

**Continental Country Club, Inc.**  
**Income Statement**  
**for the Month of September 2018**

	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec to Prior Yr</u>
<b>Revenues:</b>				
Membership Income	\$ 131,145	\$ 140,762	\$ 133,445	-1.7%
Golf Income	147,669	148,425	144,490	2.2%
Other Income	792	250	250	216.8%
<b>Total Revenues</b>	<b>\$ 279,606</b>	<b>\$ 289,437</b>	<b>\$ 278,185</b>	<b>0.5%</b>
<b>Expenses:</b>				
Flagstaff Golf Maintenance Company	40,734	43,211	39,355	3.5%
Golf Course Reclaimed Water	13,702	16,282	13,121	4.4%
Golf Cart Lease	6,438	6,450	6,438	0.0%
Cost of Goods Sold Golf	12,611	8,400	8,990	40.3%
Wyndham Maintenance & Other Payments	4,700	6,500	4,478	5.0%
Lake Elaine	6,086	33,299	7,607	-20.0%
Walnut Canyon Lakes Park	9,153	10,400	11,813	-22.5%
Employee Compensation & Benefits	55,301	55,903	51,219	8.0%
Building, Equipment & Grounds	10,159	14,855	9,595	5.9%
Utilities	18,266	18,459	18,745	-2.6%
Legal & Consulting	8,331	14,000	46,824	-82.2%
Property Insurance & Taxes	5,826	5,826	6,703	-13.1%
Depreciation & Amortization	16,754	17,725	16,754	0.0%
Merchant Services & Bank Fees	2,789	4,600	1,839	51.6%
Advertising & Website Costs	8,330	5,226	(1,785)	-566.7%
All Other Expenses	4,359	2,900	5,342	-18.4%
<b>Total Expenses</b>	<b>\$ 223,539</b>	<b>\$ 264,036</b>	<b>\$ 247,037</b>	<b>-9.5%</b>
<b>Earnings Before Interest &amp; Taxes</b>	<b>56,067</b>	<b>25,401</b>	<b>31,148</b>	<b>80.0%</b>
Interest Expense	3,292	3,153	3,622	-9.1%
<b>Pre-tax Income/(Loss)</b>	<b>\$ 52,775</b>	<b>\$ 22,248</b>	<b>\$ 27,526</b>	<b>91.7%</b>

**Continental Country Club, Inc.**  
**Income Statement**  
**Year to Date September 2018**

	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec to Prior Yr</u>
<b>Revenues:</b>				
Membership Income	\$ 1,301,836	\$ 1,318,348	\$ 1,244,166	4.6%
Golf Income	1,044,874	1,061,250	1,036,890	0.8%
Other Income	11,167	8,000	7,986	39.8%
<b>Total Revenues</b>	<b>\$ 2,357,877</b>	<b>\$ 2,387,598</b>	<b>\$ 2,289,041</b>	<b>3.0%</b>
<b>Expenses:</b>				
Flagstaff Golf Maintenance Company	385,078	390,309	371,196	3.7%
Golf Course Reclaimed Water	124,491	110,284	95,160	30.8%
Golf Cart Lease	38,627	38,700	38,752	-0.3%
Cost of Goods Sold Golf	68,128	56,220	55,667	22.4%
Wyndham Maintenance & Other Payments	42,344	62,500	69,323	-38.9%
Lake Elaine	10,980	215,691	13,886	-20.9%
Walnut Canyon Lakes Park	70,873	78,650	60,140	17.8%
Employee Compensation & Benefits	480,867	527,080	489,912	-1.8%
Building, Equipment & Grounds	113,622	148,675	131,690	-13.7%
Utilities	133,953	155,026	146,810	-8.8%
Legal & Consulting	172,315	138,300	272,399	-36.7%
Property Insurance & Taxes	51,693	52,434	61,936	-16.5%
Depreciation & Amortization	150,787	159,525	150,787	0.0%
Merchant Services & Bank Fees	30,957	31,000	34,866	-11.2%
Advertising & Website Costs	58,260	50,849	31,993	82.1%
All Other Expenses	26,595	36,405	59,533	-55.3%
<b>Total Expenses</b>	<b>\$ 1,959,571</b>	<b>\$ 2,251,648</b>	<b>\$ 2,084,052</b>	<b>-6.0%</b>
<b>Earnings Before Interest &amp; Taxes</b>	<b>398,306</b>	<b>135,950</b>	<b>204,989</b>	<b>94.3%</b>
Interest Expense	30,068	29,356	32,407	-7.2%
<b>Pre-tax Income/(Loss)</b>	<b>\$ 368,238</b>	<b>\$ 106,594</b>	<b>\$ 172,583</b>	<b>113.4%</b>

