachelor's degree in business management, with a minor in economics.

Harnessing his passion and expertise, Giorgi founded BBA with humble beginnings, training just three students at a park in Coney Island. With unwavering determination and five years of dedicated effort, BBA has now grown into an acclaimed program with 12 coaches and two state-of-the-art facilities. Each week, Giorgi and his team impact the lives of over 400 students, making BBA one of the most sought-after youth basketball programs in the vibrant city of NYC.

1. EXECUTIVE SUMMARY

Brooklyn Basketball Academy is a premier basketball facility and academy located in Brooklyn, New York. Our mission is to provide aspiring basketball players of all ages with exceptional coaching, state-of-the-art training programs, and a supportive environment to help them reach their full potential. With a focus on individualized player development and a commitment to excellence, we aim to become the leading destination for basketball enthusiasts in the Brooklyn community and beyond.

We recognize the deep love for basketball and the rich basketball culture that exists in Brooklyn. Our basketball programs offer a diverse range of options, including Travel Basketball - AAU, In-house League, Weekend Classes, Pre-school Basketball for 4-5 year olds, and engaging Camps & Clinics. Additionally, we are planning to introduce fitness classes for adults in our gym located below our court at the new facility. This initiative aims to provide parents with the opportunity to engage in workouts while their children receive top-notch training from our expert coaches. It not only adds value to our services but also promotes a healthy and active lifestyle within our basketball community.

As of June 30th, our year-to-date revenue has reached an impressive \$645,348.63. Looking ahead, we anticipate further substantial growth, with an expected additional half million in revenue by December 31st, bringing our total annual revenue to over a million dollars. This exceptional performance underscores the robust financial success and strong momentum of our business, resulting in a remarkable net profit of 50%. We are confident that our strategic approach and dedication will sustain this upward trajectory, allowing us to flourish and excel in the market.

We have identified a crucial funding need of \$600,000 that will be dedicated to two essential goals. The first objective involves renovating the ground floor space located at 162 25th Street, Brooklyn, NY 11232. The second objective is to acquire the necessary equipment to support our



operations effectively. With this funding, we aim to create a thriving and well-equipped space to serve our community and further our mission.

“A place where coaches focus on teaching the fundamentals of the game. Last year was my son’s first team basketball experience, and he loved every minute of it - a wonderful environment for youth basketball players.” — Igor Kokoškov, Atlanta Hawks Assistant Coach

2. SERVICES AND OFFERINGS

Brooklyn Basketball Company's mission is to inspire, educate, and empower basketball players of all ages and skill levels through exceptional coaching, comprehensive programs, and a supportive community.

The inception of our company traces back to 2018 when it all began with just three kids undergoing training sessions at the local park.

Witnessing the steady expansion of our clientele, I

recognized the immense potential and in 2019, officially established our company. From that pivotal moment onwards, our growth trajectory has been nothing short of remarkable. Over the span of 2019 to 2022, we have experienced a substantial surge in our student base, propelling the numbers from a mere three to an impressive 450 students.



Offerings

- **Travel Basketball - AAU**

At Brooklyn Basketball Academy, we offer a comprehensive range of basketball programs designed to cater to the diverse needs and skill levels of aspiring players. Our **Travel Basketball - AAU** program is an exclusive, invite-only opportunity for advanced level students seeking to elevate their game to new heights. We carefully recruit players from our **In-house League** and conduct tryouts to ensure the best talents join our ranks. The next tryout date is scheduled for Saturday, September 9th, 2023, and we encourage interested players to register through the provided link.

- **In-house League**

For intermediate and advanced youth basketball players from 1st to 9th grade, our **In-house League** provides a safe and engaging platform to practice and play organized basketball throughout the season. Participants benefit from regular sessions that foster skill development, teamwork, and sportsmanship.



- **Weekend Classes**

For those just starting their basketball journey, our **Weekend Classes** offer an excellent entry point. Created for beginner-level students, our coaches focus on teaching fundamental basketball skills and footwork in a fun and friendly environment, preparing them for future competitive play.

- **Pre-school Basketball for 4-5 year old**

Even the youngest basketball enthusiasts can get in on the action with our **Pre-school Basketball for 4-5 year-olds**. This introductory class covers dribbling, shooting, and basic basketball rules and fundamentals. Our coaches ensure that kids are actively engaged throughout the course, incorporating fun games and adjusting hoop heights to 8 feet to suit their age and skill level.

