ORIGINAL

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2003 JUL 15 AM 9:07
UNITED STATES BANKRUPTCY COURT
PATRICIA GRAY, CLERK

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re VSS ENTERPRISES, LLC, a Nevada limited liability company, d/b/a CASTAWAY'S HOTEL, CASINO AND BOWLING CENTER, Debtor.	Case No. BK-S- 03-17939-LBR Chapter 11 DATE: July 16, 2003 TIME: 1:30 p.m.

SUPPLEMENTAL OPPOSITION OF SECURED LENDERS TO DEBTOR'S APPLICATION FOR LOAN SECURED BY FIRST PRIORITY ("PRIMING") LIEN

Vestin Mortgage, Inc. ("Vestin") and its related entities, by and through its counsel, Candace C. Carlyon, Esq. of the law firm of Shea & Carlyon, Ltd., hereby opposes Debtor's request for approval of a first priority, "priming" loan. In addition, Vestin requests that this Honorable Court limit the use of cash collateral in such a way as to afford adequate protection to Vestin's interests.

This opposition is made pursuant to 11 U.S.C. § 364(d)(1), and is based upon the points and authorities and exhibits attached hereto; the pleadings, papers and records on

ANDERSEN

VSS ENTERPRISES, LLC

(doing business as Castaways Hotel, Casino & Bowling Center)

Financial Statements
As of December 31, 2001 and 2000
Together with Report of Independent Public Accountants

ANDERSEN

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Members of:
VSS Enterprises, LLC

We have audited the accompanying balance sheets of VSS Enterprises, LLC doing business as Castaways Hotel, Casino & Bowling Center (the "Company") as of December 31, 2001 and 2000, and the related statements of operations and members' deficit and cash flows for the year ended December 31, 2001, the period from the date of acquisition (March 30, 2000) to December 31, 2000, and the period from inception (July 7, 1999) to December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of VSS Enterprises, LLC doing business as Castaways Hotel, Casino & Bowling Center as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the year ended December 31, 2001, the period from the date of acquisition (March 30, 2000) to December 31, 2000, and the period from inception (July 7, 1999) to December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Las Vegas, Nevada
April 24, 2002

VSS ENTERPRISES, LLC
(doing business as Castaways Hotel, Casino & Bowling Center)

Balance Sheets
As of December 31, 2001 and 2000
(in thousands)

	2001	2000
Assets		
Cash and cash equivalents	$ 2,983	$ 4,057
Receivables, net	601	464
Inventories	450	358
Prepaid expenses	1,389	1,355
Total current assets	5,423	6,234
Property and equipment, net	28,236	24,788
Other assets, net	586	667
Total assets	$ 34,245	$ 31,689
Liabilities and Members' Deficit		
Current portion of long-term debt	$ 3,626	$ 2,500
Accounts payable	5,470	2,357
Accrued liabilities	5,867	4,268
Total current liabilities	14,963	9,125
Deferred revenue	–	85
Long-term debt, net of current portion	28,726	26,283
Total liabilities	43,689	35,493
Members' deficit	(9,444)	(3,804)
Total liabilities and members' deficit	$ 34,245	$ 31,689

The accompanying notes are an integral part of these financial statements.

VSS ENTERPRISES, LLC
(doing business as Castaways Hotel, Casino & Bowling Center)

Statements of Operations and Members' Deficit
For the Year Ended December 31, 2001, the Period from Date of Acquisition (March 30, 2000) to December 31, 2000, and the Period from Inception (July 7, 1999) to December 31, 2000.
(in thousands)

	Year Ended December 31, 2001	Acquisition (March 30, 2000) to December 31, 2000	Inception (July 9, 1999) December 31, 2000
Revenues			
Casino	$ 41,019	$ 29,502	$ 29,502
Rooms	4,323	3,724	3,724
Food and beverage	10,295	8,134	8,134
Bowling and pro shop	2,123	1,684	1,684
Other	2,069	1,152	1,152
	59,829	44,196	44,196
Less: Promotional allowances	(3,422)	(2,672)	(2,672)
	56,407	41,524	41,524
Operating Expenses			
Casino	17,234	12,035	12,035
Rooms	5,636	4,571	4,571
Food and beverage	14,009	10,888	10,888
Bowling and pro shop	2,026	1,574	1,574
Other operating	840	646	646
Selling, general and administrative	15,660	10,626	10,626
Pre-opening and name change	120	101	1,247
Depreciation	2,627	915	915
	58,152	41,356	42,502
Operating income (loss)	(1,745)	168	(978)
Interest expense	(3,895)	(2,898)	(2,826)
Net loss	(5,640)	(2,730)	(3,804)
Members' deficit, beginning of period	(3,804)	(1,074)	–
Members' deficit, end of period	$ (9,444)	$ (3,804)	$ (3,804)

The accompanying notes are an integral part of these financial statements.

VSS ENTERPRISES, LLC
(doing business as Castaways Hotel, Casino & Bowling Center)

Statements of Cash Flows
For the Year Ended December 31, 2001, the Period from acquisition (March 30, 2000) to December 31, 2000, and the Period from inception (July 7, 1999) to December 31, 2000.
(in thousands)

	Year Ended December 31, 2001	Acquisition (March 30, 2000) to December 31, 2000	Inception (July 7, 1999) to December 31, 2000
Operating Activities			
Net loss	$ (5,640)	$ (2,730)	$ (3,804)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	2,627	915	915
Changes in operating assets and liabilities:			
(Increase) in receivables, net	(137)	(241)	(464)
(Increase) in inventories and prepaid expenses	(126)	(562)	(1,713)
(Increase) decrease in other assets	81	565	(667)
Increase (decrease) in accounts payable	3,113	1,457	2,357
Increase (decrease) in accrued liabilities	1,599	2,640	4,268
Increase (decrease) in deferred revenue	(85)	(8)	85
Net cash provided by operating activities	1,432	2,036	977
Investing Activities			
Acquisitions of property and equipment	(4,045)	(1,714)	(25,712)
Proceeds from sale of property and equipment	–	9	9
Net cash used in investing activities	(4,045)	(1,705)	(25,703)
Financing Activities			
Proceeds from long-term debt	3,543	84	29,200
Principal payments of long-term debt	(2,004)	(417)	(417)
Net cash provided by (used in) financing activities	1,539	(333)	28,783
Increase (decrease) in cash	(1,074)	(2)	4,057
Cash at beginning of period	4,057	4,059	–
Cash at end of period	$ 2,983	$ 4,057	$ 4,057
Supplemental Disclosure of Cash Flow Information:			
Cash paid for interest	$ 3,020	$ 4,057	$ 4,057
Supplemental Schedule of Non-cash Investing and Financing Activites:			
Fair value of assets acquired	$ –	$ –	$ 26,600
Cash paid for assets	–	–	(23,500)
Liabilities assumed	–	–	1,091
Assets acquired under capital leases	2,030	–	–

The accompanying notes are an integral part of these financial statements.