**Continental Country Club, Inc.**  
**Income Statement - Golf Business Unit**  
**Month of September 2018**

	Actual	Budget	Prior Year	%Inc/Dec to Prior Yr #DIV/0!
<b>Revenues:</b>				
Golf Member Income	891	-	30	2870.0%
Peaks Pass Card	70,119	80,000	78,569	-10.8%
Green Fees	36,724	35,000	37,756	-2.7%
Cart Fees	15,670	16,000	13,638	14.9%
Driving Range Income	16,959	14,000	13,896	22.0%
Golf Shop Sales				
Pre & Post Season Income				
Other Golf Income	1,301	3,425	602	#DIV/0!
<b>Total Revenues</b>	<b>\$ 147,669</b>	<b>\$ 148,425</b>	<b>\$ 144,490</b>	<b>2.20%</b>
<b>Expenses:</b>				
FGMC Expenses	40,734	43,211	39,355	3.5%
Golf Course Reclaimed Water	13,702	16,282	13,121	4.4%
Golf Cart Lease	6,438	6,450	6,438	0.0%
Cost of Good Sold Golf	12,611	8,400	8,990	40.3%
Employee Compensation & Benefits	22,777	20,933	21,258	7.1%
Building, Equipment & Grounds	87	540	(869)	-110.0%
Utilities	5,520	4,835	6,031	-8.5%
Consulting Fees	-	390	2,075	-100.0%
Property Insurance & Taxes	1,875	1,875	1,992	-5.9%
Depreciation and Amortization	11,256	11,305	11,256	0.0%
Interest Expense	3,292	3,153	3,622	-9.1%
Merchant Services & Bank fees	2,594	3,500	600	332.2%
Advertising & Website Costs	7,387	4,261	1,364	441.7%
All Other Expenses	1,090	1,000	3,057	-64.7%
<b>Total Expenses</b>	<b>\$ 129,353</b>	<b>\$ 126,135</b>	<b>\$ 118,289</b>	<b>9.4%</b>
<b>Net Income</b>	<b>18,316</b>	<b>22,290</b>	<b>26,201</b>	<b>-30.1%</b>
Less Depreciation	11,256	11,305	11,256	0.0%
<b>Cash Flow</b>	<b>\$ 29,572</b>	<b>\$ 33,595</b>	<b>\$ 37,457</b>	<b>-21.0%</b>
Less Interest	3,292	3,153	3,622	-9.1%
<b>Operating Income</b>	<b>\$ 32,864</b>	<b>\$ 36,748</b>	<b>\$ 41,078</b>	<b>-20.0%</b>
<b>Number of Participants</b>	<b>2018</b>	<b>Budget</b>	<b>2017</b>	<b>%Inc/Dec</b>
Number of Rounds	2410	2353	2355	1.4%
Cart Rentals	2193	2394	2348	-6.6%
Practice Facility	1857	1992	1557	19.3%
<b>Average Dollar Per Round</b>				
Green & Cart Fees	44.33	48.87	49.44	-10.3%
Practice Facility	8.44	8.03	8.76	-3.1%
<b>Gross Profit on Golf Shop Sales</b>	<b>26%</b>	<b>40%</b>	<b>35%</b>	<b>-27.4%</b>

