San Diego Skateworld Center, Inc.

Special Purpose Audit

Prepared for
The Redevelopment Agency of the City of San Diego

By
Seo Consulting, Inc.

November 12, 2008

San Diego Skateworld Center, Inc.
Special Purpose Audit
November 2008

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San Diego Skateworld Center, Inc.

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I. Introduction

San Diego Skateworld Center, Inc. ("Skateworld") entered into a Percentage Lease Agreement ("Lease") with The Redevelopment Agency of the City of San Diego ("Agency") on December 30, 2002 that was subsequently amended on December 30, 2005, July 11, 2007 and July 1, 2008 that extended the lease term through December 31, 2008. One of the provisions of the Lease is Paragraph 3.2 which specifies that Skateworld is to pay the Agency a percentage of Gross Income on a monthly basis. Skateworld is to pay the agency 12% of Gross Income in year one and 15% thereafter with a minimum of $48,000, $54,000 and $60,000 in years one through three respectively. Gross Income is defined in Paragraph 3.4 as follows:

> *Gross Income as used in this Agreement shall include all income earned by LESSEE from the operations permitted herein, from whatever source derived and whether received or to become due.*

In addition to revenue from its commercial operations, Skateworld subleases commercial space located on the property to a number of tenants ("subtenants"). The monthly rents received by Skateworld from these subtenants are included in the Gross Income used as the basis for calculating payments to the Agency.

II. Seo Consulting Retention

In June 2008, Seo Consulting, Inc. ("Seo Consulting") was requested by the Agency to perform a review to analyze Skateworld's Gross Income, including the rents collected by Skateworld from its subtenants, and the payments made to the Agency in accordance with terms of the Agreement, and other financial data.

III. Information Reviewed

To perform this review, Seo Consulting reviewed documentation provided by both the Agency and Skateworld. The Agency's documents primarily included the Agreement between the Agency and Skateworld, information on the rents received from Skateworld, the Lease Agreements between Skateworld and the subtenants, property tax information and limited accounting and financial data provided to the Agency by Skateworld. Seo Consulting also had discussions with Agency staff familiar with the Skateworld Lease. The primary source of information for the analysis was obtained from Skateworld, specifically, its accountant, Ray Arias, CPA. Mr. Arias provided daily operating information from January 2003 through July 2008; rental invoices for the subtenants, accounting reports that itemize operating and rental information by month, general ledgers and Skateworld Financial Statements. We also had discussions with the President of Skateworld, Gary Stang; Jeff Barry, Esq., Skateworld's attorney; and Mr. Arias.

IV. Skateworld Gross Revenue and Amounts Paid to the Agency

To evaluate if the amounts paid by Skateworld to the Agency were consistent with the terms of the Lease, we calculated Skateworld's Gross Income on a monthly and annual basis, applied the relevant percentage payable to the Agency and compared these amounts to the actual amounts received by the Agency. From January 2003 through December 2007, with some minor exceptions, Skateworld was in compliance with the terms of the Lease for amounts that were to be paid to the Agency. From January 2003 through December 2007, Skateworld should have paid $427,932 to the Agency. Based on records provided by the Agency, Skateworld actually paid $427,054, a difference of $878. Exhibit 1 to this report presents the detailed findings of this particular analysis.

V. Rent Adjustments

In addition to the monthly rent, the subtenants pay a monthly rental adjustment to Skateworld. Basically, each subtenant is responsible for a proportionate share of the common area maintenance costs based on the square footage of the subtenant's space. The amount of the rental adjustment received from the tenants, plus Skateworld's share, should equal the total common area maintenance costs, thereby resulting in neither a gain nor a loss for Skateworld.

Skateworld does not maintain documentation that supports the calculation of the monthly rental adjustment charged to each of the subtenants. A document that provided a sample calculation in 2002/2003 was discovered, but was of limited use. We did perform an analysis of the historical rental adjustment and had discussions with Skateworld to evaluate if Skateworld was receiving more from the subtenants than the actual common area maintenance costs which would cause the subtenants to be overcharged and would also result in additional amounts that should have been paid to the Agency. It appears that the difference is immaterial, however, because Skateworld does not maintain detailed records to support the monthly rental adjustments, our findings are inconclusive at this time.

VI. Financial Benefit to Skateworld

For the period that was the subject of this review, Skateworld gained a significant financial benefit from the Lease by paying the Agency a small percentage of the rents collected from the subtenants.