VSS ENTERPRISES, LLC
(doing business as Castaways Hotel, Casino & Bowling Center)

NOTES TO FINANCIAL STATEMENTS
As of December 31, 2001 and 2000

Note 1. Acquisition and Basis of Presentation

VSS Enterprises, LLC ("VSS" or "Company") was formed on July 7, 1999 for the purpose of developing casino operations through acquisition, merger, original construction or management contracts. On March 30, 2000, the Company purchased certain assets of the Showboat Hotel, Casino and Bowling Center ("Showboat") from Harrah's Entertainment, Inc., for $23.5 million, as its first casino development project. The Showboat assets included a 447-room hotel, a fully complemented casino and a facility, which encompasses one of the largest bowling centers in the United States. As stated in the purchase agreement, VSS had twelve months to remove the Showboat name from the property and, accordingly, renamed the property in September of 2000 as the Castaways Hotel, Casino and Bowling Center (the "Castaways" or the "Company").

The acquisition was accounted for as a purchase and, accordingly, the operational results of the Castaways are included in the accompanying financial statements since the date of the acquisition. The aggregate purchase price, which was financed through the issuance of long-term debt, has been allocated to the assets and liabilities of the Company based upon their estimated fair market values. Because the fair market value of the net assets acquired exceeded the purchase price, the value allocated to long-term assets was reduced on a pro rata basis.

These financial statements have been prepared for purposes of complying with Regulation 6.080(2) of the Nevada Gaming Commission and the State Gaming Control Board.

Note 2. Summary of Significant Accounting Policies

Revenue Recognition and Promotional Allowances

In accordance with industry practice, the Company recognizes as casino revenue the net win from gaming activities, which is the difference between gaming wins and losses. Food, beverage and room revenues include the aggregate amounts generated by those departments. The retail value of food, beverage, rooms and other services provided to customers on a complimentary basis is included in gross revenue and deducted as promotional allowances through interdepartmental allocations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Company is a limited liability company and will be taxed as a partnership for federal income tax purposes. Accordingly, no provision for federal income taxes was recorded because the taxable income or loss is included in the income tax returns of the members.

Preopening Costs

The Company expenses pre-opening costs as incurred. These include, but are not limited to, salary-related expenses for new employees and management opening team, legal and organizational costs and gaming licensing costs.

Note 2. Summary of Significant Accounting Policies (continued)

Advertising Costs

Advertising costs are expensed the first time advertising takes place. Advertising costs are included in selling, advertising, and administrative expenses and were approximately $1,461,000, $677,000 and $677,000 for the year ended December 31, 2001, the period from acquisition (March 30, 2000) to December 31, 2000, and the period from inception (July 7, 1999) to December 31, 2000, respectively.

Players Club

The players club allows customers to earn "points" based on the volume of their gaming activity. These points are redeemable for certain complimentary services and/or cash rebates. In February 2001, the Emerging Issues Task Force ("EITF") of the Financial Accounting Standards Board reached a consensus in EITF Issue No. 00-22, "Accounting for 'Points' and Certain Other Time-Based or Volume-Based Sales Incentive Offers, and Offers for Free Products or Services to be Delivered in the Future." EITF Issue No. 00-22 requires that the redemption of points for cash be recognized as a reduction of revenue. The Company has complied with the requirements of EITF Issue No. 00-22 in the statements of operations and divisional deficit, including reclassification of prior period amounts. The adoption of EITF Issue No. 00-22 does not affect net income.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of less than three months as cash equivalents. Cash equivalents are carried at cost, which approximates fair value, due to the short-term nature of these investments.

Inventories

Inventories are valued at the lower of cost, determined using a first-in, first-out basis, or market value.

Prepaid Expenses

Prepaid expenses are predominantly gaming taxes and licenses for the casino operations as promulgated by the Nevada Gaming Control Board.

Property and Equipment

Property and equipment are stated at cost. Costs of major improvements are capitalized, while costs of normal repairs and maintenance are charged to expense as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in other income. Depreciation is provided on a straight-line basis over the estimated useful life of the property and equipment or the life of the lease, whichever is shorter; generally 39.5 years for building improvements and 5 to 7 years for all other equipment.

Deferred Loan Fees

Deferred loan fees are recorded at cost and are amortized to interest expense over the life of the loan. Amortization amounted to $93,000, $75,000 and $75,000 for the year ended December 31, 2001, the period from acquisition (March 30, 2000) to December 31, 2000, and the period from inception (July 7, 1999) to December 31, 2000, respectively.

VSS ENTERPRISES, LLC
(doing business as Castaways Hotel, Casino & Bowling Center)

NOTES TO FINANCIAL STATEMENTS (continued)
As of December 31, 2001 and 2000

Note 3. Receivables

Receivables are as follows (in thousands):

	At December 31, 2001	At December 31, 2000
Casino	$ 66	$ 49
Hotel	205	156
Affiliate	152	–
Other	183	261
	606	466
Allowance for doubtful accounts	(5)	(2)
	$ 601	$ 464

Note 4. Inventories

Inventories are comprised of the following (in thousands):

	At December 31, 2001	At December 31, 2000
Food & beverage	$ 254	$ 192
Merchandise	126	113
Other	70	53
	$ 450	$ 358

Note 5. Property and equipment

Property and equipment consisted of the following (in thousands):

	At December 31, 2001	At December 31, 2000
Land	$ 4,262	$ 4,272
Building improvements	17,880	14,634
Gaming equipment	2,038	1,691
Equipment under capital leases	2,030	–
Hotel equipment	969	749
Food and beverage equipment	501	494
Office equipment	68	16
Other equipment	3,611	2,221
Construction in progress	420	1,626
	31,779	25,703
Accumulated depreciation and amortization	(3,543)	(915)
	$ 28,236	$ 24,788

