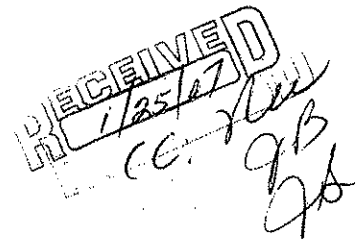


DILLON J. GNAGY, C.P.A. (1924-2002)
LAWRENCE H. JENSEN, C.P.A.

GNAGY & JENSEN, INC.

CERTIFIED PUBLIC ACCOUNTANTS
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FRESNO, CALIFORNIA 93727
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January 19, 2007

City of Lemoore / Sierra Golf Management, Inc.
dba Lemoore Municipal Golf Course
Lemoore, California

We have compiled the accompanying balance sheet (page 1) of the City of Lemoore / Sierra Golf Management, Inc. dba Lemoore Municipal Golf Course as of December 31, 2006 and (pages 2-9) the statements of income and schedules related thereto for the one month and year-to-date (six months) then ended, in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants; in addition, as requested, we have compiled the accompanying (page 10) proforma summary statement of income for the one month and year-to-date (six months).

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

A statement of cash flows has not been presented. Generally accepted accounting principles require that such a statement be presented when financial statements purport financial position and results of operations.

A handwritten signature in cursive script, appearing to read "Lawrence H. Jensen, Jr.".

GNAGY & JENSEN, INC.

City of Lemoore/Sierra Golf Mgmt, Inc.
 dba Lemoore Municipal Golf Course
BALANCE SHEET
 December 31, 2006

Current Assets	ASSETS		
Change fund		\$	1,440.00
Checking acct-Sierra Golf			126,184.89
Capital Improvement Fund-W/F			26,878.36
Premier Savings Acct WFB			229,949.64
Prepaid Workers Comp Ins			17,203.99
Inventory-Food & Beverage			3,755.95
Inventory-Merchandise			67,606.49
Reimb due from Sierra Golf			842.77
Blue Shields Refund Due			729.00
Payroll clearing-biweekly			240.00
			<hr/>
Total Current Assets			474,831.09
Property and Equipment			
Office furniture and equip.			20,251.81
Kitchen Equipment			14,906.84
Golf Shop Equipment			20,717.27
Driving range equipment			9,459.57
Maintenance equipment			205,255.51
Pumps			21,347.05
Improvements--Golf Course			858,062.59
Golf Carts			214,839.66
Accumulated depreciation			(585,126.61)
			<hr/>
Net Property and Equipment			779,713.69
			<hr/>
Total Assets		\$	1,254,544.78

Current Liabilities	LIABILITIES & EQUITY		
Trade accounts payable		\$	8,914.89
Sales tax payable			2,866.76
Accrued Interest			26,108.53
End of mo. addl ap items			5,589.00
Accrued worker's comp.			13,479.00
A/P SGM- J. Deere #0052508			768.82
Deferred income			125.00
Unredeemed gift certificates			6,846.16
Unredeemed sweeps			2,797.75
			<hr/>
Total Current Liabilities			67,495.91
Long-Term Liabilities			
NP-City of Lemoore: \$300m			361,133.83
Note Pay City of Lemoore-Barn			163,453.99
Note Payable John Deere #001			11,287.23
Note Pay C & J Leasing			8,590.60
Note Pay J. Deere #0052508			29,407.30
			<hr/>
Total Long-Term Liabilities			573,872.95
			<hr/>
Total Liabilities			641,368.86

Equity

Unaudited - See attached accountants' compilation report.

City of Lemoore/Sierra Golf Mgmt, Inc.
dba Lemoore Municipal Golf Course
BALANCE SHEET
December 31, 2006

Beginning Equity	121,987.30	
Less: Distributions	(810,000.00)	
Subdivision irrig assessments	53,642.00	
#14 Lake Improv. Contribution	149,397.00	
Retained Earning	968,210.96	
Net Income	<u>129,938.66</u>	
Total Equity		<u>613,175.92</u>
Total Liabilities & Equity	\$	<u><u>1,254,544.78</u></u>

Unaudited - See attached accountants' compilation report.

City of Lemoore/Sierra Golf Mgmt, Inc.
 dba Lemoore Municipal Golf Course
SUMMARY STATEMENT OF INCOME
 For the Six Months Ending December 31, 2006