From January 2003 through March 2008, Skateworld collected $937,815 in rents from the subtenants and paid the Agency $135,640 resulting in a difference of $802,175 (see Exhibit 2). This amount, $802,175, represents the portion of the rents collected that Skateworld reports as Net Income or as a Management Fee to its President, Gary Stang.

It was unclear how much of this financial benefit that Skateworld used to perform repairs and maintenance on the property as required by Paragraph 6.3 of the Lease that states:

> *LESSEE agrees to assume full responsibility and cost for the operation and maintenance of the Premises throughout the term. LESSEE will perform all such repairs and replacements necessary to maintain and preserve the Premises in a decent, safe, healthy, and sanitary condition satisfactory to AGENCY and in compliance with all applicable laws.*

From January 2003 through March 2008, Skateworld reported that it had incurred $54,649 in Repairs and Maintenance costs for equipment and $92,270 for other Repairs and Maintenance. However, Skateworld does not maintain receipts or invoices so we were unable to determine what portion of these costs were for repairs and maintenance as required by the Lease, for Skateworld-specific purposes or what costs were paid by the subtenants as a part of the monthly Rent Adjustments collected by Skateworld.

We also performed an analysis to evaluate the impact that the financial benefit had upon Skateworld's operations. According to the Skateworld Income Statements, the total Net Income from Skateworld operations-only from January 2003 through March 2008 was a loss of $74,932 and during that same period, the total Net Income from the subtenant rental revenue was $243,193 (Exhibit 3A). To determine what Skateworld's operations would have been if it did not receive the revenue stream from the rental income, we adjusted Skateworld's Income Statements by removing the impact of the rental income and compared it to the Net Income as reported (that includes the rental income benefit). From January 2003 through March 2008, Skateworld reported total Net Income of $168,261 that includes both Skateworld operations and the rental income impact. However, Skateworld would have incurred losses totaling $156,039 for the same time period if it did not have the benefit of the rental income from the property. (Exhibits 3B and 3C).

VII. Conclusions

Based on our review, we conclude:

- Skateworld's accounting records generally support the payments made to the Agency relative to Paragraph 3.2 of the Percentage Lease Agreement.

- Skateworld, and its President, Gary Stang, earned $802,175 out of total rents collected of $937,815 from January 2003 through March 2008.

- Skateworld does not maintain supporting documentation, such as receipts and invoices, to determine what portion of the repairs and maintenance expenditures were Skateworld-specific or for purposes required under the terms of the Lease.

- From January 2003 through March 2008, Skateworld reported a loss of $74,932 from Skateword-only operations. During that same period, the Net Income from the subtenant rental revenue was $243,193.

- Without the financial benefit of the rental income, Skateworld would have incurred losses totaling $156,039 for the time period from January 2003 through March 2008.

EXHIBITS

1. Calculation of Rent Owed to the Agency
2. Net Received by Skateworld and Gary Stang
3. Income Analysis
   - A. Comparison of Skateworld Operating Income to Other (Rental) Income
   - B. Net Income Comparison Summary:
     Reported vs. Adjusted to Exclude Rental Income Impact
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EXHIBIT 1

San Diego Skateworld Center, Inc.
Calculation of Rent Owed and Comparison to Amounts Paid to
The City of San Diego