VSS ENTERPRISES, LLC
(doing business as Castaways Hotel, Casino & Bowling Center)

NOTES TO FINANCIAL STATEMENTS (continued)
As of December 31, 2001 and 2000

Note 6. Other assets

Other assets are as follows (in thousands):

	At December 31,	
	2001	2000
Deferred loan fees	$ 586	$ 576
Other	168	166
	754	742
Accumulated amortization	(168)	(75)
	$ 586	$ 667

Note 7. Accrued Liabilities

Accrued liabilities are comprised of the following (in thousands):

	At December 31,	
	2001	2000
Interest	$ 3,447	$ 1,474
Salaries and wages	1,044	1,089
Slot club points	274	478
Other	1,102	1,227
	$ 5,867	$ 4,268

Note 8. Long-Term Debt

Long-term debt is comprised of the following (in thousands):

	At December 31,	
	2001	2000
Mortgage Loan	$ 12,708	$ 14,583
Loans from member	17,900	14,200
IGT equipment loans	236	–
Capital lease obligations	1,508	–
	32,352	28,783
Less: current portion of long-term debt	(3,626)	(2,500)
Long-term debt, net of current portion	$ 28,726	$ 26,283

Note 8. Long-Term Debt (continued)

On March 29, 2000, the Company entered into a six-year $15.0 million term loan with Foothill Capital Corporation ("Foothill"). The Company pays monthly interest in arrears on the term loan at the prime rate of Wells Fargo Bank plus 450 basis points. The loan agreement provided for monthly principal amortization of $208,333, commencing on the first day of the seventh month, November 1, 2000, after the effective date of the loan with the remaining $1.25 million due at maturity. Foothill has a first priority lien on all the current and future, tangible and intangible, assets of the Company. As further security for the term loan, one of the members of the limited liability company has guaranteed the loan until certain financial requirements are achieved. The term loan contains covenants that establish a minimum cash flow standard and a range of capital expenditure boundaries. Additional covenants restrict the ability of the Company to, among other things: (i) incur additional indebtedness, liens or other encumbrances; (ii) pay dividends or make similar distributions; (iii) sell assets or make investments; or (iv) enter into any merger, consolidation, reorganization or recapitalization. Under the term loan, the Company was required to maintain certain EBITDA levels (as defined) for the year ended December 31, 2001. The Company did not meet the required EBITDA covenants, and was also unable to meet the monthly principal payment requirements of the Foothill term loan. The Company was able to and did make timely, monthly interest payments. In addition, the Company successfully refinanced the Foothill term loan in March 2002 (See Note 11).

The Company has additional long-term, unsecured notes from a member of the limited liability company. The notes, which are subordinate to the Foothill term loan, have an unstated maturity date and accrue interest at 12.0% and 12.5% annually, respectively. The Foothill term loan prohibits any subordinated debt payments, unless certain restrictive financial and other covenants are achieved, for as long as any Foothill debt remains outstanding. The Company has not made any payments of principal or interest on this subordinated debt through December 31, 2001. To the extent necessary, the member has represented that he will provide continuing financial support to the Company.

The Company also has two 24-month notes with International Game Technology ("IGT") to finance used gaming equipment at an interest rate of 10%. The notes are secured by the associated equipment.

In addition to the loans above, the Company has obligations under three capitalized leases for various bowling lane and scoring equipment and exterior signage. The bowling lane and scoring equipment lease, entered into in September 2001, is a seven year lease requiring 84 monthly principal and interest payments of $3,794, is collateralized by the associated equipment, and is guaranteed by a member of the Company. The two leases for exterior signage are five year leases each requiring 60 monthly principal and interest payments of $6,515 and $22,877, respectively, and are collateralized by the associated signage. The signage leases also have additional monthly maintenance charges not reflected in the lease obligations for $1,573 and $2,415, respectively.

Scheduled maturities of long-term debt and capital leases as of December 31, 2001 are (in thousands):

2002	$ 3,697
2003	2,960
2004	2,898
2005	2,898
2006	2,275
Thereafter	17,980
	32,708
Less: lease interest at approximately 10%	(356)
	$ 32,352

Note 9. Employee Benefit Plan

On June 1, 2000, the Company established a retirement and savings (401(k)) plan for eligible employees who are not covered by a collective bargaining agreement or by another plan to which the Company contributes. Under the terms of the plan, eligible employees may defer up to 3% of their compensation, as defined, of which 100% of the deferral is matched by the Company. Eligible employees may contribute an additional 17% of their compensation that is not matched by the Company. Contributions by the Company vest over a five-year period. The Company contributed $146,000, $96,000 and $96,000, respectively, to this plan for the year ended December 31, 2001, the period from acquisition (March 30, 2000) to December 31, 2000, and the period from inception (July 7, 1999) to December 31, 2000.

The Company's union employees are covered by union-sponsored, collectively-bargained, multi-employer pension plans. The Company contributed approximately $624,000, $525,000 and $525,000, respectively to these plans for the year ended December 31, 2001, the period from acquisition (March 30, 2000) to December 31, 2000, and the period from inception (July 7, 1999) to December 31, 2000. The amount of required contributions is determined in accordance with the provisions of negotiated labor contracts and generally is based on the number of hours worked. Information from the plans' administrator is not sufficient to permit the Company to determine its share, if any, of unfunded vested benefits.

Note 10. Commitments and Contingencies

The Company is involved in various inquiries, administrative proceedings and litigation relating to contracts, sales of property and other matters arising in the normal course of business. While any proceedings or litigation has an element of uncertainty, management believes that the final outcome of these matters will not have a material adverse effect upon the Company's financial position or results of operations.

Note 11. Subsequent Events

As discussed in Note 8, the Company was unable to meet the monthly principal payment requirements of the Foothill term loan, although the Company was able to and did make timely, monthly interest payments. Accordingly, the Company sought out and executed an interim refinancing agreement in March 2002 with Vestin Mortgage ("Vestin") in the amount of $20.0 million. The first mortgage note with Vestin is for a term of one year with monthly payments of interest only, in arrears, at 12.0%. The Vestin note provides the Company with an option to request an additional year to maturity, under identical terms, at a cost of 100 basis points every three months in the second year. As a first mortgage note, Vestin has a priority lien on all the current and future, tangible and intangible, assets of the Company. As further security for the note, all three members of the limited liability Company have guaranteed the loan for the two-year term of the note. The Company continues to seek long-term financing to refinance the Vestin note.