This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year
REVENUES						
36,879.00	32,577.00	4,302.00	Green fees & mo. fees pg3	301,716.78	267,612.00	241,097.00
15,283.00	14,225.00	1,058.00	Cart fees pg3	145,926.00	120,348.00	123,690.50
3,946.00	3,498.00	448.00	Other Golf income pg	29,125.99	29,596.00	29,058.62
<u>56,108.00</u>	<u>50,300.00</u>	<u>5,808.00</u>	Subtotal Golf Operations	<u>476,768.77</u>	<u>417,556.00</u>	<u>393,846.12</u>
28,410.72	13,759.00	14,651.72	Merchandise pg4	127,592.05	116,402.00	121,352.22
13,120.48	13,992.00	(871.52)	Food & beverage pg5	131,390.77	118,374.00	122,826.75
3,149.90	0.00	3,149.90	Other Income (exp) pg9	8,382.48	0.00	1,912.21
<u>100,789.10</u>	<u>78,051.00</u>	<u>22,738.10</u>	Total Revenues	<u>744,134.07</u>	<u>652,332.00</u>	<u>639,937.30</u>
COST OF SALES						
22,077.33	9,906.00	12,171.33	COS-Merchandise pg4	93,321.03	83,809.00	90,473.59
5,440.18	5,597.00	(156.82)	COS-Food & beverage p	56,028.17	47,350.00	50,007.87
<u>27,517.51</u>	<u>15,503.00</u>	<u>12,014.51</u>	Total Cost of Sales	<u>149,349.20</u>	<u>131,159.00</u>	<u>140,481.46</u>
<u>73,271.59</u>	<u>62,548.00</u>	<u>10,723.59</u>	Gross Margin	<u>594,784.87</u>	<u>521,173.00</u>	<u>499,455.84</u>
EXPENSES						
3,587.62	4,638.00	(1,050.38)	Food & beverage pg5	28,787.23	34,113.00	32,379.05
5,936.07	5,555.00	381.07	General & administrative p	29,071.42	29,405.00	27,779.96
2,233.93	2,208.00	25.93	Clubhouse pg6	14,167.85	16,398.00	16,543.32
14,297.00	13,062.00	1,235.00	Golf Operation pg7	86,442.28	91,058.00	82,148.29
23,676.03	22,283.00	1,393.03	Course Maintenance pg8	194,214.10	193,326.00	195,590.11
570.93	2,450.00	(1,879.07)	Advertising & promotion	6,218.00	15,300.00	11,907.00
8,364.35	9,350.00	(985.65)	Fixed expenses pg9	49,960.83	56,100.00	45,712.86
9,559.00	8,870.00	689.00	Depreciation	55,984.50	53,220.00	59,474.04
<u>68,224.93</u>	<u>68,416.00</u>	<u>(191.07)</u>	Total Expenses	<u>464,846.21</u>	<u>488,920.00</u>	<u>471,534.63</u>
<u>5,046.66</u>	<u>\$ (5,868.00)</u>	<u>10,914.66</u>	Net Income (loss)	<u>129,938.66</u>	<u>32,253.00</u>	<u>27,921.21</u>
This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year

Unaudited - See attached accountants' compilation report.

City of Lemoore/Sierra Golf Mgmt, Inc.
dba Lemoore Municipal Golf Course
GOLF OPERATIONS INCOME
Supporting Schedule to the Summary Statement of Income
For the Six Months Ending December 31, 2006