Date	Gross Revenue	Adjustment to Gross	Short/Over	Tax	Rent Adjustment	Misc.	Discounts	Other Adjustments	Adjusted Gross	% to City	Rent Due to City	Paid	Difference (Over)/Under
January-03	$ 51,412.82			$ (279.37)	$ (1,404.05)	$ (6,137.00)		$ 6.26	$ 43,598.66	12%	$ 5,231.84		
February-03	42,857.32			(213.72)	(2,203.83)	(819.36)	(126.00)		39,494.41	12%	4,739.33		
March-03	42,982.71			(221.74)	(2,067.27)	(1,437.26)	(84.00)		39,172.44	12%	4,700.69		
April-03	53,056.95			(244.14)	(2,639.74)	(5,773.28)	(35.00)	(407.55)	43,957.24	12%	5,274.87		
May-03	49,227.70			(257.65)	(2,370.09)	(3,775.16)			42,824.80	12%	5,138.98		
June-03	44,903.92			(244.28)	(2,333.74)	(4,407.68)		(113.72)	37,804.50	12%	4,536.54		
July-03	35,728.30			(178.82)	(2,325.40)	(557.00)		(233.00)	32,434.08	12%	3,892.09		
August-03	45,861.38			(159.12)	(3,755.20)	(648.62)	(81.00)	(275.51)	40,941.93	12%	4,913.03		
September-03	38,962.20			(170.73)	(1,409.30)	(9,000.00)	(156.00)	(477.65)	27,748.52	12%	3,329.82		
October-03	36,613.02			(142.84)	(2,547.07)	(593.95)		(146.77)	33,182.39	12%	3,981.89		
November-03	50,483.26			(234.84)	(3,408.82)	(449.76)			46,389.84	12%	5,566.78		
December-03	35,281.41			(256.85)	(1,946.06)	(127.45)	(100.00)	383.70	33,234.75	12%	3,988.17		
Total	$ 527,370.99		$ -	$ (2,604.10)	$ (28,410.57)	$ (33,726.52)	$ (582.00)	$ (1,264.24)	$ 460,783.56		$ 55,294.03	$ 54,648.59	$ 645.44
January-04	$ 50,103.23			$ (269.14)	$ (2,999.61)	$ (382.64)	$ (528.00)		$ 45,923.84	15%	$ 6,888.58		
February-04	38,844.71			(206.85)	(2,071.25)	(152.16)	(353.00)	(300.00)	35,761.45	15%	5,364.22		
March-04	43,766.57		7.55	(214.86)	(3,002.12)	(333.75)	(264.00)		39,959.39	15%	5,993.91		
April-04	40,516.83		(0.48)	(224.60)	(2,199.91)	(3,661.55)			34,430.29	15%	5,164.54		
May-04	46,689.15		8.58	(216.48)	(2,979.34)	(5,381.29)	(330.00)		37,790.62	15%	5,668.59		
June-04	43,715.03		1.36	(243.86)	(2,816.63)	(212.94)	(188.00)	(1,101.00)	39,153.96	15%	5,873.09		
July-04	44,255.12		0.94	(302.30)	(2,703.27)	(372.40)		(263.70)	40,614.39	15%	6,092.16		
August-04	40,474.94		12.30	(227.90)	(2,401.87)	(226.14)	(114.00)	(2,000.00)	35,517.33	15%	5,327.60		
September-04	43,804.85		1.15	(240.36)	(2,987.14)		(145.00)		40,433.50	15%	6,065.03		
October-04	46,209.63		5.00	(239.45)	(2,548.96)	(280.21)	(468.00)	(5,000.00)	37,678.01	15%	5,651.70		
November-04	40,509.56			(275.29)	(2,592.27)	(240.66)			37,401.34	15%	5,610.20		
December-04	40,866.96		(10.40)	(304.27)	(2,585.50)	(252.84)	(550.00)		37,163.95	15%	5,574.59		
Total	$ 519,756.58	$ -	$ 26.00	$ (2,965.36)	$ (31,887.87)	$ (11,496.58)	$ (2,940.00)	$ (8,664.70)	$ 461,828.07		$ 69,274.21	$ 69,296.56	$ (22.35)

EXHIBIT 1

San Diego Skateworld Center, Inc.
Calculation of Rent Owed and Comparison to Amounts Paid to
The City of San Diego

