

Continental Country Club, Inc.
Income Statement
for the Month of Mar, 2016

	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec to Prior Yr</u>
Revenues:				
Membership Income	\$ 127,659	\$ 128,871	\$ 100,382	27.2%
Golf Income	50,791	-	66,345	-23.4%
Other Income	600	500	490	22.4%
Total Revenues	\$ 179,050	\$ 129,371	\$ 167,217	7.1%
Expenses:				
Flagstaff Golf Maintenance Company	36,125	36,591	31,805	13.6%
Golf Course Reclaimed Water	6,258	7,070	2,943	112.7%
Golf Cart Lease	6,763	6,764	6,763	0.0%
Cost of Goods Sold Golf	4,227	-	5,128	-17.6%
Wyndham Maintenance & Other Payments	8,177	8,450	11,388	-28.2%
Lake Elaine	11,091	19,615	22,658	-51.1%
Walnut Canyon Lakes Park	865	2,940	856	1.0%
Employee Compensation & Benefits	41,182	43,846	29,874	37.9%
Building, Equipment & Grounds	12,978	16,362	8,942	45.1%
Utilities	12,293	11,583	8,693	41.4%
Legal & Consulting	7,381	15,167	4,200	75.7%
Property Insurance & Taxes	6,630	6,357	7,050	-6.0%
Depreciation & Amortization	17,364	16,607	16,364	6.1%
Merchant Services & Bank Fees	2,180	2,300	521	318.7%
Advertising & Website Costs	5,566	3,885	3,272	70.1%
All Other Expenses	4,431	4,110	4,964	-10.7%
Total Expenses	\$ 183,511	\$ 201,647	\$ 165,419	10.9%
Earnings Before Interest & Taxes	(4,460)	(72,276)	1,797	348.2%
Interest Expense	5,826	6,400	5,984	-2.6%
Pre-tax Income/(Loss)	\$ (10,287)	\$ (78,676)	\$ (4,187)	-145.7%

(5)

Continental Country Club, Inc.
Income Statement
Year to Date Mar, 2016

	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec to Prior Yr</u>
Revenues:				
Membership Income	\$ 381,651	\$ 384,388	\$ 308,776	23.6%
Golf Income	96,323	42,273	67,716	42.2%
Other Income	4,285	2,000	3,270	31.0%
Total Revenues	\$ 482,259	\$ 428,661	\$ 379,762	27.0%
Expenses:				
Flagstaff Golf Maintenance Company	87,607	93,231	84,233	4.0%
Golf Course Reclaimed Water	6,258	7,730	3,108	101.4%
Golf Cart Lease	6,763	6,764	6,763	0.0%
Cost of Goods Sold Golf	4,472	-	5,424	-17.5%
Wyndham Maintenance & Other Payments	26,093	25,350	29,444	-11.4%
Lake Elaine	28,416	89,845	48,894	-41.9%
Walnut Canyon Lakes Park	8,228	11,720	2,806	193.3%
Employee Compensation & Benefits	90,832	105,820	62,959	44.3%
Building, Equipment & Grounds	32,392	25,486	14,503	123.3%
Utilities	33,382	31,699	24,895	34.1%
Legal & Consulting	31,540	34,099	10,223	208.5%
Property Insurance & Taxes	19,890	18,811	18,107	9.8%
Depreciation & Amortization	49,091	49,821	49,091	0.0%
Merchant Services & Bank Fees	4,832	9,900	6,888	-29.9%
Advertising & Website Costs	16,916	8,345	4,104	312.2%
All Other Expenses	10,916	9,895	11,929	-8.5%
Total Expenses	\$ 457,627	\$ 528,516	\$ 383,371	19.4%
Earnings Before Interest & Taxes	24,632	(99,855)	(3,609)	782.4%
Interest Expense	18,385	19,200	19,447	-5.5%
Pre-tax Income/(Loss)	\$ 6,248	\$ (119,055)	\$ (23,056)	127.1%