This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year
Weekday Green Fees						
1,781.00	1,300.00	481.00	Green fees- Weekday 9 holes	17,247.28	13,650.00	12,164.00
5,724.00	2,700.00	3,024.00	Green fees-Weekday 18	24,226.00	24,660.00	24,044.00
513.00	0.00	513.00	Green fees-Weekday tourney	15,550.00	9,540.00	9,915.00
684.00	396.00	288.00	Green fees-Military \$11	7,732.00	5,376.00	5,459.00
0.00	0.00	0.00	Green fees-Intramural\Mil \$5	0.00	0.00	0.00
216.00	444.00	(228.00)	Green Fees-Resident	1,709.00	3,060.00	2,963.00
609.00	0.00	609.00	Green fees-West Hill Coll	7,669.50	0.00	3,651.00
174.00	192.00	(18.00)	Green fees- JR promo rate	3,406.00	2,916.00	3,442.00
1,182.00	880.00	302.00	Green fees- SR promo rate	7,896.00	6,020.00	5,808.00
2,087.00	6,370.00	(4,283.00)	Green Fees-Weekday Special 18	37,042.00	53,950.00	35,757.00
12,970.00	12,282.00	688.00	Total Weekday	122,477.78	119,172.00	103,203.00
Weekend Green Fees						
0.00	2,250.00	(2,250.00)	Green fees-Weekend 9	4,267.00	7,800.00	7,155.00
10,896.00	9,600.00	1,296.00	Green fees-Weekend 18	81,202.00	69,480.00	65,622.00
0.00	1,080.00	(1,080.00)	Green fees-Weekend tourney	17,830.00	13,320.00	13,937.00
268.00	100.00	168.00	Green fees-Wkend JR promo rate	1,212.00	1,450.00	1,345.00
0.00	0.00	0.00	Green fees-SR Wkend-promo rate	0.00	4,225.00	0.00
0.00	0.00	0.00	Surcharge-Weekend\Mo Tick Fee	10.00	0.00	15.00
2,445.00	0.00	2,445.00	Green fees Weekend Special 18	11,533.00	0.00	2,800.00
13,609.00	13,030.00	579.00	Total Weekend	116,054.00	96,275.00	90,874.00
Monthly Ticket Fees						
6,740.00	4,500.00	2,240.00	Monthly fees-Single \$95	41,550.00	31,800.00	29,550.00
2,160.00	1,890.00	270.00	Monthly fees-Family \$125	12,960.00	14,040.00	10,080.00
0.00	0.00	0.00	Monthly fees-Junior \$57	140.00	0.00	1,515.00
1,400.00	0.00	1,400.00	Monthly fees-Senior \$57	8,375.00	0.00	5,875.00
0.00	875.00	(875.00)	Monthly fees-JR & SR \$15 promo	160.00	6,325.00	0.00
0.00	0.00	0.00	Monthly Fees - Military	0.00	0.00	0.00
10,300.00	7,265.00	3,035.00	Total Monthly	63,185.00	52,165.00	47,020.00
36,879.00	32,577.00	4,302.00	Total Green Fees	301,716.78	267,612.00	241,097.00
Cart Fees						
0.00	0.00	0.00	GPS Income	0.00	0.00	0.00
14,712.00	14,225.00	487.00	Income - Carts 18 holes	142,265.00	120,348.00	122,033.50
60.00	0.00	60.00	Income-Monthly cart fees	385.00	0.00	350.00
511.00	0.00	511.00	Income-cart rider 9	2,931.00	0.00	294.00
0.00	0.00	0.00	Income-cart rider 18	345.00	0.00	1,013.00
15,283.00	14,225.00	1,058.00	Total Cart Fees	145,926.00	120,348.00	123,690.50
Other Golf Income						
0.00	0.00	0.00	Income- Club Repair	0.00	0.00	46.62
185.00	0.00	185.00	Income-Rent sets	1,775.00	0.00	1,220.00
182.00	0.00	182.00	Income-Pull carts	878.00	0.00	116.00
3,579.00	3,498.00	81.00	Income- Range balls	26,427.99	29,596.00	27,676.00
0.00	0.00	0.00	Income-Promotional	45.00	0.00	0.00
0.00	0.00	0.00	Income-Lessons	0.00	0.00	0.00
0.00	0.00	0.00	Income-cart rider 9	0.00	0.00	0.00
0.00	0.00	0.00	Income-cart rider 18	0.00	0.00	0.00
3,946.00	3,498.00	448.00	Total Other Golf	29,125.99	29,596.00	29,058.62
56,108.00	\$ 50,300.00	5,808.00	Total Golf Operations	476,768.77	417,556.00	393,846.12

Unaudited - See attached accountants' compilation report.

City of Lemoore/Sierra Golf Mgmt, Inc.
 dba Lemoore Municipal Golf Course
GOLF MERCHANDISE INCOME & COST OF SALES
 Supporting Schedule to the Summary Statement of Income
 For the Six Months Ending December 31, 2006

This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year
REVENUES						
3,577.05	13,759.00	(10,181.95)	Income-Accessories	12,028.44	116,402.00	11,469.47
1,662.81	0.00	1,662.81	Income-gloves	7,173.66	0.00	6,565.12
5,112.88	0.00	5,112.88	Income new balls	28,746.42	0.00	26,876.15
0.00	0.00	0.00	Income-used balls	91.92	0.00	1,060.05
1,165.83	0.00	1,165.83	Income-bags	4,998.13	0.00	6,117.90
11,574.36	0.00	11,574.36	Income-clubs	47,451.25	0.00	46,664.54
409.97	0.00	409.97	Income-putters	1,900.38	0.00	3,802.31
0.00	0.00	0.00	Income-Wedges & chippers	684.94	0.00	1,770.15
2,555.15	0.00	2,555.15	Income-shoes	8,189.07	0.00	5,045.53
1,509.44	0.00	1,509.44	Income-Men's softgoods	9,578.04	0.00	6,023.66
843.23	0.00	843.23	Income-Hats & caps	6,454.95	0.00	5,445.98
0.00	0.00	0.00	Cigars	294.85	0.00	511.36
<u>28,410.72</u>	<u>13,759.00</u>	<u>14,651.72</u>	Total Golf Merchandise Revenue	<u>127,592.05</u>	<u>116,402.00</u>	<u>121,352.22</u>
COST OF SALES						
3,060.34	9,906.00	(6,845.66)	COS-Accessories	8,863.32	83,809.00	7,760.26
1,132.58	0.00	1,132.58	COS-gloves	4,585.98	0.00	4,490.22
3,638.92	0.00	3,638.92	COS-New Balls	20,626.53	0.00	17,780.48
985.19	0.00	985.19	COS-Bags	4,121.61	0.00	4,544.31
9,030.59	0.00	9,030.59	COS-Clubs	33,575.22	0.00	37,956.09
916.14	0.00	916.14	COS-Putters	3,810.78	0.00	4,426.58
352.00	0.00	352.00	COS-Wedges and chippers	1,434.64	0.00	1,875.22
1,543.05	0.00	1,543.05	COS-Shoes	5,116.03	0.00	3,166.59
0.00	0.00	0.00	COS-cigars	180.81	0.00	114.21
1,119.99	0.00	1,119.99	COS-Men's softgoods	6,769.85	0.00	4,216.21
257.54	0.00	257.54	COS-Hats and caps	4,073.28	0.00	4,000.04
40.99	0.00	40.99	COS-Shipping & handling	162.98	0.00	143.38
<u>22,077.33</u>	<u>9,906.00</u>	<u>12,171.33</u>	Total Cost of Sales	<u>93,321.03</u>	<u>83,809.00</u>	<u>90,473.59</u>
<u>\$ 6,333.39</u>	<u>\$ 3,853.00</u>	<u>2,480.39</u>	Gross Margin on Golf Mdse Sales	<u>\$ 34,271.02</u>	<u>\$ 32,593.00</u>	<u>\$ 30,878.63</u>
<u>22.29</u>	<u>28.00</u>	<u>22.29</u>	Gross Margin as % of Mdse Sales	<u>26.86</u>	<u>28.00</u>	<u>25.45</u>

