



Mary Puryear CPA PLLC

February 27, 2025

RE: Resort Golf Club LLC

To Whom It May Concern:

In December 2024, my firm was contacted by Chris Capehart to assist with the bookkeeping and accounting for the Resort Golf Club LLC.

As the recently engaged Accounting firm for the Resort Golf Club LLC, we have completed the following tasks:

- Migrated previous bookkeeping data to a new QuickBooks Online Company File.
- Entered Accounts Payable invoices and amounts due from vendors, suppliers, etc.
- Reconciled banking activity for the entirety of 2024 through January 2025 bank statements.
- Reconciled activity from the point-of-sale system to the bank activity.
- Ensured year-end payroll and contractor tax forms were timely submitted.

During the course of our initial review of the Accounting documentation and systems, we located the following discrepancies:

- Accounts Payable was not kept current and not reported by the previous management and accountants.
- Purchasing procedures and controls over spending were non-existent.
- Sales Tax rate was incorrect and under-collected by \$32,721.54 due to the sales tax rate not updated in the point-of-sale system.
- Payroll records and payments indicated that additional wages and bonuses were paid to employees and not properly entered into the payroll system.
- Petty cash had a lack of documentation and controls.
- Documentation had not been collected for contractors, including W-9 forms required by the IRS.



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- Financial reports produced by the previous accountant were inaccurate and not maintained on an accrual basis.

To remedy these gaps in controls and procedures, we are currently working toward the following goals:

- Purchase Order approval system
- Documentation requirements for contractor workers
- Cash drawer closing procedures refined to ensure accurate counts daily.
- Month-end closing procedures to ensure the books are closed timely each month and all reconciling items and discrepancies are resolved timely.
- Revising the Chart of Accounts to more accurately report segment profitability or loss to allow for more accurate budgeting and cost analysis. Note that during this transition in late 2024 and early 2025, there are accounts that will require merging. While this will not affect the end result, the current financials appear incongruent from January to September 2024 and October 2024 to January 2025. Once the Chart of Accounts is remapped, we will prepare the needed adjustments for congruent financials from 2024 to 2025 that will also align with the 2025 revised budget.
- Financial reporting package monthly, including Budget-to-Actual analysis.
- Suggest cost savings opportunities as well as areas of operational improvement as noted during the normal course of work.

Sincerely,

Mary Puryear

Mary Puryear, CPA

Attachments

"This letter is intended solely for informational purposes and does not constitute an attestation or an opinion. The contents should not be construed as an assurance or a conclusion regarding the accuracy, fairness, or compliance of any financial statements or information provided. This communication does not express an opinion or provide any assurance, nor does it imply any audit or review procedures have been performed in connection with the matter discussed."



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February 27, 2025

RE: Resort Golf Club LLC

Purpose:

To review the 2024 preliminary results.

Profit and Loss Highlights:

- Gross Receipts increased \$415K from 2023 to 2024
 - Donations of \$100K
 - Landman revenue
- Cost of Goods Sold and Operating Expenses increased by \$656K from 2023 to 2024
 - Secondary water source - \$120K
 - Labor and materials increased \$175K from 2023
 - Golf cart lease - \$132K
 - Sales Tax Error - \$32,721.54 (2% under-collected from April through December 2024)
- Net Loss is estimated at \$216K for 2024 with EBITDA at an estimated loss of \$24K
- Principal payments to the lender of \$125K are not included in the above P&L Analysis.

Balance Sheet Highlights:

- Ending Cash balance as of 12/31/24 - \$46K
- Accounts Payable balance as of 12/31/24 - \$187K
- Note that the Balance Sheet is still under review and future adjustments may occur that may affect the Profit & Loss statement.



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Summary:

As of December 31, 2024, due to the lack of financial statements and proper budgeting the true financial status of the Resort Golf Club was unknown. As my team and I have brought the financials up-to-date and working with Board members, the lack of sufficient cash flow to meet past and current operating obligations became apparent.

As we move into 2025, our top initiatives are to work alongside internal personnel and the Board to formulate cost-savings while implementing policies and procedures to ensure fiscal responsibility and planning.