- **Camps & Clinics**

Furthermore, our **Camps & Clinics** provide enriching experiences during holidays and summertime, offering specialized training and further opportunities for skill development and growth. At Brooklyn Basketball Academy, we are dedicated to nurturing a thriving basketball community and empowering players of all ages to pursue their basketball dreams.

- **Merchandise**

We also offer a range of exclusive **merchandise** to enhance the experience of our athletes and fans. Our merchandise collection includes stylish hoodies, comfortable socks, and a variety of basketball accessories that showcase the BBA spirit. Whether you're a dedicated player, a proud parent, or a passionate supporter of the game, our merch is designed to represent your love for basketball and the vibrant culture of Brooklyn. Embrace the BBA identity with our premium-quality merchandise and showcase your commitment to the sport both on and off the court.

Market Position:

- Brooklyn Basketball Academy proudly stands as the only for-profit basketball academy in Brooklyn, setting us apart from other programs in the area.

Community Engagement:

- Brooklyn Basketball Company understands the importance of community engagement and actively seeks to make a positive impact. Through partnerships, initiatives, and events, the

company aims to create a strong basketball community that fosters support, growth, and camaraderie among players, coaches, and families.

Brooklyn Basketball Company is dedicated to helping players achieve their basketball goals, whether it's improving skills, pursuing collegiate opportunities, or reaching professional levels. With its comprehensive programs, experienced coaching staff, and community-focused initiatives, the company aims to make a lasting impact on the basketball landscape in Brooklyn and inspire a love for the game among athletes of all ages.



2. MARKET ANALYSIS

Brooklyn has a vibrant basketball culture with a high demand for quality basketball training and development programs. The market consists of both competitive players looking to improve their skills and recreational players seeking a fun and engaging basketball experience. We will differentiate ourselves by providing a comprehensive curriculum, experienced coaching staff, state-of-the-art facilities, and a focus on individualized player development.

Total Addressable Market (TAM):

The Total Addressable Market (TAM) for Brooklyn Basketball Academy encompasses all potential customers and participants within the geographical area of Brooklyn, New York, who have an interest in basketball training and development. This includes individuals of various age groups, skill levels, and aspirations, ranging from young children to adults.

For youth basketball programs, the TAM comprises parents and guardians seeking opportunities to enroll their children in basketball training to improve their skills and pursue their passion for the sport. The market also includes high school athletes who are striving to excel in competitive basketball and seek advanced coaching and skill development.

Additionally, Brooklyn Basketball Academy's TAM extends to adults in the area who are interested in participating in basketball for fitness, recreational purposes, or amateur competition. This segment covers individuals of varying skill levels, from beginners seeking fundamental training to more experienced players looking to refine their abilities.

As the only for-profit basketball academy in Brooklyn with two local facilities, Brooklyn Basketball Academy has a significant advantage in catering to the needs and preferences of its diverse TAM. By offering specialized programs such as In-house League, Weekend Classes, Pre-school Basketball, and Camps & Clinics, the academy can effectively target and engage its TAM, ensuring a strong and sustainable presence in the Brooklyn basketball market.

The Serviceable Addressable Market (SAM):

The Serviceable Addressable Market (SAM) for Brooklyn Basketball Academy comprises a subset of the Total Addressable Market (TAM) and represents the portion of potential customers that the



academy can realistically target and serve. In this context, the SAM focuses on specific segments and demographics within Brooklyn that align with the academy's offerings and capabilities.

For Brooklyn Basketball Academy, the SAM includes youth basketball players and their families residing in the local neighborhoods surrounding the academy's two facilities. It encompasses parents and guardians seeking high-quality basketball training programs for their children, and high school athletes looking to improve their skills and competitiveness.

The SAM also extends to adults in the Brooklyn area who are interested in basketball as a means of fitness, skill development, and recreational enjoyment. This segment covers individuals seeking specialized coaching and basketball classes provided by Brooklyn Basketball Academy's experienced trainers.

By focusing on the SAM, Brooklyn Basketball Academy can develop targeted marketing strategies, tailored programs, and personalized services that resonate with the needs and preferences of its local customer base. This approach allows the academy to maximize its market penetration, build a strong customer base, and establish itself as the go-to destination for basketball enthusiasts in the Brooklyn community.

