




MEMORANDUM

Date: May 29, 2018

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **Colossal Cave Cooperative Management, Operation and Development Agreement – Financial Statement**

At the March 20, 2018 Pima County Board of Supervisors meeting, the Board considered a request made by Ortega National Parks, dba Colossal Caves LLC, Pima County's contracted operator for Colossal Cave Mountain Park, to waive Section 13.3.2 of the Management, Operation and Development Agreement (Agreement). The Agreement stipulates that if the gross revenues exceed \$1 million dollars in any year, a certified audit is required for the preceding fiscal year.

The Board approved the request, noting the company exceeded \$1 million in gross revenues by approximately \$80,000 before taxes. The Board approved this waiver for one year only and directed the operator to provide a reviewed financial statement for the period.

Attached is the Colossal Caves LLC, Profit and Loss for January through December 2017.

CHH/lab

Attachment

c: Jan Leshar, Chief Deputy County Administrator
Diane Frisch, Director, Attractions and Tourism

Colossal Caves LLC
Profit & Loss
January through December 2017

	<u>Jan - Dec 17</u>	<u>Jan - Dec 16</u>	<u>% Change</u>
Ordinary Income/Expense			
Income			
40000 · Income			
41000 · Retail			
41100 · Bat Pot Gift Shop			
41110 · Bat Pot Gift Shop- American	150,345	113,375	33%
41120 · Bat Pot Gift Shop- Native	45,260	35,291	28%
41130 · Bat Pot Gift Shop-Souvenirs	110,288	92,002	20%
41140 · Bat Pot Gift Shop-Deli/Conven	37,265	59,128	-37%
41150 · Bat Pot Gift Shop- Grab & Go	22,881	0	100%
41180 · Bat Pot Gift Shop- Shipping	80	20	300%
41190 · Bat Pot Gift Shop-Disc/Comps	-68	23	-396%
Total 41100 · Bat Pot Gift Shop	<u>366,051</u>	<u>299,839</u>	<u>22%</u>
Total 41000 · Retail	366,051	299,839	22%
44000 · Food & Beverage			
44100 · Outlet 1			
44110 · Outlet 1 - Food	12,819	0	100%
Total 44100 · Outlet 1	<u>12,819</u>	<u>0</u>	<u>100%</u>
Total 44000 · Food & Beverage	12,819	0	100%
49000 · Other Income			
49030 · Space Rental	0	396	-100%
49080 · Misc Income/Admission	855,373	626,295	37%
49081 · Misc Income/Admission Discount	-129,039	-6,686	-1,830%
Total 49000 · Other Income	<u>726,334</u>	<u>620,005</u>	<u>17%</u>
Total 40000 · Income	<u>1,105,204</u>	<u>919,844</u>	<u>20%</u>
Total Income	1,105,204	919,844	20%
Cost of Goods Sold			
50000 · Cost of Goods			
51000 · Retail			
51010 · COGS - American	48,501	36,719	32%
51020 · COGS - Native	14,873	16,984	-12%
51030 · COGS - Souvenirs	31,951	25,706	24%
51040 · COGS - Deli/Convenience	9,456	457	1,969%
51050 · COGS - Grab & Go	2,279	2,490	-8%
51080 · COGS - Shipping	6,956	1,438	384%
Total 51000 · Retail	<u>114,016</u>	<u>83,794</u>	<u>36%</u>