Date	Gross Revenue	Adjustment to Gross	Short/Over	Tax	Rent Adjustment	Misc.	Discounts	Other Adjustments	Adjusted Gross	% to City	Rent Due to City	Paid	Difference (Over)/Under
January-05	$ 47,710.59		$ 0.24	$ (227.73)	$ (2,681.93)	$ (280.12)	$ (290.00)		$ 44,231.05	15%	$ 6,634.66		
February-05	49,784.93		(0.71)	(280.13)	(2,664.68)	(379.19)	(312.00)		46,148.22	15%	6,922.23		
March-05	44,399.47			(323.72)	(3,226.45)	(212.73)	(236.00)		40,400.57	15%	6,060.09		
April-05	45,182.99		10.30	(359.63)	(3,121.96)	(388.85)	(880.00)		40,442.85	15%	6,066.43		
May-05	45,882.61			(319.47)	(3,298.70)	(306.11)	(100.00)		41,858.33	15%	6,278.75		
June-05	44,743.88		(5.10)	(303.64)	(2,600.64)	(316.60)	(296.00)	(1,837.02)	39,384.88	15%	5,907.73		
July-05	45,867.69		(4.95)	(424.55)	(2,585.50)	(306.18)	(668.00)		41,878.51	15%	6,281.78		
August-05	45,193.76		(6.20)	(374.64)	(2,563.65)	(323.61)	(420.00)		41,505.66	15%	6,225.85		
September-05	51,107.61			(433.76)	(2,586.78)	(311.22)			47,775.85	15%	7,166.38		
October-05	51,486.32		(9.33)	(522.68)	(2,564.10)	(390.60)	(450.00)		47,549.61	15%	7,132.44		
November-05	53,061.39		17.40	(454.14)	(2,552.12)	(432.53)			49,640.00	15%	7,446.00		
December-05	53,209.16		(1.45)	(619.61)	(2,565.60)	(385.35)	(610.00)		49,027.15	15%	7,354.07		
Total	$ 577,630.40	$ -	$ 0.20	$ (4,643.70)	$ (33,012.11)	$ (4,033.09)	$ (4,262.00)	$ (1,837.02)	$ 529,842.68		$ 79,476.40	$ 79,191.33	$ 285.07
January-06	$ 65,337.09		$ 17.38	$ (903.70)	$ (2,583.72)	$ (321.79)	$ (2,250.00)		$ 59,295.26	15%	$ 8,894.29		
February-06	64,276.76		7.21	(821.63)	(2,197.60)	(272.64)	(1,210.00)		59,782.10	15%	8,967.32		
March-06	74,464.50		1.83	(1,228.56)	(2,579.02)	(338.38)	(2,214.00)		68,106.37	15%	10,215.96		
April-06	71,496.84		13.18	(1,074.05)	(2,778.35)	(287.07)	(1,558.00)	(579.85)	65,232.70	15%	9,784.91		
May-06	56,794.65	(308.00)	(17.31)	(719.98)	(2,778.33)	(287.07)	(1,498.00)		51,185.96	15%	7,677.89		
June-06	58,767.47	(252.24)	5.13	(711.74)	(3,382.80)	(276.43)	(197.00)	(22.98)	53,929.41	15%	8,089.41		
July-06	58,236.21		14.48	(749.18)	(2,778.63)	(175.49)	(904.50)		53,642.89	15%	8,046.43		
August-06	54,927.92		(4.41)	(793.65)	(3,358.57)	(260.40)	(536.00)		49,974.89	15%	7,496.23		
September-06	61,998.08		9.70	(638.88)	(3,358.57)	(293.72)	(521.00)		57,195.61	15%	8,579.34		
October-06	59,308.82	(2,500.00)	1.42	(710.70)	(2,612.37)	(276.08)	(708.00)		52,503.09	15%	7,875.46		
November-06	67,288.84	(4,754.70)	22.38	(719.85)	(2,612.37)	(276.08)	(386.00)		58,562.22	15%	8,784.33		
December-06	66,957.85		11.08	(1,032.63)	(2,019.24)	(197.20)	(1,064.00)		62,655.86	15%	9,398.38		
Total	$ 759,855.03	$ (7,814.94)	$ 82.07	$ (10,104.55)	$ (33,039.57)	$ (3,262.35)	$(13,046.50)	$ (602.83)	$ 692,066.36		$ 103,809.95	$ 103,827.81	$ (17.86)

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San Diego Skateworld Center, Inc.
Calculation of Rent Owed and Comparison to Amounts Paid to
The City of San Diego