SWOT:

STRENGTHS

- Coaching Staff
- Facilities
- International Basketball Approach
- Lack of Competition

OPPORTUNITIES

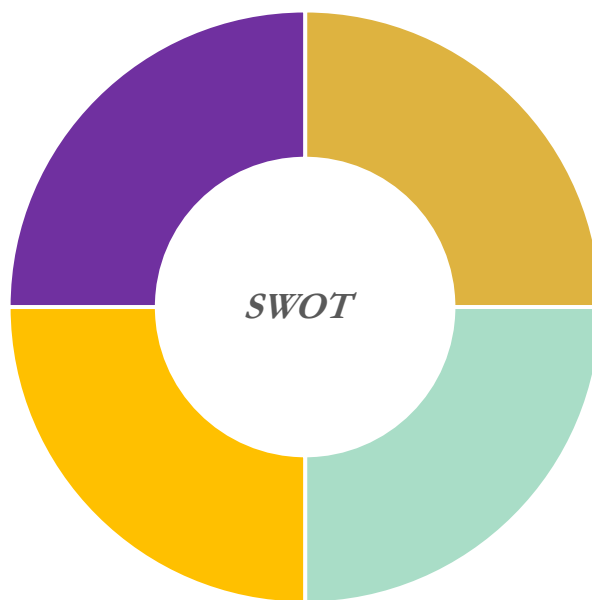
- Expansion into other areas of New York.
- Addition of new leagues.
- Potential to add adult training.

WEAKNESSES

- Limited in Space

THREATS

- New Entrant's to the market.





Competition:

In the dynamic landscape of Brooklyn's basketball scene, Brooklyn Basketball Academy stands as a unique player with limited competition. As the only for-profit basketball academy in the area, we have solidified our position as a leading force in nurturing basketball talent and passion. While there is one other basketball academy, it operates as a not-for-profit organization, setting us apart in terms of our business approach and objectives.

Moreover, our advantage extends beyond the direct competition. When teams are formed outside our academy, they often find their way into our highly sought-after In-house League. This enables us to not only foster a thriving basketball community but also capitalize on the creation and success of external teams, further strengthening our position in the market. With our commitment to excellence, tailored training programs, and a growing network of players and teams, Brooklyn Basketball Academy continues to thrive as the go-to destination for basketball enthusiasts and players of all levels.

3. MARKETING AND SALES PLAN

The marketing and sales plan for Brooklyn Basketball Academy is strategically designed to achieve key objectives, encompassing efforts to heighten brand awareness, attract a diverse customer base, and bolster enrollment.

Target Audience:

The target audience for Brooklyn Basketball Academy includes residents of upscale neighborhoods in Brooklyn known for their affluence and high-income demographics. This audience comprises families and individuals seeking premium services and facilities for their children's basketball training and development. They value exclusive experiences and prioritize their children's sports activities, investing in their growth and success. This affluent demographic also includes young professionals with a keen interest in basketball and a desire for top-notch facilities and coaching to enhance their skills and overall fitness. By catering to this target audience, Brooklyn Basketball Academy aims to provide a luxurious and unparalleled basketball training experience.

Local Partnerships and Networking:

To expand its reach and tap into new customer bases, Brooklyn Basketball Academy plans to actively collaborate with local schools, community centers, and sports organizations. Additionally, our strategic location provides a unique advantage as we are situated right next door to the Brooklyn Nets' practice facility. This proximity not only offers our athletes the exciting prospect of occasionally encountering professional players but also opens up opportunities for potential partnerships and shared resources with the NBA team.

Word-of-Mouth and Referral Program:

At Brooklyn Basketball Academy, fostering a strong sense of community and positive word-of-mouth is paramount. The Academy actively encourages satisfied athletes and parents to share their positive experiences with others, amplifying the impact of their success stories. Through organic and authentic word-of-mouth, the Academy aims to reach a broader audience and attract potential customers who resonate with the shared experiences of their peers.

Community Engagement:

Brooklyn Basketball Academy is dedicated to fostering meaningful connections within the local basketball community. To achieve this, the Academy proactively organizes community events, workshops, and open houses, providing valuable opportunities for engagement and interaction. These gatherings serve as platforms for athletes, coaches, and parents to come together, share their passion for basketball, and learn from one another. By actively participating in these events, the Academy aims to



forge lasting relationships with the community and demonstrate its dedication to supporting the growth and development of basketball enthusiasts.

