

Consolidated Financial Statements
Income Statement Projections
Magic Mountain Ski Area

	<u>Y1</u>	<u>Y2</u>	<u>Y3</u>	<u>Y4</u>	<u>Y5</u>
Skier Visits	18910	20959	24801	29495	35240
	Totals	Totals	Totals	Totals	Totals
Revenue					
Season Passes	122,500	154,000	179,988	209,633	230,596
Ticket Sales	416,425	524,881	671,656	859,014	1,098,071
Lessons	53,235	74,095	88,504	106,104	127,652
Racing	18,000	19,800	21,780	23,958	26,354
Tube Park	49,971	62,986	80,599	85,901	87,846
Rentals	23,892	29,865	37,331	48,220	62,219
Food and Beverage*	21,401	23,055	27,281	32,444	38,765
Store**	1,120	1,680	2,100	2,712	3,500
Total Revenues	706,544	890,362	1,109,239	1,367,986	1,675,001
Expenses					
Personnel/payroll Taxes	404,782	476,864	491,169	537,713	590,586
Snowmaking/grooming	188,100	206,268	226,895	290,013	426,770
Marketing	66,455	69,778	76,756	84,431	92,874
Energy Costs (non SM)	52,301	54,916	60,408	66,448	73,093
Insurance	102,000	105,060	108,212	119,033	130,936
G&A	28,840	29,705	31,190	32,750	34,387
Sales and use Tax	36,767	46,304	58,174	72,166	88,724
Total Expenses	879,246	988,895	1,052,804	1,202,554	1,437,371

EBITDA	-172,702	-98,533	56,435	165,431	237,630
Property Tax	17,000	17,000	17,000	17,000	17,000
Net Income	-189,702	-115,533	39,435	148,431	220,630

* F&B based on current concession agreement

** Store based on current concession agreement

Consolidated Financial Statements

Cash Flow Projections

Magic Mountain Ski Area

Projections based on 1000 shares sold by the end of year 5.

		<u>Y1</u>	<u>Y2</u>	<u>Y3</u>	<u>Y4</u>	<u>Y5</u>
Earnings		\$ (189,702)	\$ (115,533)	\$ 39,435	\$ 148,431	\$ 220,630
Non-cash Adjustments						
Depreciation						
Other Adjustments to Earnings						
Net Cash from Operations		\$ (189,702)	\$ (115,533)	\$ 39,435	\$ 148,431	\$ 220,630
	# Shares Sold @ \$ 3,000	450	150	150	125	125
Proceeds from Issuing New Stock		\$ 1,350,000	\$ 450,000	\$ 450,000	\$ 375,000	\$ 375,000
Payments to repurchase Stock						
Stock Dividends Paid						
Payments to purchase Equity		\$ (300,000)				
Net Cash from Financing		\$ 1,050,000	\$ 450,000	\$ 450,000	\$ 375,000	\$ 375,000
Capital Expenditures		\$ (121,000)	\$ (267,000)	\$ (496,500)	\$ (549,000)	\$ (690,000)
Net Cash used for Investing		\$ (121,000)	\$ (267,000)	\$ (496,500)	\$ (549,000)	\$ (690,000)
Change in cash and equivalents during the year		\$ 739,298	\$ 67,467	\$ (7,065)	\$ (25,569)	\$ (94,370)
Cash and equivalents, beginning of year		\$ -	\$ 739,298	\$ 806,766	\$ 799,701	\$ 774,132
Cash and equivalents, end of year		\$ 739,298	\$ 806,766	\$ 799,701	\$ 774,132	\$ 679,763

Consolidated Financial Statements
 Capital Expenditure & Non-Routine Maintenance Projections
 Magic Mountain Ski Area

All Capital Expenditures will be voted on by the BOD or the shareholders

	<u>Y1</u>	<u>Y2</u>	<u>Y3</u>	<u>Y4</u>	<u>Y5</u>	<u>Total Capital Expenditures</u>
Grooming						
Delayed Maintenance	\$ 8,000					
Repair Tiller	\$ 5,000					
Replace Wheels	\$ 2,000					
New Groomer				\$ 100,000		
Repair Bombadier	\$ 10,000					
Total Grooming	\$ 25,000	\$ -	\$ -	\$ 100,000	\$ -	\$ 125,000
Lifts						
<i>Red Lift</i>						
Paint Chairs	\$ 5,000					
Bushings	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000		
Replace Coupling	\$ 4,000					
Replace Vert Shaft	\$ 5,000					
Spare Parts		\$ 12,500	\$ 12,500			
<i>Black Lift</i>						
Rebuild Sheaves	\$ 12,000					
Repair Rollback	\$ 4,000					
Repair Electric	\$ 1,000					
Load Test		\$ 5,000				
Paint Chairs/towers						
<i>Handle Tows</i>						
Bury Wires	\$ 1,000					
Berm Tube Tow		\$ 500				
Relocate Beg Tow				\$ 20,000		
<i>Green Lift</i>						
Complete Lift			\$ 300,000			
<i>Magic Carpet</i>						
Purchase and Install				\$ 150,000		
Total Lifts	\$ 33,000	\$ 19,000	\$ 313,500	\$ 171,000	\$ -	\$ 536,500