Unaudited - See attached accountants' compilation report.

City of Lemoore/Sierra Golf Mgmt, Inc.
 dba Lemoore Municipal Golf Course
FOOD & BEVERAGE OPERATIONS
 Supporting Schedule to the Summary Statement of Income
 For the Six Months Ending December 31, 2006

This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year
REVENUES						
4,484.02	13,992.00	(9,507.98)	Income-Food	39,159.44	118,374.00	41,262.06
3,361.77	0.00	3,361.77	Income-Beer	42,265.08	0.00	38,205.49
3,655.10	0.00	3,655.10	Income-Beverage	38,737.17	0.00	34,111.76
398.91	0.00	398.91	Income-Tobacco	2,063.74	0.00	2,320.00
1,220.68	0.00	1,220.68	Income-Candy & Chips	9,165.34	0.00	6,927.44
<u>13,120.48</u>	<u>13,992.00</u>	<u>(871.52)</u>	Total Food & Beverage Revenues	<u>131,390.77</u>	<u>118,374.00</u>	<u>122,826.75</u>
COST OF SALES						
594.38	5,597.00	(5,002.62)	COS- Other	5,058.94	47,350.00	5,206.87
2,862.13	0.00	2,862.13	COS- Food	21,910.18	0.00	18,077.13
1,983.67	0.00	1,983.67	COS- Beverage & beer	29,059.05	0.00	26,723.87
<u>5,440.18</u>	<u>5,597.00</u>	<u>(156.82)</u>	Total Food & Bev Cost of Sales	<u>56,028.17</u>	<u>47,350.00</u>	<u>50,007.87</u>
<u>7,680.30</u>	<u>8,395.00</u>	<u>(714.70)</u>	Gross Margin on Food & Beverage	<u>75,362.60</u>	<u>71,024.00</u>	<u>72,818.88</u>
EXPENSES						
Food & Beverage Payroll Expense						
2,335.71	2,500.00	(164.29)	Kitchen	17,711.56	19,600.00	18,652.47
284.26	250.00	34.26	Payroll taxes	2,155.29	1,960.00	1,692.66
355.14	238.00	117.14	Workers' comp. insurance	1,249.44	1,863.00	2,067.54
<u>2,975.11</u>	<u>2,988.00</u>	<u>(12.89)</u>	Total Food & Beverage Payroll Exp	<u>21,116.29</u>	<u>23,423.00</u>	<u>22,412.67</u>
Other Food & Beverage Expenses						
422.64	1,400.00	(977.36)	Kitchen Supplies	2,968.28	8,400.00	7,876.29
70.00	250.00	(180.00)	Beverage supplies	1,894.32	1,840.00	2,078.48
0.00	0.00	0.00	Equipment repairs	2,201.04	0.00	40.00
119.87	0.00	119.87	Cash over & short-food	167.30	0.00	(468.39)
0.00	0.00	0.00	Liquor fees & permits	440.00	450.00	440.00
<u>612.51</u>	<u>1,650.00</u>	<u>(1,037.49)</u>	Total Food & Beverage Other Exp	<u>7,670.94</u>	<u>10,690.00</u>	<u>9,966.38</u>
<u>3,587.62</u>	<u>4,638.00</u>	<u>(1,050.38)</u>	Total Food & Beverage Expenses	<u>28,787.23</u>	<u>34,113.00</u>	<u>32,379.05</u>
<u>\$ 4,092.68</u>	<u>\$ 3,757.00</u>	<u>335.68</u>	Net Food & Beverage Income (loss)	<u>\$ 46,575.37</u>	<u>\$ 36,911.00</u>	<u>\$ 40,439.83</u>
58.54	60.00	58.54	Gross Margin as % of Food & Bev Sal	57.36	60.00	59.29
31.19	26.85	31.19	Net Food & Bev as % of Food & Bev S	35.45	31.18	32.92

Unaudited - See attached accountants' compilation report.