PR and Media Coverage:

Brooklyn Basketball Academy has earned significant acclaim from renowned media outlets such as Forbes, BKLYNER, PIX 11, and New York Sports Connection, who have featured the Academy and Giorgi, in their articles. Leveraging this media coverage, the Academy proactively engages with the local press to build meaningful connections and enhance its visibility. Through strategic press releases, we proudly showcase our notable achievements, success stories, and upcoming events, effectively capturing the attention of our community and beyond. This proactive media approach has proven instrumental in solidifying our reputation as a leading basketball academy in Brooklyn and attracting even more dedicated players and families to experience the excellence of our programs.

Sales Process and Customer Acquisition:

Here is a breakdown of our fees:

Offering	Fee	Duration
Travel Basketball - AAU	\$2,200 per season (24 weeks)	September 18 - March 10
In-House League	\$1,750.	September 18 - March 10 (24 weeks)
Weekend Classes	\$1,200 (23 classes)	September 18 - March 10
Pre-school Basketball for 4-5 year old	\$900	September 18 - March 10
Camps & Clinics	5 weeks - \$1,200 3 weeks - \$800	Dependent on the Season.

Customer Retention and Loyalty:

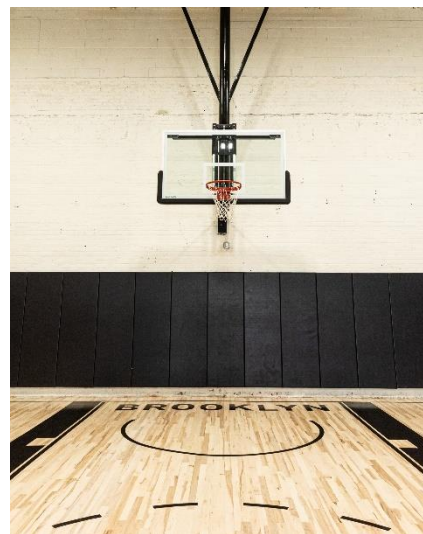
Brooklyn Basketball Academy is deeply committed to nurturing lasting relationships with our valued customers. To achieve this, we have implemented robust strategies aimed at enhancing customer retention and fostering loyalty. Our athletes and parents enjoy exclusive perks, access to advanced training opportunities, and ongoing communication to ensure they feel truly valued and supported throughout their journey with us. By providing personalized attention and catering to individual needs, we strive to create a sense of belonging and excitement within our community.

4. THE FACILITIES

Brooklyn Basketball Academy takes immense pride in our continuous growth and dedication to basketball development. Currently operating one successful facility, with another under construction and an impactful partner program for coaching training, we are committed to shaping the future of basketball in Brooklyn and beyond. Our passion for the sport drives us to provide top-notch training and a supportive environment for aspiring basketball enthusiasts. With our new facility and strategic partnerships, we look forward to expanding our reach and nurturing basketball talents within the community.

The Current Facilities:

The Brooklyn Basketball Academy currently operates from two key locations, each serving a unique role in our mission to provide exceptional basketball training and development opportunities. Our main facility, located at 152 6th Street, Brooklyn, NY, boasts a spacious 4,000 square feet area, making it the central hub of our operations. Within this facility, we proudly serve a total of 280 enthusiastic students who benefit from our comprehensive training programs. To ensure the success of our programs, we have a dedicated team consisting of one program director and six skilled coaches, who work passionately to nurture the talents of our aspiring basketball players.



In addition to our main facility, BBA collaborates with the Federation of Italian American Organizations (FIAO) at their location, 8711 18th Avenue, Brooklyn, NY. This partnership allows us to expand our reach and impact through a partner program that offers quality basketball training to an additional 120 students. To ensure the success and effectiveness of this program, we have three experienced coaches who bring their expertise and dedication to empower the young athletes under the FIAO program.