Date	Gross Revenue	Adjustment to Gross	Short/Over	Tax	Rent Adjustment	Misc.	Discounts	Other Adjustments	Adjusted Gross	% to City	Rent Due to City	Paid	Difference (Over)/Under
January-07	$ 69,434.93		$ 33.18	$ (814.55)	$ (2,662.66)	$ (211.19)	$ (989.52)	$ 25.00	$ 64,815.19	15%	$ 9,722.28		
February-07	73,955.42		3.80	(996.47)	(2,613.16)	(357.66)	(443.00)		69,548.93	15%	10,432.34		
March-07	83,709.23		0.90	(1,424.02)	(2,632.12)	(199.45)	(626.00)		78,828.54	15%	11,824.28		
April-07	76,108.10	(5,664.45)	0.97	(870.89)	(2,539.96)	(279.13)	(90.00)		66,664.64	15%	9,999.70		
May-07	65,898.69		8.10	(824.08)	(2,620.34)	(189.84)	(399.00)	90.30	61,963.83	15%	9,294.57		
June-07	71,548.50	(25.18)	30.43	(1,034.85)	(2,554.56)	(250.25)	(1,148.00)	(291.58)	66,274.51	15%	9,941.18		
July-07	71,717.85		15.81	(864.45)	(2,585.50)	(261.38)	(552.00)	(153.78)	67,316.55	15%	10,097.48		
August-07	70,440.87	(4,727.39)	(12.87)	(739.46)	(2,597.36)	(323.57)	(923.00)	(1,716.76)	59,400.46	15%	8,910.07		
September-07	73,304.12	(3,246.49)	18.59	(861.96)	(2,566.59)	(339.33)	(674.00)	(1,716.76)	63,917.58	15%	9,587.64		
October-07	68,168.23	4,727.39	10.19	(772.13)	(2,637.49)	(339.01)	(1,061.00)	(370.00)	67,726.18	15%	10,158.93		
November-07	73,580.89		(5.08)	(697.93)	(2,600.04)	(152.18)	(990.00)	-	69,135.66	15%	10,370.35		
December-07	69,274.29		26.57	(970.07)	(2,599.00)	(207.71)	(596.00)		64,928.08	15%	9,739.21		
Total	$ 867,141.12	$ (8,936.12)	$ 130.59	$ (10,870.86)	$ (31,208.78)	$ (3,110.70)	$ (8,491.52)	$ (4,133.58)	$ 800,520.15		$ 120,078.02	$ 120,089.88	$ (11.86)
Grand Total											$ 427,932.62	$ 427,054.17	$ 878.45

Source: Skateworld Monthly Sales Summaries; City of San Diego Payment Information

EXHIBIT 2

San Diego Skateworld Center, Inc.
Calculation of Net Received by Skateworld and Gary Stang (excluding Rent Adjustment)

Description	2003	2004	2005	2006	2007	Subtotal 2003 - 2007	Thru March 2008	Total
Rents Received	$ 167,758	$ 178,959	$ 180,477	$ 178,298	$ 184,360		$ 47,963	$ 937,815
Paid to the City (%)	12.00%	15.00%	15.00%	15.00%	15.00%		15.00%	
Amount Paid to the City (of Rents Received)	$ (20,131)	$ (26,844)	$ (27,072)	$ (26,745)	$ (27,654)		$ (7,194)	$ (135,640)
Net to Skateworld and Gary Stang	$ 147,627	$ 152,115	$ 153,405	$ 151,553	$ 156,706	$ 761,407	$ 40,769	$ 802,175

Sources: San Diego Skateworld Center, Inc. Sales Summaries, Lease Documentation

EXHIBIT 3A

San Diego Skateworld Center, Inc.
Comparison of Operating Income to Other (Rental) Net Income

	2003	2004	2005	2006	2007	Thru 3/08	Total
Operating Income	$ (96,498)	$ (119,949)	$ (68,873)	$ 35,366	$ 117,354	$ 57,668	$ (74,932)
Other (Rental) Net Income	$ 69,072	$ 83,022	$ 71,238	$ 4,374	$ 5,100	$ 10,387	$ 243,193
Total Net Income	$ (27,426)	$ (36,927)	$ 2,365	$ 39,740	$ 122,454	$ 68,055	$ 168,261

Source: San Diego Skateworld Center, Inc. Income Statements

EXHIBIT 3B

San Diego Skateworld Center, Inc.
Net Income Comparison
Comparison of as Reported Net Income to Net Income Adjusted to Exclude Rental Income Impact

	2003	2004	2005	2006	2007	Thru 3/08	Total
As Reported	$ (27,426)	$ (36,927)	$ 2,365	$ 39,740	$ 122,454	$ 68,055	$ 168,261
Without Rental Income	$ (97,138)	$ (109,042)	$ (71,040)	$ (16,813)	$ 85,748	$ 52,246	$ (156,039)

Source: San Diego Skateworld Center, Inc. Income Statements

EXHIBIT 3C

San Diego Skateworld Center, Inc.