Colossal Caves LLC
Profit & Loss
January through December 2017

	<u>Jan - Dec 17</u>	<u>Jan - Dec 16</u>	<u>% Change</u>
54000 · Food & Beverage			
54010 · COGS - Food	18,614	22,069	-16%
54030 · COGS - Liquor	-204	3	-6,900%
54040 · COGS - Wine	656	188	249%
54050 · COGS - Beer	3,116	734	325%
Total 54000 · Food & Beverage	<u>22,182</u>	<u>22,994</u>	<u>-4%</u>
Total 50000 · Cost of Goods	<u>136,198</u>	<u>106,788</u>	<u>28%</u>
Total COGS	<u>136,198</u>	<u>106,788</u>	<u>28%</u>
Gross Profit	969,006	813,056	19%
Expense			
60000 · Expenses			
61100 · Sales & Marketing			
61110 · Advertising	56,914	84,062	-32%
61120 · Charitable Contributions/Donati	1,017	0	100%
61160 · Promotions	374	0	100%
Total 61100 · Sales & Marketing	<u>58,305</u>	<u>84,062</u>	<u>-31%</u>
62100 · Payroll			
62110 · Management			
62111 · Salary	57,263	55,305	4%
Total 62110 · Management	<u>57,263</u>	<u>55,305</u>	<u>4%</u>
62120 · Other Employees			
62122 · Hourly	294,598	253,311	16%
62123 · Overtime & Double-time	12,012	13,344	-10%
Total 62120 · Other Employees	<u>306,610</u>	<u>266,655</u>	<u>15%</u>
62140 · PTEB			
62141 · Payroll Taxes	31,523	27,387	15%
62142 · Supplemental Pay	199	1,154	-83%
62143 · Employee Benefits	24,552	17,646	39%
Total 62140 · PTEB	<u>56,274</u>	<u>46,187</u>	<u>22%</u>
Total 62100 · Payroll	420,147	368,147	14%
62200 · Human Resources			
62210 · Uniforms	0	39	-100%
62220 · Training	886	45	1,869%
62240 · Recruiting and Hiring	25	50	-50%

Colossal Caves LLC
Profit & Loss
January through December 2017

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Total 62200 · Human Resources	911	134	580%
62300 · Consulting			
62310 · F&B Consulting	2,352	0	100%
62340 · Environmental Consulting	150	11,078	-99%
62370 · Other Consultants	15,938	1,775	798%
Total 62300 · Consulting	<u>18,440</u>	<u>12,853</u>	43%
62400 · Outside Services			
62410 · Accounting Services			
62412 · Bookkeeping	34,223	17,375	97%
62414 · Accounting	45	2,226	-98%
62416 · Audit	0	112	-100%
Total 62410 · Accounting Services	<u>34,268</u>	<u>19,713</u>	74%
62420 · Entertainment/Guest Services	1,200	1,500	-20%
62430 · Janitorial	600	600	0%
62440 · Legal	7,631	5,500	39%
62470 · Payroll Service	2,204	3,329	-34%
Total 62400 · Outside Services	<u>45,903</u>	<u>30,642</u>	50%
63100 · Fees & Taxes			
63110 · Bank Service Charge	113	36	214%
63120 · Late Fee	1,213	2	60,550%
63130 · Licenses and Permits	242	279	-13%
63150 · Penalties	73	348	-79%
Total 63100 · Fees & Taxes	<u>1,641</u>	<u>665</u>	147%
63200 · General & Administrative			
63210 · Amortization Expense	3,517	633	456%
63230 · Cash Over/Short	55	1,420	-96%
63240 · Depreciation Expense	24,468	46,511	-47%
63250 · Equipment Rentals	585	2,429	-76%
63255 · Government Fee (Franchise)	0	0	0%
63260 · Interest Expense	11,945	12	99,442%
63270 · Management Fee	66,312	55,592	19%
63272 · Merchant Fees	96,988	20,726	368%
Total 63200 · General & Administrative	<u>203,870</u>	<u>127,323</u>	60%
63300 · Office Expense			
63310 · Dues & Subscriptions	554	1,007	-45%
63320 · Office Supplies	3,233	1,170	176%
63340 · Postage & Delivery	314	4,827	-93%
63350 · Printing	328	359	-9%