City of Lemoore/Sierra Golf Mgmt, Inc.
 dba Lemoore Municipal Golf Course
GENERAL AND ADMINISTRATIVE & CLUBHOUSE EXPENSES
 Supporting Schedule to the Summary Statement of Income
 For the Six Months Ending December 31, 2006

This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year
GENERAL & ADMINISTRATIVE EXPENSES						
Payroll Expenses						
1,597.34	\$ 1,200.00	397.34	Salary and wages	8,137.09	7,200.00	5,313.95
154.30	120.00	34.30	Payroll taxes	654.63	720.00	477.13
21.09	24.00	(2.91)	Worker's comp. insurance	56.54	144.00	82.02
<u>1,772.73</u>	<u>1,344.00</u>	<u>428.73</u>	Total G & A Payroll Expenses	<u>8,848.26</u>	<u>8,064.00</u>	<u>5,873.10</u>
Other G & A Expenses						
0.00	0.00	0.00	Outside printing	0.00	400.00	163.78
2.24	240.00	(237.76)	Office Supplies	660.28	1,440.00	1,142.06
321.71	120.00	201.71	Payroll services	936.51	720.00	659.00
78.00	60.00	18.00	Postage	385.25	360.00	381.35
40.49	0.00	40.49	Office equipment rental	242.94	0.00	242.94
516.19	475.00	41.19	Telephone	2,082.61	2,850.00	2,622.73
0.00	275.00	(275.00)	Dues & subscriptions	41.27	575.00	316.27
0.00	0.00	0.00	Repairs & Maintenance	0.00	100.00	0.00
100.24	180.00	(79.76)	Bank charges	738.29	1,080.00	840.09
(20.00)	20.00	(40.00)	Returned checks	(106.73)	120.00	158.78
1,124.47	1,000.00	124.47	Credit Card Discounts	7,911.15	5,400.00	6,134.12
0.00	0.00	0.00	Licenses	0.00	450.00	125.00
1,000.00	800.00	200.00	Employee expenses	1,091.59	1,100.00	776.81
1,000.00	1,000.00	0.00	Accounting	6,000.00	6,500.00	6,640.00
0.00	41.00	(41.00)	Outside services	240.00	246.00	1,703.93
<u>4,163.34</u>	<u>4,211.00</u>	<u>(47.66)</u>	Total G & A Other Expenses	<u>20,223.16</u>	<u>21,341.00</u>	<u>21,906.86</u>
<u>5,936.07</u>	<u>\$ 5,555.00</u>	<u>381.07</u>	Total General & Admin. Expenses	<u>29,071.42</u>	<u>29,405.00</u>	<u>27,779.96</u>
CLUBHOUSE EXPENSES						
874.51	\$ 900.00	(25.49)	Electricity	7,146.51	8,600.00	8,449.00
217.81	300.00	(82.19)	Natural gas	1,080.59	1,350.00	1,429.39
738.45	170.00	568.45	Clubhouse repairs	2,222.35	1,020.00	892.37
403.16	400.00	3.16	Clubhouse supplies	2,718.52	2,400.00	2,744.68
0.00	400.00	(400.00)	Janitorial services	400.00	2,400.00	2,400.00
0.00	38.00	(38.00)	Pest Control	210.00	228.00	238.00
0.00	0.00	0.00	Alarm system	389.88	400.00	389.88
<u>2,233.93</u>	<u>\$ 2,208.00</u>	<u>25.93</u>	Total Club House Expenses	<u>14,167.85</u>	<u>16,398.00</u>	<u>16,543.32</u>

Unaudited - See attached accountants' compilation report.

City of Lemoore/Sierra Golf Mgmt, Inc.
 dba Lemoore Municipal Golf Course
GOLF OPERATIONS EXPENSE
 Supporting Schedule to the Summary Statement of Income
 For the Six Months Ending December 31, 2006