**Continental Country Club, Inc.**  
**Income Statement - Golf Business Unit**  
**Year to Date September 2018**

	Actual	Budget	Prior Year	%Inc/Dec to Prior Yr
<b>Revenues:</b>				
Golf Member Income	104,646	72,400	66,442	57.5%
Peaks Pass Card	28,205	30,100	29,771	-5.3%
Green Fees	438,601	488,000	478,082	-8.3%
Cart Fees	232,895	223,000	215,928	7.9%
Driving Range Income	100,782	115,000	111,220	-9.4%
Golf Shop Sales	93,334	83,700	82,451	13.2%
Pre & Post Season Income	18,891	28,900	38,177	-50.5%
Other Golf Income	27,522	20,150	14,818	85.7%
<b>Total Revenues</b>	<b>\$ 1,044,874</b>	<b>\$ 1,061,250</b>	<b>\$ 1,036,890</b>	<b>0.77%</b>
<b>Expenses:</b>				
FGMC Expenses	385,078	390,309	371,196	3.7%
Golf Course Reclaimed Water	124,491	110,284	95,160	30.8%
Golf Cart Lease	38,627	38,700	38,752	-0.3%
Cost of Good Sold Golf	68,128	56,220	55,667	22.4%
Employee Compensation & Benefits	173,331	174,847	177,865	-2.5%
Building, Equipment & Grounds Utilities	12,538	18,550	11,282	11.1%
Consulting Fees	(73)	43,510	43,141	1.7%
Property Insurance & Taxes	16,875	3,900	18,655	-100.4%
Depreciation and Amortization	101,304	16,875	17,928	-5.9%
Interest Expense	30,068	101,745	101,304	0.0%
Merchant Services & Bank fees	20,972	29,356	32,407	-7.2%
Advertising & Website Costs	42,489	21,100	22,218	-5.6%
All Other Expenses	5,190	39,404	21,953	93.5%
		9,360	18,377	-71.8%
<b>Total Expenses</b>	<b>\$ 1,062,888</b>	<b>\$ 1,054,160</b>	<b>\$ 1,025,906</b>	<b>3.6%</b>
<b>Net Income</b>	<b>(18,014)</b>	<b>7,090</b>	<b>10,984</b>	<b>-264.0%</b>
Less Depreciation	101,304	101,745	101,304	0.0%
<b>Cash Flow</b>	<b>\$ 83,290</b>	<b>\$ 108,835</b>	<b>\$ 112,288</b>	<b>-25.8%</b>
Less Interest	30068	29356	32407	-7.2%
<b>Operating Income</b>	<b>\$ 113,358</b>	<b>\$ 138,191</b>	<b>\$ 144,694</b>	<b>-21.7%</b>
<b>Number of Participants</b>	<b>2018</b>	<b>Budget</b>	<b>2017</b>	<b>%Inc/Dec</b>
Number of Rounds	15815	15598	15251	5.1%
Cart Rentals	14254	14505	14459	-1.4%
Practice Facility	12305	15353	11996	2.6%
<b>Average Dollar Per Round</b>				
Green & Cart Fees	42.46	45.58	45.51	-6.1%
Practice Facility	8.19	7.49	9.27	-11.1%
<b>Gross Profit on Golf Shop Sales</b>	<b>27%</b>	<b>33%</b>	<b>32%</b>	<b>-16.9%</b>

**Continental Country Club, Inc.**  
**Income Statement - Small Business Units**  
**September 2018**

<b>Tennis</b>				
<b>MTD</b>	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
<b>Revenues:</b>				
Total Tennis Revenues	\$ 792	\$ 250	\$ 250	216.8%
<b>Expenses:</b>				
Total Tennis Expenses	587	190	331	77.2%
<b>Earnings Before Interest &amp; Taxes</b>	<u>\$ 205</u>	<u>\$ 60</u>	<u>\$ (81)</u>	<u>-352.0%</u>

<b>YTD</b>	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
<b>Revenues:</b>				
Total Tennis Revenues	\$ 11,167	\$ 8,000	\$ 7,986	39.8%
<b>Expenses:</b>				
Total Tennis Expenses	5,596	5,590	6,869	-18.5%
<b>Earnings Before Interest &amp; Taxes</b>	<u>\$ 5,571</u>	<u>\$ 2,410</u>	<u>\$ 1,117</u>	<u>398.7%</u>

<b>Legal &amp; Consulting Fees Detail</b>				
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<b>MTD Expenses</b>	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
Attorney & Legal Fees	\$ 7,331	\$ 14,000	\$ 33,249	-78.0%
Accounting & Review	1,000	-	11,500	-91.3%
Consulting (Lake Elaine Project)	-	-	-	#DIV/0!
Consulting (OB Sports)	-	-	2,075	-100.0%
<b>Total Legal &amp; Consulting Expenses</b>	<u>\$ 8,331</u>	<u>\$ 14,000</u>	<u>\$ 46,824</u>	<u>-82.2%</u>

<b>YTD Expenses</b>	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
Attorney & Legal Fees	\$ 154,738	\$ 120,000	\$ 176,620	-12.4%
Accounting & Review	17,650	18,300	19,500	-9.5%
Consulting (Lake Elaine Project)	-	-	57,624	-100.0%
Consulting (OB Sports)	(73)	-	18,655	-100.4%
<b>Total Legal &amp; Consulting Expenses</b>	<u>\$ 172,315</u>	<u>\$ 138,300</u>	<u>\$ 272,399</u>	<u>-36.7%</u>