The Vestin note has no restriction on paying interest on the member note as described in Note 8 and, therefore, immediately subsequent to the execution of the Vestin note and payoff of the Foothill term loan, the Company made an interest payment to the member of $2.5 million. In addition, the execution of the Vestin note required the write-off of approximately $269,000 of previously unamortized deferred loan fees and a prepayment penalty of $375,000, which will be recorded as an extraordinary loss in the statement of operations for the year ended December 31, 2002.

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CASTAWAYS HOTEL CASINO & BOWLING CENTER

FINANCIAL STATEMENTS

DECEMBER 31, 2002

CASTAWAYS BALANCE SHEET

2/14/03 12:35:15 FROM PERIOD 12/02 TO PERIOD 12/02 ENDING 12/31/02

COMPARATIVE BALANCE SHEET
COMPANY 020 CASTAWAYS HOTEL & CASINO

COMPANY 020 CASTAWAYS HOTEL & CASINO *** CONSOL

	BALANCE THIS YEAR	BALANCE LAST YEAR	BALANCE MARCH 29, 2000
ASSETS			
CURRENT ASSETS			
CASH	2,545,467	2,709,171	0
RECEIVABLES	874,002	449,224	0
INVENTORIES	316,599	449,990	0
PREPAID EXPENSES	1,287,297	1,389,590	0
TOTAL CURRENT ASSETS	5,023,365	4,997,974	0
PROPERTY AND EQUIPMENT	34,091,402	31,542,541	0
ACCUM DEPRECIATION	6,160,771-	3,543,357-	0
NET PROP. AND EQUIP	27,930,631	27,999,184	0
DEPOSITS AND OTHER ASSETS	797,001	585,753	0
TOTAL ASSETS	33,750,997	33,582,911	0

2/14/03 FROM PERIOD 12/02 ENDING COMPARATIVE BALANCE SHEET
12:35:15 TO PERIOD 12/02 12/31/02 COMPANY 020 CASTAWAYS HOTEL & CASINO

COMPANY 020 CASTAWAYS HOTEL & CASINO *** CONSC

	BALANCE THIS YEAR	BALANCE LAST YEAR	BALANCE MARCH 29, 2000
LIABILITIES			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	6,101,712-	4,872,393-	0
CURRENT MATURITIES	648,468-	3,124,348-	0
CONSTRUCTION PAYABLE	0	320,118-	0
ACCRUED LIABILITIES	7,437,109-	5,718,467-	0
CURRENT LIABILITIES	14,187,290-	14,035,326-	0
LONG TERM DEBT	39,721,477-	28,991,424-	0
SHAREHOLDERS' EQUITY			
RETAINED EARNINGS	9,443,839	3,803,876	0
EARNINGS BEFORE TAXES	10,713,930	5,639,963	178,363
TOTAL SHAREHOLDERS' EQUITY	20,157,769	9,443,839	178,363
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	33,750,997-	33,582,911-	178,363

CASTAWAYS INCOME STATEMENT

VSS ENTERPRISES
COMPARATIVE INCOME STATEMENT
ACTUAL VS. BUDGET
December 31, 2002

	MONTH-TO-DATE				YEAR-TO-DATE			
	ACTUAL	BUDGET	VARIANCE	%	ACTUAL	BUDGET	VARIANCE	%
Revenue:								
Casino	2,692,725	3,346,582	(653,857)	-19.5%	38,360,277	43,116,661	(4,756,384)	-11.0%
Rooms	215,046	249,369	(34,323)	-13.8%	4,108,432	4,677,319	(568,887)	-12.2%
Food & Beverage	711,954	839,663	(127,709)	-15.2%	9,197,861	9,742,054	(544,193)	-5.6%
Bowling	121,950	126,400	(4,450)	-3.5%	1,571,218	1,854,415	(283,197)	-15.3%
Other	118,124	152,510	(34,386)	-22.5%	2,329,716	2,780,553	(450,837)	-16.2%
	3,859,799	4,714,524	(854,725)	-18.1%	55,567,504	62,171,002	(6,603,498)	-10.6%
Less: complimentaries	252,830	262,148	(9,318)	-3.6%	3,405,175	3,362,131	43,047	1.3%
Net revenue	3,606,969	4,452,376	(845,407)	-19.0%	52,162,329	58,808,871	(6,646,545)	-11.3%
Costs and expenses:								
Cost of sales	417,410	406,718	10,692	2.6%	4,954,244	4,845,936	108,308	2.2%
Payroll and related								
Payroll	1,476,258	1,830,663	(352,405)	-19.3%	18,535,777	21,138,201	(2,602,424)	-12.3%
Benefits	1,038,693	630,840	405,853	64.3%	8,123,944	7,455,373	668,571	9.0%
Total payroll and related	2,514,951	2,461,503	53,448	2.2%	26,659,721	28,593,574	(1,933,853)	-6.8%
Other Expenses								
Advertising	83,084	120,715	(37,631)	-31.2%	1,382,736	1,418,580	(35,844)	-2.5%
Repairs & maintenance	106,355	94,993	11,362	12.0%	1,031,657	1,113,719	(82,062)	-7.4%
Supplies	96,110	99,982	(3,872)	-3.9%	1,139,230	1,187,361	(48,131)	-4.1%
Taxes & licenses	259,726	330,216	(70,490)	-21.3%	3,808,356	4,140,594	(332,238)	-8.0%
Utilities	219,518	226,651	(7,133)	-3.1%	2,679,989	2,841,200	(161,211)	-5.7%
Other	1,185,350	753,794	431,556	57.3%	12,446,653	10,117,616	2,329,037	23.0%
Total Other expenses	1,950,143	1,626,351	323,792	19.9%	22,488,621	20,819,070	1,669,551	8.0%
Total costs and expenses	4,882,504	4,494,572	387,932	8.6%	54,102,586	54,258,580	(155,994)	-0.3%
Operating Income	(1,275,535)	(42,196)	(1,233,339)	2922.9%	(1,940,260)	4,550,291	(6,490,551)	-142.6%
Other (income) expense:								
Interest income	(29)	(3,000)	2,971	-99.0%	(1,659)	(36,000)	34,341	-95.4%
Interest expense	573,355	385,000	188,356	48.9%	5,189,182	4,550,000	639,182	14.0%
Amortization	-	-	-	#DIV/0!	-	-	35,468	#DIV/0!
Depreciation	228,536	220,000	8,536	3.9%	2,620,312	2,580,000	40,312	1.6%
Total Other (income) expense	801,862	602,000	199,862	33.2%	7,807,835	7,094,000	749,303	10.6%
Income before extraordinary items	(2,077,397)	(644,196)	(1,433,201)	222.5%	(9,748,095)	(2,543,709)	(7,239,854)	284.6%
Extraordinary items								
Loss On Debt Restructing	-	-	-	#DIV/0!	645,004	-	645,004	#DIV/0!
Name Change Costs	-	-	-	#DIV/0!	21,755	-	21,755	#DIV/0!
Preopening Expense	-			#DIV/0!	299,078		299,078	#DIV/0!
Total extraordinary items	-	-	-	#DIV/0!	965,837	-	965,837	#DIV/0!
Net Income (Loss)	(2,077,397)	(644,196)	(1,433,201)	222.5%	(10,713,932)	(2,543,709)	(8,205,691)	322.6%