This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year
GOLF OPERATIONS PAYROLL EXPENSES						
5,150.00	\$ 5,150.00	0.00	Golf Professional	30,900.00	30,900.00	29,400.00
1,241.00	2,250.00	(1,009.00)	Assistant professionals	6,612.15	13,500.00	12,900.00
3,096.76	2,300.00	796.76	Other payroll	21,999.62	18,200.00	16,223.06
0.00	0.00	0.00	Commissions	0.00	0.00	0.00
0.00	0.00	0.00	Lessons	0.00	0.00	0.00
0.00	0.00	0.00	Incentive Bonus	0.00	0.00	0.00
<u>9,487.76</u>	<u>9,700.00</u>	<u>(212.24)</u>	Total Golf Oper. Salary and Wages	<u>59,511.77</u>	<u>62,600.00</u>	<u>58,523.06</u>
1,107.90	970.00	137.90	Payroll taxes	5,850.17	6,260.00	5,422.70
1,081.45	922.00	159.45	Workers' comp. insurance	3,846.70	5,948.00	6,392.94
0.00	0.00	0.00	Health insurance	0.00	0.00	0.00
650.00	650.00	0.00	Employees life insurance	3,900.00	3,900.00	3,900.00
<u>12,327.11</u>	<u>12,242.00</u>	<u>85.11</u>	Total Golf Oper. Payroll Expenses	<u>73,108.64</u>	<u>78,708.00</u>	<u>74,238.70</u>
OTHER GOLF OPERATIONS EXPENSES						
0.00	0.00	0.00	Trade shows	0.00	0.00	17.28
0.00	20.00	(20.00)	Shop Supplies	79.32	150.00	0.00
0.00	0.00	0.00	Cards & pencils	0.00	0.00	0.00
0.00	0.00	0.00	Education	0.00	0.00	0.00
0.00	0.00	0.00	Entry fees & dues	0.00	0.00	0.00
202.00	0.00	202.00	Repairs & Maintenance	223.73	0.00	0.00
1,025.00	0.00	1,025.00	Reimbursed mileage	1,025.00	0.00	185.79
0.00	0.00	0.00	Club repair-Outside labor	70.94	0.00	128.93
0.00	0.00	0.00	Golf cart rental	2,452.05	3,600.00	1,109.66
0.00	0.00	0.00	Yamaha cart lease	0.00	0.00	784.00
0.00	0.00	0.00	Rental clubs	0.00	0.00	0.00
770.11	800.00	(29.89)	Cart Expense Electricity	6,453.65	6,000.00	6,282.63
0.00	0.00	0.00	GPS Expense	0.00	0.00	0.00
0.00	0.00	0.00	Golf cart rental	0.00	500.00	200.00
0.00	0.00	0.00	Golf Cart Repair	311.75	0.00	0.00
(189.14)	0.00	(189.14)	Cash over & short-golf op	(1,417.46)	0.00	(2,492.07)
0.00	0.00	0.00	Range balls	2,793.36	1,800.00	1,460.96
161.92	0.00	161.92	Range supplies	1,341.30	300.00	232.41
<u>1,969.89</u>	<u>820.00</u>	<u>1,149.89</u>	Total Golf Oper. Other Expenses	<u>13,333.64</u>	<u>12,350.00</u>	<u>7,909.59</u>
<u>14,297.00</u>	<u>\$ 13,062.00</u>	<u>1,235.00</u>	Total Golf Operations Expenses	<u>86,442.28</u>	<u>91,058.00</u>	<u>82,148.29</u>

Unaudited - See attached accountants' compilation report.

City of Lemoore/Sierra Golf Mgmt, Inc.
 dba Lemoore Municipal Golf Course
COURSE MAINTENANCE EXPENSE
 Supporting Schedule to the Summary Statement of Income
 For the Six Months Ending December 31, 2006