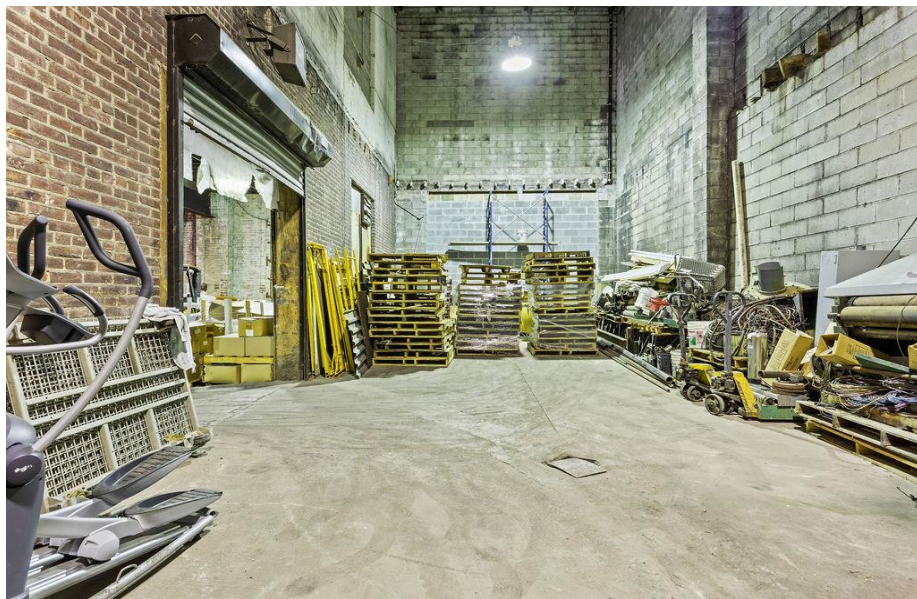
These two locations are instrumental in realizing our vision of developing skilled and passionate basketball players, fostering a love for the game, and creating a thriving basketball community in

Brooklyn. Through our dedicated staff and commitment to excellence, we continue to make a meaningful difference in the lives of our students and the community at large.

The New Facility:

We are thrilled to introduce our new facility, which represents a significant upgrade from our existing space. The new gym boasts a spacious 6,500 square foot area, perfectly suited for a standardized basketball court, whereas our current Warehouse space comprises only 4,000 square feet. The address of our new facility is 162 25th Street, Brooklyn, NY 11232, conveniently located just 19 blocks from our current location, ensuring continuity and easy accessibility for our valued members.

The new space offers additional benefits beyond its size and location. Besides the primary basketball court area, the ground floor of the facility spans an impressive 7,500 square feet. Although the ceiling height prevents us from constructing a basketball court in this space, we are excited to announce our plans to utilize it as a dedicated training facility. This fitness training area will accommodate strength and conditioning equipment, creating an opportunity to diversify our services and generate additional revenue streams.



One of the most significant advantages of opening a new space is the potential to expand our capacity by accommodating 300 more members. This expansion will allow us to reach a broader audience and serve a larger community of basketball enthusiasts and fitness enthusiasts alike. Furthermore, the standardized basketball court in the new facility ensures a consistent

and high-quality experience for our members. The proper dimensions and features of the court will enhance the overall gameplay and provide a more enjoyable environment for players and spectators alike.



In addition to the increased capacity and improved facilities, the expansion also creates a positive impact on employment opportunities. With the new space, we will create job openings for seven new employees. These positions will help strengthen our team, allowing us to offer even better service and support to our members.

Overall, the opening of this new space marks a significant milestone for our organization. The facility upgrade not only elevates the basketball experience for our members but also introduces new possibilities for fitness training and revenue generation. With our commitment to continuous improvement and growth, we are excited to make our mark in the community and remain a premier destination for basketball enthusiasts and fitness enthusiasts alike.



5. FINANCIAL PLAN

Revenue Projections:

To further bolster revenue streams, the financial plan incorporates additional sources, such as merchandise sales and sponsorship opportunities. By diversifying income avenues, Brooklyn Basketball Academy is poised to not only achieve financial stability but also enhance its capacity to invest in cutting-edge training facilities, exceptional coaching staff, and innovative programs, solidifying its position as a leading basketball training institution.

As of June 30th, our revenue stood at \$ 645,348.63 for the year. Moving forward, from now until December 31st, we expect to collect another half million, bringing our total revenue to over a million dollars for the year. These figures demonstrate the strong growth and financial success of our business, with a net profit of 50% contributing to this positive performance. We are confident in our ability to maintain this upward trajectory and continue to thrive in the market.