2/19/03 FROM PERIOD 12/02 ENDING
12:35:17 TO PERIOD 12/02 12/31/02

COMPANY 020 CASTAWAYS HOTEL & CASINO

CONSOLIDATED INCOME STATEMENT

COMPANY 020 CASTAWAYS HOTEL & CASINO XXX CONSOLIDATED XXX

	MTD CURRENT	MTD BUDGET	MTD VARIANCE	MTD %	MTD PRIOR YR	MTD VARIANCE	MTD %	YTD CURRENT	YTD BUDGET	YTD VARIANCE	YTD %	YTD PRIOR Y	YTD VARIANCE	YTD %
Revenues														
Casino														
Table Games	189540	219460	29920-	14-	209391	19849-	9-	2803127	3259900	456774-	14-	3099481	296355-	9-
Slots	2271753	3061057	789304-	26-	2623569	351816-	13-	33223649	30253111	5029942-	13-	34652968	3429239-	9-
Bingo	178911	68000-	246911	397-	25869-	203475	812-	957479	65000	892479	1373	160330-	1117809	697-
Keno	4628-	20000	24628-	123-	27303	32011-	117-	391082	333580	57502	17	302989	88593	29
Race & Sports	57429	104125	46696-	44-	123330	65909-	53-	984921	1205150	220229-	18-	1174981	189981-	16-
Total Casino	2692205	3346582	653857-	20-	2950545	258340-	9-	38340277	43114461	4756184-	11-	41814950	2469172-	6-
Food & Beverage														
Food	493747	566750	72983-	13-	491836	1911	0	6304833	6266675	38158	2	7102958	737225-	10-
Beverage	218187	272913	54726-	20-	238945	20758-	9-	2833028	3475379	642351-	18-	3193415	360387-	11-
Total F & B	711934	839663	127729-	15-	730681	18947-	3-	9137861	9742054	604193-	6-	10295973	1097612-	11-
Hotel														
Hotel Operations	229513	299219	39706-	14-	242735	28223-	12-	8103558	9674179	570621-	12-	8315843	212285-	5-
RV Park	422	150	272	182	379	43	11	9820	3140	1680	54	7192	2629-	33-
Total Hotel Revenue	229935	299369	39434-	14-	243115	28180-	12-	8108386	9677319	568933-	12-	8323035	214649-	5-
Bowling Revenue														
Bowling Operations	121950	126900	4950-	4-	140759	18809-	13-	1542397	1799790	257393-	13-	1739853	197456-	10-
Pro Shop Revenue	0	0	0	0	22389	22389-	100-	8820	54625	45755-	84-	303515	294695-	97-
Total Bowling	121950	126900	4950-	4-	163148	41198-	25-	1551217	1854415	303198-	16-	2122547	571330-	26-
Other Income														
Telephone Revenue	9999	12500	2501-	20-	7091	2908	41	167787	223788	56001-	25-	212797	45010-	21-
Golf Revenue	14222	16500	2279-	12-	11705	2517	18	808188	1040995	232265-	22-	381652	426537	112
Vending Revenue	7133	14400	7267-	50-	4843	2289	47	109958	164000	54042-	33-	107618	2340	2
Gift Shop Revenue	39117	39250	133-	0	41857	1990-	5-	546719	541000	5719	1	536480	10386	2
Valet Transportation	0	0	0	0	0	0	0	1175	0	1175	100	0	1175	100
Other revenue	45686	67840	22154-	33-	73560	27955-	38-	600705	771320	170615-	22-	830453	229748-	28-
Showroom Sales	0	0	0	0	0	0	0	95290	0	95290	100	0	95290	100
Total Other Revenue	116075	152510	36435-	23-	140256	22181-	16-	2329759	2740553	410794-	16-	2068078	261681	13
Total Revenues	3859439	4719529	860089-	18-	4235879	376440-	9-	55567900	62171882	6603982-	11-	59829982	4261982-	7-
Complimentaries														
Comp Rooms	38504	24273	14231	59	31770	6734	19	520033	348872	171161	49	381820	138213	36
Comp Food	50601	34153	16448	48	55734	5133-	9-	629433	951596	322163-	34-	692390	62907-	9-
Comp Beverage	152386	194887	42501-	22-	171354	18968-	11-	2069385	2499398	430013-	17-	2280866	211748-	10-
Comp Other	11338	6835	4503	66	7053	4285	61	104403	42365	124038	199	59559	126845	213
Total Complimentaries	252829	262148	9319-	4-	267911	14982-	6-	3405175	3342131	63044	1	3421785	16611-	0
Net Revenue	3606610	4457374	850764-	19-	3968968	361358-	9-	52162326	58829751	6667425-	11-	56407617	4245291-	8-
Costs and Expenses														

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COMPANY 020 CASTAWAYS HOTEL & CASINO