Adjusted Income Statements
Excluding Rental Income Impacts

Description	2003 Reported	2003 Adjustments	2003 Adjusted	2004 Reported	2004 Adjustments	2004 Adjusted	2005 Reported	2005 Adjustments	2005 Adjusted
Sales	$ 292,643			$ 285,640			$ 353,565		
Cost of Sales	(82,844)			(101,185)			(117,721)		
Gross Profit	$ 209,799		$ 209,799	$ 184,455		$ 184,455	$ 235,844		$ 235,844
Operating Expenses	$ 306,297			$ 304,404			$ 304,717		
Less: Recorded Skateworld Rent		(18,029)			(27,580)			(26,135)	
Plus: Actual Skateworld Rent		37,873			40,950			50,623	
Less: Rental Adjustment Expenses		(28,410)			(31,888)			(33,047)	
Total Operating Expenses	$ 306,297	$ (8,566)	$ 297,731	$ 304,404	$ (18,518)	$ 285,886	$ 304,717	$ (8,559)	$ 296,158
Income From Operations	$ (96,498)		$ (87,932)	$ (119,949)		$ (101,431)	$ (68,873)		$ (60,314)
Other Income & Expenses									
Lease Space - Depreciation	$ (1,258)		$ (1,258)	(700)		$ (700)	(764)		$ (764)
Leased Space Rent	(39,975)	39,975	-	(40,214)	40,214	-	(51,560)	51,560	-
Management Fees	(77,917)	77,917	-	(80,000)	80,000	-	(80,000)	80,000	-
Misc. Income	2								
Non-Deductible Expense	(399)		(399)	(97)		(97)	(229)	-	(229)
Pensnion Plan Expense	2,131		2,131			-	(1,234)	-	(1,234)
Pension Plan Fund	(9,680)		(9,680)	(6,619)		(6,619)	(7,240)	-	(7,240)
Rental Adjustments	28,410	(28,410)	-	31,888	(31,888)	-	33,047	(33,047)	-
Rental Income	167,758	(167,758)	-	178,959	(178,959)	-	180,477	(180,477)	-
Uncovered Medical Expenses			-	(195)		(195)	(1,259)		(1,259)
Total Other Income & Expenses	69,072	(78,276)	(9,206)	83,022	(90,633)	(7,611)	71,238	(81,964)	(10,726)
Net Income/(Loss)	$ (27,426)		$ (97,138)	$ (36,927)		$ (109,042)	$ 2,365		$ (71,040)

Source: San Diego Skateworld Center, Inc. Income Statements

EXHIBIT 3C

San Diego Skateworld Center, Inc.

Adjusted Income Statements
Excluding Rental Income Impacts

Description	2006 Reported	2006 Adjustments	2006 Adjusted	2007 Reported	2007 Adjustments	2007 Adjusted	Through March 2008 Reported	Through March 2008 Adjustments	Through March 2008 Adjusted
Sales	$ 527,613			$ 624,015			$ 198,782		
Cost of Sales	(153,808)			(133,507)			(35,985)		
Gross Profit	$ 373,805		$ 373,805	$ 490,508		$ 490,506	$ 162,797		$ 162,797
Operating Expenses	$ 338,439		$ 338,439	$ 373,154		$ 373,154	$ 105,129		$ 105,129
Less: Recorded Skateworld Rent		(33,926)			(39,848)			(11,360)	
Plus: Actual Skateworld Rent		75,033			92,001			26,927	
Less: Rental Adjustment Expenses		(33,230)			(31,210)			(10,683)	
Total Operating Expenses	$ 338,439	$ 7,877	$ 346,316	$ 373,154	$ 20,943	$ 394,097	$ 105,129	$ 4,884	$ 110,013
Income From Operations	$ 35,366		$ 27,489	$ 117,354		$ 96,411	$ 57,668		$ 52,784
Other Income & Expenses									
Lease Space - Depreciation	$ (764)		$ (764)	$ (700)		$ (700)	$ (127)		$ (127)
Leased Space Rent	(67,852)	67,852	-	(79,807)	79,807	-	(22,721)	22,721	-
Management Fees	(95,000)	95,000	-	(120,000)	120,000	-	(25,000)	25,000	-
Misc. Income									
Non-Deductible Expense	-	-	-	292		292			-
Pensnion Plan Expense	(1,372)	-	(1,372)	(1,366)		(1,366)			-
Pension Plan Fund	(42,166)	-	(42,166)	(8,550)		(8,550)			-
Rental Adjustments	33,230	(33,230)	-	31,210	(31,210)	-	10,683	(10,683)	-
Rental Income	178,298	(178,298)	-	184,360	(184,360)	-	47,963	(47,963)	-
Uncovered Medical Expenses	-		-	(339)		(339)	(411)		(411)
Total Other Income & Expenses	4,374	(48,676)	(44,302)	5,100	(15,763)	(10,663)	10,387	(10,925)	(538)
Net Income/(Loss)	$ 39,740		$ (16,813)	$ 122,454		$ 85,748	$ 68,055		$ 52,246

Source: San Diego Skateworld Center, Inc. Income Statements