This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year
COURSE MAINTENANCE PAYROLL EXPENSES						
3,250.00	\$ 3,250.00	0.00	Superintendent	19,500.00	19,500.00	19,664.00
6,116.78	8,000.00	(1,883.22)	Greenskeepers	54,702.66	51,372.00	50,177.34
0.00	0.00	0.00	Part-time help	0.00	0.00	0.00
1,932.00	1,995.00	(63.00)	Mechanic	12,751.61	11,970.00	20,302.13
<u>11,298.78</u>	<u>13,245.00</u>	<u>(1,946.22)</u>	Total Course Maint Salary & Wages	<u>86,954.27</u>	<u>82,842.00</u>	<u>90,143.47</u>
1,214.38	1,325.00	(110.62)	Payroll taxes	8,237.95	8,286.00	8,265.14
1,317.83	1,258.00	59.83	Workers' com. insurance	4,720.38	7,868.00	7,866.48
689.00	815.00	(126.00)	Health insurance	4,823.00	4,890.00	3,783.00
0.00	0.00	0.00	Employee life-Prudential	0.00	0.00	0.00
<u>14,519.99</u>	<u>16,643.00</u>	<u>(2,123.01)</u>	Total Course Maint. Payroll Expense	<u>104,735.60</u>	<u>103,886.00</u>	<u>110,058.09</u>
COURSE MAINTENANCE OTHER EXPENSES						
0.00	0.00	0.00	Fertilizer	0.00	2,500.00	706.00
1,852.00	0.00	1,852.00	Chemicals	13,173.42	13,000.00	14,036.22
0.00	500.00	(500.00)	Seed & sod	225.22	500.00	883.52
0.00	0.00	0.00	Top dressing & sand	7,299.54	5,000.00	6,348.49
0.00	0.00	0.00	Trees, flowers & shrubs	401.12	500.00	171.39
0.00	0.00	0.00	Greens Rpr/Replacement	0.00	0.00	0.00
889.98	1,000.00	(110.02)	Equipment repair	12,327.46	13,500.00	15,441.38
0.00	0.00	0.00	Vehicle repairs	0.00	0.00	0.00
0.00	0.00	0.00	Cart path maintenance	0.00	0.00	0.00
2,040.39	200.00	1,840.39	Irrigation maintenance	4,414.81	4,300.00	1,911.29
0.00	0.00	0.00	Drainage maintenance	0.00	0.00	0.00
0.00	0.00	0.00	Tree Care Maintenance	0.00	0.00	0.00
0.00	0.00	0.00	Equipmant rental	0.00	0.00	0.00
774.49	1,000.00	(225.51)	Gas & oil	8,529.61	9,100.00	10,334.87
0.00	0.00	0.00	Course accessories	6,856.53	2,000.00	0.00
0.00	0.00	0.00	Small tools	1,035.88	800.00	1,452.20
166.60	800.00	(633.40)	Course supplies	4,224.79	4,800.00	5,410.91
0.00	0.00	0.00	Office supplies	42.00	0.00	0.00
0.00	0.00	0.00	Protective clothing	0.00	200.00	0.00
90.23	140.00	(49.77)	Laundry & towels	812.76	840.00	920.83
0.00	0.00	0.00	Dues & subscriptions	0.00	200.00	0.00
0.00	0.00	0.00	Education	0.00	100.00	0.00
0.00	0.00	0.00	Superintendant expense	0.00	100.00	60.00
0.00	0.00	0.00	Reimbursed mileage	0.00	0.00	0.00
0.00	0.00	0.00	Building maintenance	0.00	0.00	0.00
0.00	0.00	0.00	Irrigation relocation	0.00	0.00	0.00
3,323.17	2,000.00	1,323.17	Electricity	28,630.93	29,000.00	26,664.92
0.00	0.00	0.00	Canal water	1,485.25	3,000.00	1,190.00
19.18	0.00	19.18	telephone	19.18	0.00	0.00
<u>9,156.04</u>	<u>5,640.00</u>	<u>3,516.04</u>	Total Other Course Maint. Expenses	<u>89,478.50</u>	<u>89,440.00</u>	<u>85,532.02</u>
<u>23,676.03</u>	<u>\$ 22,283.00</u>	<u>1,393.03</u>	Total Course Maintenance Expenses	<u>194,214.10</u>	<u>193,326.00</u>	<u>195,590.11</u>

Unaudited - See attached accountants' compilation report.

City of Lemoore/Sierra Golf Mgmt, Inc.
dba Lemoore Municipal Golf Course
ADVERTISING & PROMOTION, FIXED EXPENSES, AND OTHER INCOME (EXPENSE)
Supporting Schedule to the Summary Statement of Income
For the Six Months Ending December 31, 2006

This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year
ADVERTISING & PROMOTION EXPENSES						
0.00	\$ 1,900.00	(1,900.00)	Advertising-Newspapers	2,880.00	11,400.00	5,581.56
0.00	0.00	0.00	Advertising Radio	0.00	0.00	0.00
0.00	0.00	0.00	Advertising Television	0.00	0.00	0.00
0.00	0.00	0.00	Advertising-Direct mail	0.00	0.00	0.00
0.00	100.00	(100.00)	Advertising-Other	645.00	1,200.00	3,112.23
570.93	450.00	120.93	Advertising-Yellow pages	2,693.00	2,700.00	3,213.21
<u>570.93</u>	<u>\$ 2,450.00</u>	<u>(1,879.07)</u>	Total Advertising & Promotion Expens	<u>6,218.00</u>	<u>15,300.00</u>	<u>11,907.00</u>
FIXED EXPENSES						
4,000.00	\$ 4,000.00	0.00	Management fees	24,000.00	24,000.00	21,600.00
781.50	950.00	(168.50)	General insurance	4,689.00	5,700.00	5,581.06
0.00	900.00	(900.00)	Lease purchase	0.00	5,400.00	0.00
3,147.06	3,300.00	(152.94)	Interest Expense City of Lemoo	18,610.82	19,800.00	17,357.41
408.50	200.00	208.50	Interest Expense-Other	2,497.27	1,200.00	1,174.39
0.00	0.00	0.00	Extraordinary Course Repairs	0.00	0.00	0.00
27.29	0.00	27.29	Personal property tax	163.74	0.00	0.00
0.00	0.00	0.00	Yamaha cart lease	0.00	0.00	0.00
<u>8,364.35</u>	<u>\$ 9,350.00</u>	<u>(985.65)</u>	Total Fixed Expenses	<u>49,960.83</u>	<u>56,100.00</u>	<u>45,712.86</u>
DEPRECIATION						
9,559.00	\$ 8,870.00	689.00	Depreciation expense	55,984.50	53,220.00	59,474.04
<u>9,559.00</u>	<u>\$ 8,870.00</u>	<u>689.00</u>	Total Depreciation Expense	<u>55,984.50</u>	<u>53,220.00</u>	<u>59,474.04</u>
OTHER INCOME (EXPENSES)						
502.39	\$ 0.00	502.39	Interest income	2,523.13	0.00	792.32
497.55	0.00	497.55	Purchase discounts	2,197.45	0.00	1,269.40
0.00	0.00	0.00	Expired gift certificates	0.00	0.00	0.00
0.00	0.00	0.00	Workers' comp. dividend	0.00	0.00	0.00
0.00	0.00	0.00	Sales of assets-carts	900.00	0.00	0.00
2,149.96	0.00	2,149.96	Miscellaneous income	2,761.90	0.00	(149.51)
0.00	0.00	0.00	Capital expenditures	0.00	0.00	0.00
<u>3,149.90</u>	<u>\$ 0.00</u>	<u>3,149.90</u>	Total Other Income & Expense	<u>8,382.48</u>	<u>0.00</u>	<u>1,912.21</u>