Colossal Caves LLC
Profit & Loss
January through December 2017

	<u>Jan - Dec 17</u>	<u>Jan - Dec 16</u>	<u>% Change</u>
Total 63300 · Office Expense	4,429	7,363	-40%
63400 · Insurance			
63420 · General Liability Insurance	4,812	5,365	-10%
63430 · Umbrella Insurance	1,962	1,524	29%
63440 · Workers Comp Insurance	14,047	10,428	35%
63450 · Other Insurance	5,654	8,471	-33%
Total 63400 · Insurance	26,475	25,788	3%
63500 · IT			
63520 · Hardware/Software	984	5,072	-81%
63530 · Internet	2,754	3,245	-15%
63540 · IT Support	0	442	-100%
63550 · IT Maintenance	0	200	-100%
63560 · Security Systems	1,514	1,557	-3%
63570 · Telephone & Communications	8,719	8,436	3%
63580 · Website	225	1,490	-85%
Total 63500 · IT	14,196	20,442	-31%
64100 · Maintenance & Repairs			
64110 · Contracted Repairs	5,949	1,674	255%
64150 · Maintenance Parts & Materials	1,277	430	197%
64155 · Maintenance Supplies	1,615	3,743	-57%
64160 · Maintenance Tools	31	506	-94%
Total 64100 · Maintenance & Repairs	8,872	6,353	40%
64200 · Utilities/Facility			
64210 · Electricity	13,984	19,722	-29%
64230 · Pest Control	2,640	1,240	113%
64250 · Rent	19,992	21,658	-8%
64270 · Waste Disposal	6,373	6,495	-2%
64280 · Water/Sewer	1,225	1,225	0%
Total 64200 · Utilities/Facility	44,214	50,340	-12%
64300 · Operating Supplies			
64305 · Chemical	41	13	215%
64310 · Cleaning Supplies	2,289	2,619	-13%
64315 · Decorations	5,358	12,345	-57%
64325 · Employee Amenities	1,013	876	16%
64335 · Guest Amenities	55	891	-94%
64350 · Kitchen Supplies	1,318	2,840	-54%
64365 · Other Supplies	1,110	6,207	-82%
64370 · Paper Products	3,050	2,856	7%
64380 · Restaurant Supplies	1,055	460	129%

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	<u>Jan - Dec 17</u>	<u>Jan - Dec 16</u>	<u>% Change</u>
64385 · Retail Supplies	1,840	2,987	-38%
64390 · Silverware	0	66	-100%
Total 64300 · Operating Supplies	17,129	32,160	-47%
65100 · Travel			
65110 · Lodging	5,535	2,664	108%
65120 · Meals	1,702	394	332%
65130 · Transportation	5,158	5,481	-6%
65140 · Travel Other	2,550	721	254%
Total 65100 · Travel	14,945	9,260	61%
65200 · Automobile			
65210 · Fuel	1,147	795	44%
65220 · Auto Maintenance & Repairs	24	0	100%
Total 65200 · Automobile	1,171	795	47%
Total 60000 · Expenses	880,648	776,327	13%
Total Expense	880,648	776,327	13%
Net Ordinary Income	88,358	36,729	141%
Other Income/Expense			
Other Income			
70000 · Other Income			
70200 · Other	2,041	450	354%
Total 70000 · Other Income	2,041	450	354%
Total Other Income	2,041	450	354%
Other Expense			
80000 · Other Expense			
99999 · Interco Reimbur Exp Clearing	0	0	0%
80000 · Other Expense - Other	312	7,189	-96%
Total 80000 · Other Expense	312	7,189	-96%
Total Other Expense	312	7,189	-96%
Net Other Income	1,729	-6,739	126%
Net Income	90,087	29,990	200%