CONSOLIDATED INCOME STATEMENT

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COMPANY 020 CASTAWAYS HOTEL & CASINO EEI CONSOLIDATED 33E

	CURRENT	BUDGET	VARIANCE	MTD %	PRIOR TD	VARIANCE	%	CURRENT	BUDGET	VARIANCE	YTD %	PRIOR Y	VARIANCE	%
Cost of Food	387561	381595	6016	2	273995	34115	12	3697039	3456752	190287	4	3894960	297921-	6-
Cost of Beverage	70597	75639	5042-	7-	76329	5732-	8-	877428	962926	85498-	9-	995835	68407-	7-
Cost of Pro Shop Sales	0	0	0	0	16379	16379-	100-	32816	29175	3641	12	213968	180652-	85-
Cost of Gift Shop Sales	35754	23550	12204	52	20216	7539	27	326121	324600	1521	0	310908	15213	5
Cost of Telephones	3332	5909	2577-	44-	5811	1479-	33-	67598	70958	3360-	5-	53761	13786	26
Cost of Sales-RV Park	164	75	89	118	151-	315	208-	3289	1575	1714	109	3380	90-	3-
Total Cost of Goods	517989	486718	18691	3	399229	18105	5	9059241	9045936	188305	2	5926812	467570-	9-
Payroll Expense														
Payroll Regular	1392999	1697115	304071-	18-	1651799	301350-	19-	17168671	19394959	2225488-	11-	19911637	2742966-	12-
Payroll Premium	90709	93187	99398-	98-	5714	92995	752	576002	667909	90692-	14-	693508	107706-	16-
Payroll Vacation	92075	99341	6466-	7-	60830	32234	55	913212	1173158	259946-	22-	777077	136135	19
Payroll-Capitalized	5769-	8900-	3131	35-	5769-	0	0	129801-	106800-	23001-	22	140922-	11081	8-
Total Payroll	1478250	1836443	358905-	19-	1711777	233519-	14-	18530084	21130201	2599397-	12-	20732380	2192997-	11-
Payroll Benefits														
Payroll Taxes	150621	191340	50719-	27-	139298	1323	1	1941750	2219927	317677-	14-	2188707	234957-	13-
Employee Milk	8672	11500	2828-	25-	10389	1716-	17-	104149	138900	29451-	22-	146912	38263-	26-
Employee Meals	67352	72532	5180-	7-	72332	4980-	7-	860481	868403	7922-	1-	1068958	190277-	17-
Workman's Compensation	126172	39700	86472	218	16693	109479	656	952609	974970	24365-	5-	824949	127654	15
Medical Insurance	478992	153970	325022	211	197283	331708	225	2203131	1835351	367780	20	1581618	621513	39
Union Benefits	199199	151974	47225	28	183468	10789	6	2386160	1798758	587402	33	2738658	349498-	13-
Uniforms	20603	9822	10861	111	19586	1097	42	211963	118264	93199	79	124985	87059	70
Total Payroll Benefits	1036491	630890	405851	64	583991	452700	78	8123939	7955373	168566	9	8897707	26232	0
Total Payroll & Benefits	2514949	2466583	53996	2	2295768	219181	10	26653793	28593574	1938031-	7-	28630087	2167264-	8-
Other Expenses														
Adjusters Fees	1939	1000	939	94	330	1609	334	13394	12000	1394	12	13784	389-	3-
Advertising	83083	120715	37632-	31-	122739	39656-	32-	1302737	1418500	35843-	3-	1460610	77873-	5-
Armored Car Service	4385	1105	3280	278	2159	2231	104	22435	19220	8215	58	15658	6777	43
Auto expense	1764	2475	711-	29-	2782	1018-	37-	42567	29700	12867	43	35670	6897	19
Background checks	1117	300	817	272	288	829	288	4716	3600	1116	31	3953	763	19
Bank Charges	9401	8000	1401	18	9812	411-	4-	115958	96000	19958	20	96588	18959	20
Club Customers slot script	88275	90000	1725-	2-	100525	12250-	12-	1058425	808000	250425	32	994571	63853	6
Bowling equipment	4716	3100	1616	52	4079	636	16	50876	37200	13676	35	22536	27940	124
Brochures	0	1350	1350-	100-	0	0	0	0	16200	16200-	100-	0	0	0
Cash variation	12597	2265	10332	456	269	12328	4245	29931	27175	2258	8	22595	6838	31
Check cashing promotion	16173	34000	17827-	52-	34149	17976-	53-	269917	404000	134083-	34-	375317	105400-	28-
China & glassware	3326	3215	111	3	2823	503	18	33927	38456	4529-	12-	30298	3628	12
Claims - liability	0	5000	5000-	100-	35072	35072-	100-	16000-	60000	76000-	127-	97385	63385-	134-
Collection expense	0	100	100-	100-	800	800-	100-	918	1200	282-	23-	1685	767-	51-
Bus Subsidy	14964	50600	35636-	66-	45991	31027-	74-	497598	632200	134602-	21-	1374951	879354-	64-
Commissions - other	9789	14700	5911-	40-	55055	46266-	84-	159684	237835	78151-	33-	236799	77060-	33-
Community relations	0	2600	2600-	100-	59	59-	100-	1049	5900	4851-	82-	2230	1181-	53-

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CONSOLIDATED INCOME STATEMENT