6

**Continental Country Club, Inc.
Income Statement - Golf Business Unit
Month of Mar, 2016**

	Actual	Budget	Prior Year	%Inc/Dec to Prior Yr
Revenues:				
Golf Member Income	500	-	39,766	-98.7%
High Country Card	3,762	-	0	37619900.0%
Green Fees	-	-	-	0.0%
Cart Fees	-	-	-	0.0%
Driving Range Income	-	-	-	0.0%
Golf Shop Sales	3,628	-	-	0.0%
Pre & Post Season Income	42,901	-	4,660	-22.1%
Other Golf Income	-	-	21,919	95.7%
Total Revenues	\$ 50,791	\$ -	\$ 66,345	-23.44%
Expenses:				
FGMC Expenses	36,125	36,591	31,805	13.6%
Golf Course Reclaimed Water	6,258	7,070	2,943	112.7%
Golf Cart Lease	6,763	6,764	6,763	0.0%
Cost of Good Sold Golf	4,227	-	5,128	-17.6%
Employee Compensation & Benefits	18,848	16,281	14,056	34.1%
Building, Equipment & Grounds Utilities	9,218	11,800	6,169	49.4%
Consulting Fees	3,841	3,110	2,566	49.7%
Property Insurance & Taxes	2,000	2,885	2,000	0.0%
Depreciation and Amortization	1,992	1,999	2,030	-1.9%
Interest Expense	11,199	11,330	11,199	0.0%
Merchant Services & Bank fees	5,826	6,400	5,984	-2.6%
Advertising & Website Costs	685	800	456	50.3%
All Other Expenses	1,483	3,100	1,490	-0.4%
	2,513	4,620	3,741	-32.8%
Total Expenses	\$ 110,978	\$ 112,750	\$ 96,328	15.21%
Net Income	(60,187)	(112,750)	(29,983)	300.73%
Less Depreciation	11,199	11,330	11,199	0.0%
Cash Flow	(48,988)	(101,420)	(18,785)	360.79%
Less Interest	5826	6400	5984	-2.64%
Operating Income	(43,162)	(95,020)	(12,800)	337.19%
Number of Participants	2016	Budget	2015	%Inc/Dec
Number of Rounds	0	0	0	0.0%
Cart Rentals	0	0	0	0.0%
Practice Facility	0	0	0	0.0%
Average Dollar Per Round	-	-	-	0.0%
Green & Cart Fees	-	-	-	0.0%
Practice Facility	-	-	-	0.0%
Gross Profit on Golf Shop Sales	-17%	0%	-10%	64.3%

7

Apr 10, 2016

page 3 of 9

Prepared By: Kristy Noble

Continental Country Club, Inc. Income Statement - Golf Business Unit Year to Date Mar, 2016

	Actual	Budget	Prior Year	%Inc/Dec to Prior Yr
Revenues:				
Golf Member Income	45,545			14.5%
High Country Card	3,861	42,273	39,766	38609900.0%
Green Fees	-	-	0	0.0%
Cart Fees	-	-	-	0.0%
Driving Range Income	-	-	-	0.0%
Golf Shop Sales	3,994	-	-	0.0%
Pre & Post Season Income	42,923	-	4,908	-18.6%
Other Golf Income	-	-	23,042	86.3%
Total Revenues	\$ 96,323	\$ 42,273	\$ 67,716	42.25%
Expenses:				
FGMC Expenses	87,607	93,231	84,233	4.0%
Golf Course Reclaimed Water	6,258	7,730	3,108	101.4%
Golf Cart Lease	6,763	6,764	6,763	0.0%
Cost of Good Sold Golf	4,472	-	5,424	-17.5%
Employee Compensation & Benefits	30,836	32,586	25,312	21.8%
Building, Equipment & Grounds Utilities	16,251	11,800	6,969	133.2%
Consulting Fees	9,927	8,705	8,556	16.0%
Property Insurance & Taxes	6,969	8,655	6,000	16.1%
Depreciation and Amortization	5,976	5,997	6,090	-1.9%
Interest Expense	33,990	33,990	33,596	0.0%
Merchant Services & Bank fees	18,385	19,200	19,330	-4.9%
Advertising & Website Costs	828	1,400	817	1.4%
All Other Expenses	7,342	6,800	2,113	247.5%
	6,075	6,245	3,823	58.9%
Total Expenses	\$ 241,285	\$ 243,103	\$ 212,135	13.74%
Net Income	(144,962)	(200,830)	(144,419)	0.38%
Less Depreciation	33,596	33,990	33,596	0.0%
Cash Flow	(111,366)	(166,840)	(110,823)	0.49%
Less Interest	18385	19200	19330	-4.9%
Operating Income	(92,981)	(147,640)	(91,494)	1.63%
Number of Participants	2016	Budget	2015	%Inc/Dec
Number of Rounds	0	0	0	0.0%
Cart Rentals	0	0	0	0.0%
Practice Facility	0	0	0	0.0%
Average Dollar Per Round	-	-	-	0.0%
Green & Cart Fees	0	0	0	0.0%
Practice Facility	0	0	0	0.0%
Gross Profit on Golf Shop Sales	-	-	-	0.0%
	-12%	0%	-11%	13.8%