**Continental Country Club, Inc.**  
**Income Statement - Lakes**  
**September 2018**

**Lake Elaine**

<b>MTD Expenses</b>	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
Irrigation and lake water	\$ -	\$ -	\$ -	#DIV/0!
Utilities	256	315	1,026	-75.0%
Contract Labor/Consulting	3,580	32,334	-	0.0%
Fish	-	-	-	0.0%
Chemicals	-	600	1,205	0.0%
Equipment repairs	2,200	-	5,326	0.0%
Other Expenses	50	50	50	0.0%
<b>Total Expenses</b>	<b>\$ 6,086</b>	<b>\$ 33,299</b>	<b>\$ 7,607</b>	<b>20.0%</b>

<b>YTD Expenses</b>	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
Irrigation and lake water	\$ -	\$ -	\$ -	#DIV/0!
Utilities	2,215	2,835	3,633	-39.0%
Contract Labor/Consulting	6,115	207,006	2,500	0.0%
Fish	-	-	-	0.0%
Chemicals	-	5,400	1,977	0.0%
Equipment repairs	2,200	-	5,326	0.0%
Other Expenses	450	450	450	0.0%
<b>Total Expenses</b>	<b>\$ 10,980</b>	<b>\$ 215,691</b>	<b>\$ 13,886</b>	<b>20.9%</b>

**Walnut Canyon Lakes**

<b>MTD Expenses</b>	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
Irrigation and lake water	\$ 2,805	\$ 3,300	\$ 3,798	-26.1%
Utilities	1,290	1,250	2,555	-49.5%
Maintenance contract labor	3,000	4,600	3,000	0.0%
Fish	-	-	-	0.0%
Chemicals	1,715	1,200	2,410	0.0%
Equipment repairs	293	-	-	#DIV/0!
Other Expenses	50	50	50	0.0%
<b>Total Expenses</b>	<b>\$ 9,153</b>	<b>\$ 10,400</b>	<b>\$ 11,813</b>	<b>22.5%</b>

<b>YTD Expenses</b>	<u>Actual</u>	<u>Budget</u>	<u>Prior Year</u>	<u>%Inc/Dec To Prior Yr</u>
Irrigation and lake water	\$ 28,154	\$ 20,550	\$ 17,698	59.1%
Utilities	10,793	11,250	11,023	-2.1%
Maintenance contract labor	20,182	22,600	21,310	-5.3%
Fish	3,219	3,000	2,999	0.0%
Chemicals	6,088	10,800	3,955	0.0%
Equipment repairs	1,987	10,000	2,705	-26.6%
Other Expenses	450	450	450	0.0%
<b>Total Expenses</b>	<b>\$ 70,873</b>	<b>\$ 78,650</b>	<b>\$ 60,140</b>	<b>-17.8%</b>

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

YTD thru September 2018

**CASH FROM OPERATIONS**

Pre-tax Income/(loss) \$ 368,238

Operating Activities

Depreciation and amortization	\$ 150,787
Receivables - (increase)/decrease	\$ (208,792)
Inventory - (increase)/decrease	\$ (14,085)
Prepaid Expenses - (increase)/decrease	\$ 20,590
Accounts Payable - increase/ (decrease)	\$ (50,943)
Accrued Expenses - increase/ (decrease)	\$ 91,090

**Net Cash Flow from Operations** \$ 356,886

Investing Cash Flow

Contributions to Capital Reserve - Transfers	\$ (115,341)
Contributions to Capital Reserve - HOA	\$ -
Capital Expenditures - Due From Capital	\$ (104,230)
Payment of Long-Term Debt	\$ (68,057)

CASH APPLIED TO INVESTING ACTIVITIES \$ (287,628)