	<u>Dec 31, 17</u>	<u>Dec 31, 16</u>
ASSETS		
Current Assets		
Checking/Savings		
10100 · Cash/Banking		
10110 · Cash/Checking - US Bank -1108	148,245	97,324
10120 · Cash/Payroll - US Bank-1116	2,368	2,534
10130 · Cash/Checking - Petty Cash	397	1,447
10140 · Cash/Checking - Change fund	1,000	1,000
10150 · Cash/Checking - Safe	1,200	1,200
10160 · Cash/Checking - Credit cards	0	7,704
Total 10100 · Cash/Banking	<u>153,210</u>	<u>111,209</u>
Total Checking/Savings	153,210	111,209
Accounts Receivable		
12100 · Accounts Receivable	1,167	0
Total Accounts Receivable	<u>1,167</u>	<u>0</u>
Other Current Assets		
13000 · Inventory		
13100 · Inventory - Retail		
13110 · Inventory - American	65,852	51,067
13120 · Inventory - Native	34,432	26,361
13130 · Inventory - Souvenirs	40,624	45,311
13140 · Inventory - Deli/Convenience	-8,259	365
13150 · Inventory - Grab & Go	0	107
Total 13100 · Inventory - Retail	<u>132,649</u>	<u>123,211</u>
13200 · Inventory - F&B		
13210 · Inventory - Food	3,070	3,092
13250 · Inventory - Liquor	684	307
13260 · Inventory - Wine	189	205
13270 · Inventory - Beer	343	452
Total 13200 · Inventory - F&B	<u>4,286</u>	<u>4,056</u>
Total 13000 · Inventory	136,935	127,267
14000 · Other Current Assets		
14025 · Tour Sales Receivable	18,000	20,395
14050 · Groupon Retainer	0	914
14300 · Prepaid Insurance	4,284	5,121
14320 · Prepaid Expenses	8,595	0
14600 · Employee Advances	140	0
Total 14000 · Other Current Assets	<u>31,019</u>	<u>26,430</u>

	<u>167,954</u>	<u>153,697</u>
Total Other Current Assets		
Total Current Assets	322,331	264,906
Fixed Assets		
15000 · Fixed Assets		
15100 · Furniture and Fixtures	76,183	76,183
15200 · Equipment - Restaurant	32,281	32,281
15300 · Equipment - Maintenance	19,294	19,294
15400 · Equipment - Computer	9,450	9,450
15600 · Equipment - Other	70,650	4,400
15900 · Accumulated Depreciation	-59,160	-47,725
Total 15000 · Fixed Assets	<u>148,698</u>	<u>93,883</u>
Total Fixed Assets	148,698	93,883
Other Assets		
16000 · Intangible Assets		
16100 · Software	10,553	10,553
16900 · Accumulated Amortization	-4,150	-633
Total 16000 · Intangible Assets	<u>6,403</u>	<u>9,920</u>
Total Other Assets	<u>6,403</u>	<u>9,920</u>
TOTAL ASSETS	<u><u>477,432</u></u>	<u><u>368,709</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
21220 · Accounts Payable	22,885	36,953
Total Accounts Payable	22,885	36,953
Other Current Liabilities		
21000 · Current Liabilities		
21300 · Accrued Expenses	4,989	0
21510 · Advanced Customer Deposits	0	-1,794
21600 · Taxes Payable		
21680 · Sales Tax Payable - State	4,732	4,480
Total 21600 · Taxes Payable	<u>4,732</u>	<u>4,480</u>
21700 · Payroll Liabilities		
21710 · Payroll Taxes Payable	4,460	1,181
21720 · Accrued Payroll	8,041	11,822
Total 21700 · Payroll Liabilities	<u>12,501</u>	<u>13,003</u>

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Total 21000 · Current Liabilities	<u>22,222</u>	<u>15,689</u>
	<u> </u>	<u> </u>
Total Other Current Liabilities	<u>22,222</u>	<u>15,689</u>
	<u> </u>	<u> </u>
Total Current Liabilities	45,107	52,642
Long Term Liabilities		
25000 · Long Term Liabilities		
25100 · Intercompany Loan		
25113 · ONP	<u>490,955</u>	<u>477,815</u>
Total 25100 · Intercompany Loan	<u>490,955</u>	<u>477,815</u>
	<u> </u>	<u> </u>
Total 25000 · Long Term Liabilities	<u>490,955</u>	<u>477,815</u>
	<u> </u>	<u> </u>
Total Long Term Liabilities	<u>490,955</u>	<u>477,815</u>
	<u> </u>	<u> </u>
Total Liabilities	536,062	530,457
Equity		
33000 · Retained Earnings	-148,716	-191,736
Net Income	<u>90,087</u>	<u>29,987</u>
Total Equity	<u>-58,629</u>	<u>-161,749</u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES & EQUITY	<u>477,433</u>	<u>368,708</u>