29

Apr 10, 2016

page 4 of 9

Prepared By: Kristy Noble

9

Continental Country Club, Inc.
Income Statement - Small Business Units
March, 2016

Tennis				
MTD				
	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
Revenues:				
Total Tennis Revenues	\$ 600	\$ 500	\$ 490	22.4%
Expenses:				
Total Tennis Expenses	582	510	80	625.8%
Earnings Before Interest & Taxes	<u>\$ 18</u>	<u>\$ (10)</u>	<u>\$ 410</u>	<u>-95.60%</u>

YTD				
	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
Revenues:				
Total Tennis Revenues	\$ 4,285	\$ 2,000	\$ 3,270	31.0%
Expenses:				
Total Tennis Expenses	1,040	1,040	241	332.5%
Earnings Before Interest & Taxes	<u>\$ 3,245</u>	<u>\$ 960</u>	<u>\$ 3,029</u>	<u>7.10%</u>

Legal & Consulting Fees Detail				
MTD Expenses				
	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
Attorney & Legal Fees	\$ 5,381	\$ 867	\$ 0	53808900.0%
Accounting & Review	-	6,000	2,200	-100.0%
Consulting (Lake Elaine Project)	-	5,500	0	-100.0%
Consulting (OB Sports)	2,000	2,800	2,000	0.0%
Total Legal & Consulting Expenses	<u>\$ 7,381</u>	<u>\$ 15,167</u>	<u>\$ 4,200</u>	<u>75.7%</u>

YTD Expenses				
	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
Attorney & Legal Fees	\$ 8,454	\$ 5,267	\$ 2,023	317.9%
Accounting & Review	-	8,200	2,200	-100.0%
Consulting (Lake Elaine Project)	16,117	12,232	0	161164900.0%
Consulting (OB Sports)	6,969	8,400	6,000	16.1%
Total Legal & Consulting Expenses	<u>\$ 31,540</u>	<u>\$ 34,099</u>	<u>\$ 10,223</u>	<u>208.5%</u>

Continental Country Club, Inc.
Income Statement - Lakes
March, 2016

(10)

Lake Elaine

MTD Expenses

	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
Irrigation and lake water	\$ 9,637	\$ 15,600	\$ 19,301	-50.1%
Utilities	789	750	737	7.0%
Maintenance contract labor	225	725	1,376	-83.6%
Fish	150	-	0	1499900.0%
Chemicals	240	2,250	1,195	-79.9%
Equipment repairs	-	250	0	-100.0%
Other Expenses	50	40	50	0.0%
Total Expenses	\$ 11,091	\$ 19,615	\$ 22,658	-51.1%

YTD Expenses

	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
Irrigation and lake water	\$ 25,340	\$ 73,250	\$ 36,688	-30.9%
Utilities	2,311	2,300	2,217	4.2%
Maintenance contract labor	225	1,675	3,242	-93.1%
Fish	150	10,000	5,403	-97.2%
Chemicals	240	2,250	1,195	-79.9%
Equipment repairs	-	250	0	-100.0%
Other Expenses	150	120	150	0.0%
Total Expenses	\$ 28,416	\$ 89,845	\$ 48,894	-41.9%

Walnut Canyon Lakes

MTD Expenses

	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
Irrigation and lake water	\$ -	\$ 1,400	\$ 0	-100.0%
Utilities	328	200	171	91.7%
Maintenance contract labor	225	400	0	2249900.0%
Fish	100	-	0	999900.0%
Chemicals	162	750	635	-74.5%
Equipment repairs	-	150	0	-100.0%
Other Expenses	50	40	50	0.0%
Total Expenses	\$ 865	\$ 2,940	\$ 856	1.0%

YTD Expenses

	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
Irrigation and lake water	\$ 2,429	\$ 1,400	\$ 120	1929.2%
Utilities	2,239	600	538	315.8%
Maintenance contract labor	1,900	3,700	0	18999900.0%
Fish	100	5,000	1,363	-92.7%
Chemicals	162	750	635	-74.5%
Equipment repairs	1,249	150	0	12486500.0%
Other Expenses	150	120	150	0.0%
Total Expenses	\$ 8,228	\$ 11,720	\$ 2,806	193.3%