NET CHANGE IN CASH \$ 69,258

CASH DECEMBER 31, 2017 \$ 458,142

**Cash Operations at End of Period** \$ 527,400

**CAPITAL RESERVES**

**Balance at January 1, 2018** \$ 107,839

Additions

Transfer fees	\$ 115,000
HOA contributions	\$ -
Interest income	\$ 341

Reductions

Capital expenditures - CCC	\$ -
Capital expenditures - FGMC	\$ -

**Reserve Cash at End of Period** \$ 223,180

**TOTAL COMBINED OPERATIONS/RESERVE** \$ 750,580

**Continental Country Club, Inc.**  
**Capital Investment Breakdown**

<u>September</u>	<u>2018</u> <u>YTD</u>	<u>2018</u> <u>Budget</u>	<u>Notes</u>
<b>Purchase of Capital Equipment (Net)</b>			
<b>Irrigation System</b>			
Walnut Canyon Irrigation Repairs	6,905		
CCC Pum #11709	8,810		
<b>Total Irrigation Improvements</b>	<b>\$ 15,715</b>	<b>\$ -</b>	
<b>Equipment</b>			
Treadmill	3,800		
<b>Total Equipment Investments</b>	<b>\$ 3,800</b>	<b>\$ -</b>	
<b>Pool Improvements</b>			
Pool improvements	10,469		
<b>Total Pool Improvements</b>	<b>\$ 10,469</b>	<b>\$ -</b>	
<b>Building Upgrades</b>			
Upstairs Meeting Rooms/Lobby	6,080	5,500	
Oakmont Patio	<u>0,000</u>	<u>-</u>	
<b>Total Building Upgrades</b>	<b>\$ 12,160</b>	<b>\$ 5,500</b>	
<b>Golf</b>			
Repair tee boxes	5,314	15,000	
<b>Total Golf</b>	<b>\$ 5,314</b>	<b>\$ 15,000</b>	
<b>FGMC Investment</b>			
Capital Lease	37,257	35,000	
Equipment - Backhoe	19,515	15,000	
<b>FGMC Total</b>	<b>\$ 56,772</b>	<b>\$ 50,000</b>	
<b>Total Purchase of Capital</b>	<b>\$ 104,230</b>	<b>\$ 70,500</b>	



*Continental Country Club, Inc. - Month Ended September 2018*

**ASSETS**

	<u>2018</u>	<u>2017</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 527,400	\$ 516,475
Assessments and trade receivables, net	65,076	46,892
Note receivable, current portion	346	326
Employee advances	-	-
Inventory	50,780	48,283
Prepaid expenses	6,898	17,769
	<u>650,500</u>	<u>629,745</u>
<b>Property and equipment</b>		
Land	443,619	443,619
Buildings	1,590,466	1,590,466
Equipment	479,922	431,344
Improvements	3,510,331	3,486,442
Office equipment	46,106	46,106
	<u>6,070,443</u>	<u>5,997,977</u>
Less: accumulated depreciation	<u>(4,577,105)</u>	<u>(4,394,255)</u>
	<u>1,493,338</u>	<u>1,603,722</u>
<b>Other assets</b>		
Restricted cash - Capital Reserves	223,181	-
Certificate of deposit - Lake Elaine improvements and maintenance	156,295	156,233
Investment in FGMC	250,105	230,761
Deferred income tax asset	23,000	21,000
Lease receivable	-	-
Deposits	-	-
Loan fees, net of accumulated amortization of \$48,667 and \$45,520	9,440	12,587
Note receivable, long-term portion	88,570	88,915
Liquor license	-	-
Right to repurchase license	851	525
	<u>751,441</u>	<u>510,022</u>
<b>Total other assets</b>	<u>751,441</u>	<u>510,022</u>
<b>Total assets</b>	<u>\$ 2,895,279</u>	<u>\$ 2,743,489</u>

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*Continental Country Club, Inc. - Month Ended September 2018*

**LIABILITIES AND MEMBERS' EQUITY**

	<u>2018</u>	<u>2017</u>
<b>Current liabilities</b>		
Accounts payable	\$ 70,954	\$ 87,564
Accrued expenses	243,278	178,214
Deferred lot assessments	298,523	303,877
Bank line of credit	-	-
Current portion of note payable	91,272	78,855
Current portion of capital lease payable	-	-
<b>Total current liabilities</b>	<u>704,026</u>	<u>648,509</u>
<b>Long-term liabilities</b>		
Note payable, net of current portion	802,556	904,783
Lake Elaine improvements and maintenance	156,295	156,233
Advance deposit	3,000	3,000
Deferred revenue	-	-
Obligation to repurchase license	851	525
Capital lease payable, net of current portion	-	-
<b>Total long-term liabilities</b>	<u>962,701</u>	<u>1,064,541</u>
<b>Total liabilities</b>	<u>1,666,727</u>	<u>1,713,050</u>
<b>Members' equity</b>		
Undesignated	1,005,371	1,030,439
Restricted for future repairs and replacements	223,181	-
<b>Total members' equity</b>	<u>1,228,552</u>	<u>1,030,439</u>
<b>Total liabilities and members' equity</b>	<u>\$ 2,895,279</u>	<u>\$ 2,743,489</u>

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