COMPANY 020 CASTAWAYS HOTEL & CASINO

COMPANY 020 CASTAWAYS HOTEL & CASINO NOT CONSOLIDATED 330

	CURRENT	BUDGET	VARIANCE	MTD %	PRIOR YR	VARIANCE	%	CURRENT	BUDGET	VARIANCE	YTD %	PRIOR Y	VARIANCE	%
Contributions - Charity	528	2000	1472-	74-	150	378	252	2230	24000	21770-	91-	24222	21992-	91-
Contributions - Polit	0	0	0	0	0	0	0	500	0	500	100	0	500	100
Counterfeit/slugs	26	150	124-	82-	73	47-	64-	771	1800	1029-	57-	1597	826-	52-
Credit reference	2236	3000	765-	25-	2375	139-	6-	32472	36000	3528-	10-	55123	22651-	41-
Customer transportation	18	50	40-	80-	139	121-	87-	370	600	230-	38-	331	39	12
Decorations	4414	175	4239	2565	22569	18154-	72-	10234	2100	8134	387	25037	14803-	59-
Dues & subscriptions	1304	2969	1665-	56-	2276	972-	43-	25670	33829	8159-	24-	34880	10210-	29-
Drug testing	2105	2000	105	5	129	1976	1534	17608	24000	6392-	27-	18271	663-	4-
Golf Course Fees	8823	10500	1677-	16-	9461	938-	9-	566882	634395	68513-	11-	263212	302870	115
Employee Relations	13050	10200	2850	28	6795	6263	92	32832	46400	13568-	29-	30389	2520	8
Entertainers Fees	21950	30000	92-	0	30982	9024-	23-	548698	360000	188698	38	358939	189759	31
Fun Book Coupons	0	0	0	0	0	0	0	0	0	0	0	39	39-	100-
Insurance - Executive	2350	2350	0	0	2350	0	0	29505	28000	1425	5	27165	2340	9
Insurance - general	44320	27031	39289	145	27031	39289	145	393739	324372	69367	21	224134	169605	76
Lease maintenance	949	1700	751-	44-	0	949	100	15987	28900	4913-	24-	19997	4010-	21-
Leagye courtz & prizes	506	2500	1994-	80-	2141	1635-	76-	12541	30000	17459-	58-	25843	13281-	51-
Linens	21500	18900	2600	14	19809	1776	9	326824	287011	42815	15	339920	13093-	4-
Meals	0	525	525-	100-	750	750-	100-	685	7070	6385-	90-	21745	21061-	97-
Miscellaneous	7119	4035	3024	74	7311	192-	18-	44893	104395	59502-	50-	58966	9073-	15-
Music rights	404	1800	396-	58-	472	132	28	12210	12000	210	2	10174	2034	20
Music - piped-in	113	125	12-	10-	113	0	0	1350	1500	150-	10-	1350	0	0
Operating equipment	8863	12340	3472-	30-	11082	3239-	32-	144493	157495	11002-	7-	152917	6424-	4-
Outside Labor	3650	3500	150	4	6400	2750-	43-	72275	52000	20275	39	54940	12335	21
Penalties & Fines	191526	0	191526	100	77104	114422	148	257283	45000	212283	472	119176	138107	114
Outside services	14961	17975	3014-	17-	14241	720	5	257140	214500	43380	20	204101	51699	25
Photographs	0	0	0	0	0	0	0	890	0	890	100	242	648	268
Postage & utility	6415	16837	10422-	61-	14336	9920-	69-	216482	202895	13588	7	206894	10588	5
Printing & artwork	35234	15270	19964	131	31155	4080	13	294153	171620	72533	42	290439	46280-	16-
Production costs	12869	12500	431-	3-	5193	6876	132	99197	200101	100904-	65-	119126	19929-	13-
Professional fees	84785	35500	49285	139	71267	13518	19	625295	396600	228695	58	483319	141976	29
Promotions and prizes	137271	78100	59171	76	137478	207-	0	2146458	1204500	942358	78	1599910	551947	35
Promotional company	307613	153075	154538	101	137987	169626	123	3405498	2398710	1006788	95	2018999	1467246	73
Promotional packages	0	0	0	0	1822-	1822	100-	10	0	10	100	20072	20062-	100-
Property taxes	21632	24000	2368-	10-	19856	1775	9	276613	288000	11387-	4-	277979	1634	1
Provision for bad debt	10482-	8000	18482-	231-	1902	12384-	651-	48399	84000	35656-	37-	39477	20864	53
Recruitment	1329	1200	129	10	0	1329	100	6479	14000	5521-	38-	5750	3129	54
Rent - Land	13777	13800	23-	0	13777	0	0	165328	165600	272-	0	163856	1472	1
R & M - Dept	24070	26827	2757-	10-	27227	3157-	12-	382034	319761	17728-	6-	381393	693	0
R & M - Other	82285	68216	14069	21	78817	13468	17	726597	793955	67358-	8-	676257	50340	7
Rent equipment	9484	10755	1271-	12-	8909	575	6	118825	126195	7370-	6-	119128	294-	0
Sales & use tax	19219	23750	4536-	19-	28033	8814-	29-	299676	245000	48324-	19-	285512	14165-	5-
Silver & utensils	33-	320	353-	110-	149	182-	122-	2346	3015	669-	22-	3219	253-	8-
Supplies - Dept	20450	31752	11302-	36-	19610	840	4	303658	377682	74024-	12-	338617	34959-	10-
Supplies - Gaming	35942	31825	4117	13	32926	3016	9	348635	372300	3665-	1-	347412	1223	1
Supplies - Cleaning	4620	6780	2160-	32-	3955	673	17	94190	86879	7311	8	81017	13173	16

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CONSOLIDATED INCOME STATEMENT

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COMPANY 020 CASTAWAYS HOTEL & CASINO

COMPANY 020 CASTAWAYS HOTEL & CASINO XXX CONSOLIDATED XXX

	MTD CURRENT	MTD BUDGET	MTD VARIANCE	MTD %	MTD PRIOR YR	MTD VARIANCE	MTD %	YTD CURRENT	YTD BUDGET	YTD VARIANCE	YTD %	YTD PRIOR Y	YTD VARIANCE	YTD %
Supplies - Guest	13320	11000	2320	21	8545	4775	56	131783	150500	18717-	12-	150285	18502-	12-
Supplies - Light bulbs	3772	2000	1772	89	1877	1895	101	24497	24000	2497	11	18254	8444	46
Supplies - Disposables	17922	16025	1897	7	16588	1334	8	208442	201800	6842	3	218210	9599-	4-
Supplies - Soft water	624	600	24	4	624	0	0	5605	7200	1595-	22-	3695	1909	52
Special Bingo	0	0	0	0	0	0	0	20655	0	20655	100	33183	12528-	38-
Special parties	24406	20000	4406	22	12265	12142	99	49295	65000	15705-	24-	25627	23669	92
Taxes & Licenses	224230	282466	58236-	21-	248998	24768-	10-	3287068	3567594	280526-	8-	3570667	283598-	8-
Telephone	575	772	197-	26-	356	219	62	6741	9274	2513-	27-	5875	886	15
Television expense	352	375	23-	6-	357	5-	1-	4245	4500	255-	6-	4249	5-	0
Training & development	101	2755	2654-	96-	2113	2012-	95-	11252	25200	13948-	55-	15108	3856-	26-
Travel expense	0	600	600-	100-	0	0	0	20002	10200	9802	97	23222	3140-	14-
Travel meals	215	110	105	95	97	118	122	5245	1320	3925	297	3163	2082	66
Utilities	219518	226651	7133-	3-	194351	25167	13	2679988	2841200	161212-	6-	2814544	134578-	5-
VIA - Slot Club promo	10294	10000	294	3	13878	3584-	26-	134855	80000	54855	69	64231	70624	110
Walkouts	169	210	41-	19-	69	100	145	1597	2500	903-	36-	2421	824-	34-
Window cleaning	0	0	0	0	0	0	0	0	0	0	0	1935	1935-	100-
Total other expense	1949987	1626351	323636	20	1784570	165417	9	22485601	20819071	1666530	8	21152642	1332959	6
Total costs and expenses	5135174	4756720	378454	8	4747373	387801	0	57507760	57620712	112952-	0	58826246	1318486-	2-
Operating income	1275535-	42196-	1233339-	2923	511494-	764041-	149	1940260-	4550290	6490550-	143-	1803156	2943416-	293-
Other (income) expense														
Depreciation	228536	220000	8536	4	250984	22348-	9-	2628312	2580000	40312	2	2627995	7483-	0
Interest income	29-	3000-	2971	99-	24-	5-	21	1660-	36000-	34340	95-	15859-	14199	90-
Interest expense - Insurance	1057	0	1057	100	2585	1528-	59-	19714	0	19714	100	26861	7147-	27-
Interest Expense	572298	385000	187298	49	350867	221431	63	5169468	4550000	619468	14	3883931	1285537	33
Loss On Debt Restructure	0	0	0	0	0	0	0	645004	0	645004	100	0	645004	100
Preopening expense	0	0	0	0	0	0	0	299078	0	299078	100	0	299078	100
Name Change Costs	0	0	0	0	0	0	0	21755	0	21755	100	120191	98436-	82-
Total other (income) expense	801861	602000	199861	33	604332	197529	33	8773671	7094000	1679671	24	6643120	2130551	32
Net Income	2077396-	644196-	1433200-	222	1115826-	961570-	86	10713930-	2543710-	8170220-	321	5639963-	5073967-	90