Continental Country Club, Inc.
Statement of Cash Flows
Month to date Mar, 2016

(11)

	<u>Actual</u>	<u>Prior Year</u>
Cash Flow from Operations:		
Operating Income	\$ (10,287)	\$ (4,187)
Adjustments to Reconcile Operating Income to Cash Flow:		
Depreciation & Amortization	17,364	16,364
Receivables - (Up)/Down	(58,324)	(94,599)
Inventory - (Up)/Down	(2,543)	1,959
Prepaid Expenses - (Up)/Down	(43,194)	12,962
Payables - Up/(Down)	(13,897)	(92,493)
Accrued Expenses - Up/(Down)	(9,955)	2,806
Net Cash Flow from Operations	\$ (120,837)	\$ (157,188)
Investing Cash Flows:		
Purchase of Capital Equipment (Net)	(9,140)	(23,612)
Investment in FGMC	(26,411)	-
Other Investing Cash Flows	-	-
Investing Cash Flow	\$ (35,551)	\$ (23,612)
Financing Cash Flows:		
Advance on Bank Line of Credit	-	-
Payment on Bank Line of Credit	-	-
Release of LE Restricted Funds	-	-
Payment on Capital Lease	-	-
Payment of Bank Term Loan	(6,404)	(6,246)
Financing Cash Flow	\$ (6,404)	\$ (6,246)
Net Change in Cash	\$ (162,792)	\$ (187,046)
Cash at Beginning of Period	\$ 751,607	\$ 454,244
Cash at End of Period	\$ 588,815	\$ 267,198
Cash Flow Increase/Decrease	\$ 321,618	120%

Continental Country Club, Inc.
Statement of Cash Flows
YTD Total

(12)

	<u>2016</u> <u>YTD</u>	<u>2015</u> <u>YTD</u>
Cash Flow from Operations:		
Operating Income	\$ 6,248	\$ (23,056)
Adjustments to Reconcile Operating Income to Cash Flow:		
Depreciation & Amortization	49,091	49,091
Receivables - (Up)/Down	396,356	285,859
Inventory - (Up)/Down	306	2,255
Prepaid Expenses - (Up)/Down	(76,440)	(31,230)
Payables - Up/(Down)	14,443	(90,288)
Accrued Expenses - Up/(Down)	(754)	9,656
Net Cash Flow from Operations	\$ 389,249	\$ 202,286
Investing Cash Flows:		
Purchase of Capital Equipment (Net)	(30,424)	(26,237)
Investment in FGMC	(30,389)	-
Other Investing Cash Flows	-	-
Investing Cash Flow	\$ (60,813)	\$ (26,237)
Financing Cash Flows:		
Advance on Bank Line of Credit	-	-
Payment on Bank Line of Credit	-	-
Release of Restricted Funds	-	-
Payment of Bank Term Loan	(18,306)	(17,361)
Financing Cash Flow	\$ (18,306)	\$ (17,361)
Net Change in Cash	\$ 310,130	\$ 158,688
Cash at Beginning of Period	\$ 277,685	\$ 111,507
Cash at End of Period	\$ 587,815	\$ 270,195
Cash Flow Increase/Decrease	\$ 317,620	118%

**Continental Country Club
Capital Investment Breakdown**

(13)

<u>March</u>	<u>2016</u> <u>YTD</u>	<u>2016</u> <u>Budget</u>	<u>Notes</u>
Purchase of Capital Equipment (Net) Equipment			
Bob Cat	14,250	15,000	approved
Signs/ Street entry	-	12,500	
Hot Water Heater	5,495	-	new, BOD approved
Total Equipment Investments	<u>\$ 19,745</u>	<u>\$ 27,500</u>	
Parking Improvement			
Parking Lot	-	10,000	
Total Parking Improvements	<u>\$ -</u>	<u>\$ 10,000</u>	
Pool Improvements			
Pool House upgrade	-	4,000	
Total Pool Improvements	<u>\$ -</u>	<u>\$ 4,000</u>	
Building Upgrades			
Fitness Room	-	4,400	
Carpet	4,423	-	admin offices
Total Building Upgrades	<u>\$ 4,423</u>	<u>\$ 4,400</u>	
Golf			
15th Tee Box	-	3,000	
Carpet	6,256	5,500	extra for flooring issue
Cart Path	-	9,000	
Total Golf	<u>\$ 6,256</u>	<u>\$ 17,500</u>	
FGMC Investment			
Capital Lease	5,977	15,600	approved
Equipment	24,412	25,000	approved
FGMC Total	<u>\$ 30,389</u>	<u>\$ 40,600</u>	
Total Purchase of Capital	<u>\$ 60,813</u>	<u>\$ 104,000</u>	