Sincerely,

Mary Puryear

Mary Puryear, CPA

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Resort Golf Club LLC

Profit and Loss

January - December 2024

	TOTAL
Income	
Accessories	4,365.52
Bags	6,389.92
Balls	67,940.53
Beer Sales	144,656.56
Beer/Liquour/Wine Sales	10,418.41
Beverage Sales	4,715.86
Cart Fees	231,708.56
Club Beverage Sales	34,547.98
Club Food Sales	133,282.24
Club Rental	13,121.83
Club Sales	2,540.09
Donations	100,000.00
Drivers	15,849.90
Driving Range	48,559.24
Food Sales	86,753.07
Footwear	4,761.62
GHIN Handicap Fees	5,723.82
Gift Cards	-3,857.12
Gloves	10,754.24
Golf	481,235.43
Green Fees	115,048.39
Hard Goods	18,711.63
Headwear	6,365.45
HOA Fees	443,520.00
Initiation Fees	13,750.00
Irons	28,330.93
Ladies Apparel	673.43
Liquor Sales	132,460.33
Member Guest Fees	13,392.36
Membership Fees	492,062.88
Other Income	117,259.19
Outerwear	2,998.19
Pants	1,973.22
Putters	6,095.85
Refunds	-243.54
Shirts	9,933.99
Tournament Fees	111,880.83
Wedges	5,191.50
Wine Sales	12,961.00

Resort Golf Club LLC

Profit and Loss

January - December 2024

	TOTAL
Woods	12,856.30
Total Income	\$2,948,689.63
Cost of Goods Sold	
Beer/Liquor/Wine Cost	119,801.47
Beverage Cart Lease Expense	2,203.65
Cart Lease Expense	132,620.46
Cart Repairs	8,905.35
Cost of Sales - Merchandise	201,777.86
Driving Range Supples	3,549.94
Equipment Leases	11,620.18
Equipment Rental	3,978.33
Food & Beverage Supplies	22,281.58
Food Cost	148,609.39
Laundry/Linen	6,602.33
Liquor Tax	46,124.34
Office Supplies	651.21
Property Tax - Carts	6,256.90
Repairs & Maintenance - Restaurant/Bar	19,547.48
Supplies	152.61
Supplies - Pro Shop	8,549.35
TABC	5,150.00
Utilities	3,244.00
Total Cost of Goods Sold	\$751,626.43
GROSS PROFIT	\$2,197,063.20
Expenses	
Accounting Fees	3,920.00
Bank Charges	186.16
Cable	4,297.87
Cell Phone Expense	193.34
Charitable Contributions	1,205.00
Chemicals	76,949.33
Cleaning Expense	22,945.25
Cleaning Supplies	113.29
Cleaning Supplies - Operations	4,474.16
Computer & SW Expenses	2,960.35
Contract Labor	244,199.55
Credit Card Processing Fees	64,138.46
Dues & Subscriptions	175.00
Education & Training	766.00
Electricity	77,987.65
Events	219.71
Fertilizer	18,445.19

Resort Golf Club LLC

Profit and Loss

January - December 2024

	TOTAL
Fintech Fee	337.46
Fuel & Oil	954.40
Fuel & Oil - Operations	23,853.06
Gas	5,964.23
GHIN	4,134.00
Golf Course Equipment Lease Expense	92,950.07
Golf Course Maintenance	115.73
Golf Course Supplies	32,398.37
Insurance - Property	31,583.00
Internet	1,536.22
Internet - Operations	1,205.16
Irrigation Repairs	159,512.07
Late Fees	50.75
License/Permits/Fees	2,500.00
Live Entertainment	15,214.84
Marketing & Advertising	377.78
Meals - General	913.44
Miscellaneous Expense	-27,241.99
Office Supplies - Operations	6,074.67
Other Misc. Repairs & Maintenance	25,586.50
Other Repairs & Maintenance	27,196.96
Outside Services	750.17
Payroll & Related Costs	904,508.18
Pest Control	1,299.00
Pool Repairs & Maintenance	37,047.30
Postage	1,282.82
Real Property Taxes	73,266.97
Repairs & Maintenance	23,629.87
Repairs & Maintenance - Admin.	4,232.19
Repairs & Maintenance - Fitness Center	10,140.92
Sales Tax Undercollected	32,721.54
Sand/Seed/Soil	90,379.15
Security & Monitoring	5,270.03
Security & Monitoring - Operations	2,748.83
Security/Monitoring - Pool	639.29
Small Tools	742.19
State Taxes	21,359.18
Telephone Expense	2,090.69
Telephone Expense - Pool	211.09
Trash Removal	11,961.81
Uncategorized Expense	7,764.77
Water & Sewer	4,280.49
Water/Irrigation	55,620.73

Resort Golf Club LLC

Profit and Loss

January - December 2024

	TOTAL
Water/Supplies	1,240.78
Total Expenses	\$2,221,581.02
NET OPERATING INCOME	\$ -24,517.82
Other Expenses	
Amortization Expense	28,229.00
Depreciation Expense	113,189.00
Interest Expense	33.43
Mortgage Interest Expense	79,012.49
Over/Short	-28,454.65
Total Other Expenses	\$192,009.27
NET OTHER INCOME	\$ -192,009.27
NET INCOME	\$ -216,527.09

Note

NOTE: These financial statements are PRELIMINARY and internally prepared. No attestation services have been performed.