Unaudited - See attached accountants' compilation report.

City of Lemoore/Sierra Golf Mgmt, Inc.
 dba Lemoore Municipal Golf Course
PROFORMA SUMMARY STATEMENT OF INCOME
 Adjusted for Accruing Unpaid Interest Exp Depreciation Exp
 For the Six Months Ending December 31,

This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year
REVENUES						
36,879.00	32,577.00	4,302.00	Green fees & mo: fees	301,716.78	267,612.00	241,097.00
15,283.00	14,225.00	1,058.00	Cart fees	145,926.00	120,348.00	123,690.50
3,946.00	3,498.00	448.00	Other Golf income	29,125.99	29,596.00	29,058.62
56,108.00	50,300.00	5,808.00	Subtotal Golf Operations	476,768.77	417,556.00	393,846.12
28,410.72	13,759.00	14,651.72	Merchandise	127,592.05	116,402.00	121,352.22
13,120.48	13,992.00	(871.52)	Food & beverage	131,390.77	118,374.00	122,826.75
3,149.90	0.00	3,149.90	Other Income (exp)	8,382.48	0.00	1,912.21
100,789.10	78,051.00	22,738.10	Total Revenues	744,134.07	652,332.00	639,937.30
COST OF SALES						
22,077.33	9,906.00	12,171.33	COS-Merchandise	93,321.03	83,809.00	90,473.59
5,440.18	5,597.00	(156.82)	COS-Food & beverage	56,028.17	47,350.00	50,007.87
27,517.51	15,503.00	12,014.51	Total Cost of Sales	149,349.20	131,159.00	140,481.46
73,271.59	62,548.00	10,723.59	Gross Margin	594,784.87	521,173.00	499,455.84
EXPENSES						
3,587.62	4,638.00	(1,050.38)	Food & beverage	28,787.23	34,113.00	32,379.05
5,936.07	5,555.00	381.07	General & administrative	29,071.42	29,405.00	27,779.96
2,233.93	2,208.00	25.93	Clubhouse	14,167.85	16,398.00	16,543.32
14,297.00	13,062.00	1,235.00	Golf Operation	86,442.28	91,058.00	82,148.29
23,676.03	22,283.00	1,393.03	Course Maintenance	194,214.10	193,326.00	195,590.11
570.93	2,450.00	(1,879.07)	Advertising & promotion	6,218.00	15,300.00	11,907.00
8,364.35	9,350.00	(985.65)	Fixed expenses	49,960.83	56,100.00	45,712.86
9,559.00	8,870.00	689.00	Depreciation	55,984.50	53,220.00	59,474.04
68,224.93	68,416.00	(191.07)	Total Expenses	464,846.21	488,920.00	471,534.63
5,046.66	(5,868.00)	10,914.66	Net Inc (Loss)	129,938.66	32,253.00	27,921.21
Proforma adjustments for Accruing Unpaid Interest Exp & Depreciation Exp						
.....Add back:						
9,559.00	8,870.00	689.00	Non Cash Deprec Exp	55,984.50	53,220.00	59,474.04
3,147.06	3,300.00	(152.94)	CofL Int Exp Accr\Unpaid	18,610.82	19,800.00	17,357.41
12,706.06	12,170.00	536.06	Total Adjustments	74,595.32	73,020.00	76,831.45
17,752.72	6,302.00	11,450.72	Proforma After Adj.	204,533.98	105,273.00	104,752.66

Unaudited - See attached accountants' compilation report.