See Current Statements Attached to the Subsequent Appendices:

Balance sheet as of June 30th, 2023 on Appendix A:

Income statement stands as of June 30th, 2023 on Appendix B:

6. NEEDS ASSESSMENT

Our current business plan outlines a critical funding requirement of \$600,000, which will be allocated towards two pivotal objectives: renovating and acquiring equipment for the ground floor space situated at 162 25th Street, Brooklyn, NY 11232. This financial investment is crucial for the expansion and enhancement of our facilities, allowing us to create a state-of-the-art environment that aligns perfectly with our vision for growth and success. With these funds, we are poised to optimize the potential of the ground floor space, transforming it into a dynamic and inviting setting that will significantly contribute to our overall business objectives. By securing the necessary resources, we aim to solidify our presence and foster an environment that fosters excellence, innovation, and customer satisfaction.

As a result of our business's remarkable success and growing demand for our services, we have identified a significant need to expand our operations in the area. Our goal is to replicate our proven business model in another location to extend our services to a larger number of students. The new space offers substantial advantages over our existing location, primarily due to its larger size and versatility.

The new gym, occupying a 6,500 square feet space, provides the perfect setting for a standardized basketball court, making it a substantial upgrade from our current 4,000 square feet Warehouse space. The address of the new location is 162 25th Street, Brooklyn, NY 11232, just 19 blocks away from our current facility. Moreover, the ground floor of the new space spans 7,500 square feet and will be utilized to establish a state-of-the-art training facility.

The benefits of opening this new space are manifold. Firstly, it will allow us to accommodate an additional 300 students, expanding our reach and impact on aspiring athletes. With a standardized basketball court, we aim to enhance the quality of our training programs, ensuring a consistent and professional experience for our students. Furthermore, the ground floor will house a fitness training area, including a strength and conditioning zone, which can act as an additional revenue generator. In the process of expanding, we will also be providing job opportunities for seven new employees, contributing to the local workforce.





When projecting the potential numbers for the basketball court on the second floor, we estimate that 300 new students will enroll, paying an average monthly rate of \$345 per student, resulting in an income of \$103,500 per month. With operational expenses projected at approximately \$50,000 per month, the potential for profitability is substantial.

Additionally, the ground floor's fitness center will offer membership-based programs for middle-school, high-school, college, and professional athletes, as well as non-athletes. With the capacity to accommodate 1000 members, this segment has the potential to generate significant revenue for the company.

Furthermore, the ground floor will include a shooting lab, featuring a small-size court for individual training and shooting practice. This additional income stream will offer private training sessions at a cost of \$60 per student for 45 minutes, with a daily capacity of 15-20 players.

The combined potential of both the upstairs space and ground floor projects estimates revenue of \$1.7 million and \$2 million per year, respectively. Taking into account operational costs, we project that the consolidation of both locations could lead to approximately \$5 million in revenue for the year 2024.

To leverage the ample space available, we have decided to launch a high-level training facility for athletes and non-athletes on the ground floor, utilizing the 7,500 square feet space to its fullest potential. This expansion will enable us to cater to a broader audience, providing top-notch training services in a state-of-the-art setting.

7. CONCLUSION

We take immense pride in offering a wide array of basketball programs tailored to meet the unique needs and skill levels of aspiring players of all ages. Our exclusive Travel Basketball - AAU program invites advanced-level students seeking to take their game to the next level, while our In-house League provides a safe and engaging platform for intermediate and advanced youth players to hone their skills. For beginners, our Weekend Classes and Pre-school Basketball program offer a fun and supportive introduction to the sport.



Additionally, our Camps & Clinics provide enriching experiences and specialized training opportunities during holidays and summertime. Beyond our exceptional training programs, we are committed to building a thriving basketball community in Brooklyn and actively engage with local schools, organizations, and media to

showcase the passion and excellence that define our academy. As the only for-profit basketball academy in the area, we stand out from other programs, and our dedication to community engagement reinforces our mission to nurture a dynamic and supportive basketball environment for all.