Total Capital Expenditures

Y1 Y2 Y3 Y4 Y5

Snowmaking

Complete Pond Rebuild		\$ 150,000				
Repair LMC Pipe	\$ 5,000					
Fix 250 Line	\$ 2,500					
Repair Wizard/SOH	\$ 10,000	\$ 10,000	\$ 10,000			
Maintain Fan Guns	\$ 5,000					
Upgrade Ratnicks	\$ 3,000					
repair compressor	\$ 15,000					
hydrants	\$ 10,000	\$ 10,000	\$ 10,000			
Repair Witch to Black		\$ 20,000				
Repair Pumps		\$ 3,000	\$ 3,000	\$ 3,000		
Snowmaking to Beg Area				\$ 50,000		
New Fan Guns				\$ 100,000	\$ 100,000	
New Stick Guns			\$ 30,000	\$ 30,000	\$ 30,000	
Add more outlets on 250		\$ 5,000	\$ 5,000			
Replace Pipe			\$ 50,000	\$ 50,000	\$ 50,000	
Add Mid Mtn Pump and refigure system					\$ 500,000	
<u>Total Snowmaking</u>	\$ 50,500	\$ 198,000	\$ 108,000	\$ 233,000	\$ 680,000	\$ 1,269,500

Lodge

Repair Deck Joists	\$ 5,000					
repair roof leaks	\$ 2,500					
New Roof			\$ 40,000	\$ 20,000		
Add Lockers	\$ 5,000					
replace/clean carpet		\$ 5,000				
outfit Kitchen		\$ 20,000				
Sprinkler System		\$ 15,000	\$ 15,000	\$ 15,000		
repair/replace deck			\$ 10,000			
<u>Total Lodge</u>	\$ 12,500	\$ 40,000	\$ 65,000	\$ 35,000	\$ -	\$ 152,500

Miscellaneous

Upgrade Rental Fleet		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	
<u>Total Misc</u>	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 40,000

Total Capital Expenditures

\$ 121,000 \$ 267,000 \$ 496,500 \$ 549,000 \$ 690,000 \$ 2,123,500

Consolidated Financial Statements
Financial History
Magic Mountain Ski Area

	FYE June 09	FYE June 08	FYE June 07	FYE June 06	FYE June 05	FYE June 04
Skier/Tubing Visits	16,725	16,870	16,377	5,000*	10,000*	13750*
Revenue						
Ski Tickets/Passes	381,404	481,129	444,531	130,311	353,029	425,528
Tubing	52,713	-	22,520	32,435	21,038	24,420
Learning Center	40,060	47,629	32,921	15,071	47,509	38,502
Rentals	20,438	23,898	24,725	14,950	23,888	22,875
Concessions	11,499	19,860	18,513	11,704	8,123	7,948
Mtn Services				32,477	1,365	450
Cell Towers	100		200	11,000		-
Catamount/Enernoc	1,948	1,724	763	25,000		-
Other	26,307	19,701	8,658	-		-
Total Revenue	534,469	593,941	552,831	272,948	454,952	519,723
Expenses						
Advertising/Marketing	29,200	41,517	23,281	4,513	3,078	45,278
Contract labor and Equipment	4,384	12,415	17,369	20,454	14,378	11,742
Fees/Inspections	18,704	27,435	23,744	33,096	38,714	63,523
Insurance	22,416	22,129	11,786	26,767	44,926	132,481
Leases	13,399	42,355	114,313	22,537	46,767	78,824
Misc				-	-	(18,913)
Payroll	157,771	217,050	216,727	199,351	220,579	309,344
Repairs and Maint	24,712	15,343	12,440	29,183	73,093	42,729
Diesel and Gas	3,902	4,391	2,770	4,802	3,340	4,083
Supplies	12,794	24,022	21,117	9,822	16,881	(11,229)
Tax - Payroll & Sales & Use Taxes	92,878	96,969	112,721	78,132	118,682	78,958
Fuel/Elec/Snowmakng Expenses	98,468	166,147	153,012	212,221	139,467	138,978
Electric (Non-Snowmaking)	24,912	31,384	18,822			
Phone	7,938	11,472	13,414	10,627	9,232	8,125
Interest	10,982					
Travel	4,156	3,786	7,310	-	8,499	-
Rent Expense		1,119	-	-	75,000	75,000
Cap Ex/Other	68,889	141,907	318,082	14,042	30,510	45,095
Total Expense	595,505	859,441	1,066,908	665,547	843,146	1,004,018
Net Ordinary Income	(61,036)	(265,500)	(514,077)	(392,599)	(388,194)	(484,295)
Other Income (Expense)	18,783	-	-	(8,993)	192,950	(50,892)
Net Income	(42,253)	(265,500)	(514,077)	(401,592)	(195,244)	(535,187)

* Skier Visit numbers are estimates based on financials and anecdotal data