Continental Country Club

Balance Sheet

14

March 2016

ASSETS

Current Assets		
Petty Cash	1,550.00	
Sunwest Bank CD	88,879.08	
Chase- Credit Card Account	222,151.53	
Sunwest Bank Checking	195,679.53	
Sunwest Bank Savings	168,433.63	
Receivables	52,438.35	
Golf Shop Receivables	26,866.40	
Allowance for doubtful A/R	(3,000.00)	
Employee Receivables	619.80	
Golf Shop Inventory	35,473.38	
TOTAL Current Assets	789,091.70	
Fixed Assets		
Land	443,618.81	
Reclaimed Water Line	147,703.08	
Accum. Depr. - Reclaimed Water Line	(147,703.08)	
Irrigation System	1,462,014.30	
Buildings	1,590,465.55	
Building Remodel	1,326,608.00	
Parking Lot Paving	203,226.00	
Tennis Courts Improvements	62,695.98	
Accum. Depr. - Improvements	(1,112,847.43)	
Accum. Deprec.- Club House	(1,568,099.95)	
Accum. Dep. - Irrigation System	(938,125.99)	
Pools	100,319.47	
Accum. Deprec.- Pools	(29,798.34)	
Office Equipment	42,096.48	
Accum. Deprec.- Office Equip.	(38,080.88)	
Equipment	390,100.39	
Accum. Deprec.- Equipment	(287,945.51)	
A/D-Other	5,000.00	
Golf Course Improvements	40,294.86	
Leasehold Improvements - Other	(5,000.00)	
TOTAL Fixed Assets	1,686,541.74	
Other Assets		
Lake Elaine Acct - Bank One (Restricted)	156,140.13	
Note Receivable - Oakmont	306.67	
Pre-Paid Insurance	38,305.80	
Pre-paid Reclaimed Water	49,363.23	
Capital Investment - FGMC	235,643.16	
Note Receivable - LT portion	89,703.74	
Note Receivable -CP-Contra	(306.67)	
Deferred Tax Asset	37,000.00	
Orig. fees and pts - Irrig loan	29,000.00	
Accumulated Amortization	(29,000.00)	
Right to Repurchase License	218.26	

Closing Costs - Irrig Loan	31,467.00	15
Acc. Amortization - Closing Costs	(14,160.29)	
TOTAL Other Assets		
TOTAL ASSETS		623,681.03
		<u>3,099,314.47</u>
	LIABILITIES	
Current Liabilities		
Trade Payables		
Golf League Assessment	74,932.24	
Tree Donation Program	7,899.82	
Tennis Improvement	2,153.00	
Pickleball Improvement	3,145.48	
Handicap Fees Payable	430.00	
Wedding Deposit (Refundable)	770.00	
Advance Deposit	(1,000.00)	
Accrued Expenses - FGMC	4,500.00	
Payable to Wyndham (Pool)	17,921.34	
Current Portion - LTD	36,244.61	
Current portion - note payable	(73,638.59)	
Salaries Payable	73,638.59	
State Tax Withheld	13,203.14	
SUTA	1.54	
State Income Tax Payable	128.39	
Real Estate Tax	100.00	
Lot Assessment Accrual	8,787.46	
Gift Cards	871,025.50	
	949.85	
TOTAL Current Liabilities		1,041,192.37
Long-Term Liabilities		
Future Maintenance- Lake Elaine		
Note Payable - Sunwest Bank	156,140.13	
Obligation to Repurchase License	1,105,886.60	
	218.26	
TOTAL Long-Term Liabilities		1,262,244.99
TOTAL LIABILITIES		<u>2,303,437.36</u>
	CAPITAL	
Capital Reserves		
Contributed Capital	132,242.00	
Fund Balance, Prior Periods	2,556,498.00	
Year-to-Date Earnings	(1,899,110.42)	
	6,247.53	
TOTAL CAPITAL		795,877.11
TOTAL LIABILITIES & CAPITAL		<u>3,099,314.47</u>