Resort Golf Club LLC

Balance Sheet

As of December 31, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Operating Account 3530 - 1	46,539.62
Petty Cash	550.00
Total Bank Accounts	\$47,089.62
Accounts Receivable	
Accounts Receivable - Trade	29,728.03
Total Accounts Receivable	\$29,728.03
Other Current Assets	
Inventory	31,656.05
Inventory - Alcohol	0.00
Inventory- Food/Beverage	19,774.80
Undeposited Funds	20,370.29
Total Other Current Assets	\$71,801.14
Total Current Assets	\$148,618.79
Fixed Assets	
Accumulated Amortization	-84,687.00
Accumulated Depreciation	-335,718.00
Fitness Equipment	56,601.00
Golf Carts	19,500.00
Intangible Assets	423,438.00
Land	1,367,733.00
Maintenance Equipment	434,021.00
Office Equipment	4,300.00
Pool Equipment	36,500.00
Restaurant Equipment	27,894.00
Total Fixed Assets	\$1,949,582.00
TOTAL ASSETS	\$2,098,200.79

Resort Golf Club LLC

Balance Sheet

As of December 31, 2024

	TOTAL
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable - Trade	187,698.86
Total Accounts Payable	\$187,698.86
Other Current Liabilities	
Accrued Expenses	35,057.55
Gift Cards SOLD/ Redeemed	12,192.55
Sales Taxes Payable	12,541.90
Tips Liability	2,086.46
Total Other Current Liabilities	\$61,878.46
Total Current Liabilities	\$249,577.32
Long-Term Liabilities	
Mortgage Payable	1,146,993.45
Total Long-Term Liabilities	\$1,146,993.45
Total Liabilities	\$1,396,570.77
Equity	
Prior Period Adjustments	17,054.11
Retained Earnings	0.00
Retained Earnings - Appropriated	770,279.00
Retained Earnings - Unappropriated	130,824.00
Net Income	-216,527.09
Total Equity	\$701,630.02
TOTAL LIABILITIES AND EQUITY	\$2,098,200.79

Note

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Resort Golf Club LLC

Profit and Loss

January 2025

	TOTAL
Income	
Golf	37,409.45
HOA Fees	36,960.00
Membership	54,672.42
Refunds	-363.02
Restaurant/Bar	27,327.16
Total Income	\$156,006.01
Cost of Goods Sold	
Beer/Liquor/Wine Cost	7,087.28
Cart Lease Expense	15,665.12
Cost of Sales - Merchandise	3,546.30
Driving Range Supples	107.95
Equipment Rental	2,867.05
Fees/Permits	1,566.51
Food & Beverage Supplies	4,539.83
Food Cost	2,481.02
Laundry/Linen	636.89
Liquor Tax	1,055.45
Total Cost of Goods Sold	\$39,553.40
GROSS PROFIT	\$116,452.61
Expenses	
Bank Charges	2.16
Cable	743.23
Chemicals	964.02
Cleaning Expense	1,650.81
Computer & SW Expenses	585.25
Contract Labor	13,274.97
Credit Card Processing Fees	4,108.18
Electric	4,770.40
Fintech Fee	30.82
Gas	855.04
Golf Course Equipment Lease Expense	7,965.44
Insurance - Property	7,394.40
Internet	790.83
Late Fees	77.77
Office Supplies - Operations	25.01
Payroll & Related Costs	30,996.61
Pool Repairs & Maintenance	2,000.63
Repairs & Maintenance	1,258.80

Resort Golf Club LLC

Profit and Loss

January 2025

	TOTAL
Security & Monitoring	472.37
State Taxes	100.00
Telephone Expense - Pool	224.89
Trash Removal	1,571.10
Water & Sewer	554.74
Water/Supplies	100.29
Total Expenses	\$80,517.76
NET OPERATING INCOME	\$35,934.85
Other Expenses	
Mortgage Interest Expense	6,212.88
Over/Short	-730.38
Total Other Expenses	\$5,482.50
NET OTHER INCOME	\$ -5,482.50
NET INCOME	\$30,452.35

Note

NOTE: These financial statements are PRELIMINARY and have been internally prepared. No attestation services have been performed.