With the addition of our new location, we are thrilled to expand and enrich our current offerings, providing an opportunity for more students to experience the transformative power of basketball. Our mission is to instill the very fundamentals that have shaped some of our distinguished coaches, including JJ Reddick and Steve Nash, cultivating a new generation of skilled and passionate players. Through our extended facilities and dedicated coaching staff, we aim to empower aspiring athletes with the same foundational skills that have propelled these exceptional coaches to greatness.

8. APPENDIX A

BROOKLYN HOOPSTER INC	
Balance Sheet	
Assets	
Current assets	
Cash - Chase Checking	\$ 58,055.59
Saving - Chase 9635	\$ 68,976.29
Total current assets	\$ 127,031.88
Property plant and equipment	
Automobiles - MB Truck	\$ 87,115.47
Furniture and fixtures	\$ 9,000.00
Construction of the Gym #1	\$ 365,347.30
Construction for New Gym #2	\$ 273,000.00
Accum. deprec.- Automobiles	\$ (9,299.00)
Accum. deprec.- Furniture and fixtures	\$ (770.00)
Accum. amort. - Leasehold improvements	\$ (79,158.25)
Total property plan and equipment	\$ 645,235.52
Other assets	
Deposits - Rent	\$ 20,000.00
Total other assets	\$ 20,000.00
Total assets	\$ 792,267.40
Liabilities and Equity	
Current Liabilities	
Chase CC Payable - 7520	\$ 3,580.01
Wages Payable	\$ (0.59)
Federal withholding tax payable	\$ (80.78)
State withholding tax payable	\$ 654.81
Disability insurance payable	\$ 71.46
Loans from shareholders	\$ 25,000.00
Total current liabilities	\$ 29,224.91
Long-term liabilities	
Long term liabilities - SBA	\$ 260,000.00
Long term liabilities - Chase	\$ 52,290.81
LT Loan - Mercedes	\$ 59,164.03
Total long-term liabilities	\$ 371,454.84
Equity	
Retained earnings	\$ 391,587.65
Total equity	\$ 391,587.65
Total liabilities and equity	\$ 792,267.40

9. APPENDIX B

Income Statement
For the six months ended June 30, 2023

Operating revenue

Sales \$ 645,348.63

Total operating revenue \$ 645,348.63

Operating expenses

Advertising	\$ 1,903.57
Auto expense - Gas	\$ 674.83
Auto expense - Repair & maintenance	\$ 136.49
Bank service charges	\$ 122.49
Cleaning	\$ 4,605.00
Depreciation	\$ 43,549.25
Dues and subscriptions	\$ 511.58
Insurance - General liability	\$ 9,288.64
Marketing	\$ 7,630.09
Meals and entertainment	\$ 15,565.89
Miscellaneous	\$ 887.16
Office expense	\$ 699.90
Gym expense	\$ 25,002.52
Business expense	\$ 9,139.02
Office expenses - Printing and reproduction	\$ 25.98
Purchase	\$ 5,844.74
Outside services	\$ 43,509.00
Taxes & licenses	\$ 2,395.25
Payroll taxes	\$ 4,444.74
Penalties and fines	\$ 664.36
Professional fees	\$ 2,500.00
Professional fees - Accounting	\$ 4,605.66
Rent	\$ 53,100.00
Salaries - Officers	\$ 15,000.00
Salaries - Others	\$ 43,101.00
Sanitation	\$ 241.40
Security	\$ 26.13
Supplies	\$ 1,912.74
Telephone & Fax	\$ 1,073.01
Travel	\$ 4,728.42



Transportation	\$	314.90
Utilities	\$	130.93
Utilities - Gas and electric	\$	2,701.25
Utilities - Internet	\$	2,471.37
Total operating expenses	\$	308,507.31
Income from operations	\$	336,841.32
Other income		
Other income	\$	534.77
Total other income	\$	534.77
Other expenses		
Parking and toll	\$	406.55
Donation	\$	5,000.00
Interest expense	\$	7,797.11
Other expense	\$	1,736.61
Total other expenses	\$	14,940.27
Income before provision for taxes	\$	322,435.82
Provision for income taxes		
Federal income tax	\$	25,378.00
State income tax	\$	17,522.00
Total provision for income taxes	\$	42,900.00
Net income (loss)	\$	279,535.82
Retained earnings, beginning	\$	141,147.00
Distributions	\$	(29,095.17)
Retained earnings, ending	\$	391,587.65

10. APPENDIX C