VSS ENTERPRISES
VITAL INFORMATION

	MONTH OF DECEMBER 2002	%	BUDGET DECEMBER 2002	%	MONTH OF DECEMBER 2001	%
CASINO PIT GAMES						
Twenty-one						
Drop	706,189		892,857		784,145	
Win and % held	134,124	18.99%	125,000	14.00%	138,628	17.68%
Craps						
Drop	151,070		187,097		188,895	
Win and % held	36,755	24.33%	29,000	15.50%	32,785	17.36%
Roulette						
Drop	8,802		61,481		49,232	
Win and % held	3,342	37.97%	22,000	27.00%	9,382	19.06%
3 Card Poker					0	
Drop	4,405			0.00%	0	0.00%
Win and % held	3,205	72.78%				
Let It Ride						
Drop	21,217		83,636		37,954	
Win and % held	7,927	37.36%	18,400	22.00%	11,194	29.49%
Big Six						
Drop	0		4,762		1,107	
Win and % held	0	#DIV/0!	2,000	0.00%	615	0.00%
Pai Gow Poker						
Drop	34,427		121,053		77,420	
Win and % held	4,207	12.22%	23,000	19.00%	18,740	24.21%
TOTAL DROP	926,110		1,370,886		1,118,753	
WIN & % DROP	189,560	20.47%	219,400	16.00%	209,344	18.71%
SLOT DEPARTMENT						
Slot Handle	56,884,726		70,317,887		60,093,063	
Net Win & % held	2,271,753	4.00%	3,061,057	4.35%	2,623,564	4.37%
Ave. win per unit	$59.24		$75.09		$64.31	
# OF UNITS	1,237		1,315		1,316	
KENO DEPARTMENT						
Keno write	81,925		85,000		107,408	
Win & % held	(4,625)	-5.65%	20,000	23.53%	27,383	25.49%
Avg. write per ticket	4.35		4.00		4.11	
RACE & SPORTS BOOK						
Race action	220,800		345,000		326,541	
Win & % held	38,909	17.64%	69,000	20.00%	53,298	16.32%
Sports action	724,201		825,000		680,940	
Win & % held	18,720	2.58%	37,125	4.50%	70,040	10.60%
TOTAL R&S ACTION	944,801		1,170,000		987,581	
Win & % held	57,629	6.10%	106,125	9.07%	123,338	12.49%
BINGO DEPARTMENT						
Bingo sales/person	1,095,794	20.62	815,000	17.34	902,532	19.33
Bingo payout/person	917,383	17.27	875,000	18.62	927,596	19.88
Bingo win\(loss)/person	178,411	3.36	(60,000)	(1.28)	(25,064)	(0.54)
Daily Ave. Attendance	1,714	0.0	1,567	0.0	1,506	
Bingo attendance	53,135		47,000		46,695	
Other gaming revenue	0		0		0	
TOTAL GAMING WIN	2,692,725		3,346,582		2,958,565	
Promotional Coupons	348,818		212,000		222,993	
Casino Special Events	15,691		34,000		34,149	
Bingo	179,074		18,000		52,081	
Database Marketing	108,871		130,000		118,352	
Hotel	0				11,412	
Lanes	45,180		30,000		7,019	

VSS ENTERPRISES
VITAL INFORMATION

	MONTH OF DECEMBER 2002	%	BUDGET DECEMBER 2002	%	MONTH OF DECEMBER 2001	%
ROOMS - HOTEL						
Hotel revenue	181,710		234,219		222,742	
Rooms available	8,482		13,867		11,088	
Rooms occupied	5,285	62.31%	10,008	72.22%	5,777	52.10%
Guest count	10,368		20,016		11,483	
Revenue per room	34.38		23.40		38.56	
Revenue per guest	17.48		11.70		19.40	
RV PARK						
Park revenue	33,225		15,150		20,373	
Spaces available	2,604		2,604		2,604	
Spaces occupied	2,285	87.75%	2,011	77.23%	1,098	42.17%
Guest count	4,260		4,022		2,192	
Revenue per space	14.54		7.53		18.55	
Revenue per guest	7.80		3.77		9.29	
FOOD DEPARTMENT						
Total sales	442,884		505,317		416,282	
Cost of food	266,684	60.21%	251,227	49.72%	222,406	53.43%
Food guest	50,339		57,999		46,340	
Revenue per guest	8.80		8.71		8.98	
BEVERAGE DEPARTMENT						
Beverage sales	203,002		260,846		244,075	
Cost of sales	63,488	31.26%	73,037	28.00%	74,535	30.54%
BOWLING LANES						
Lanes Revenue	121,950		126,400		140,754	
Lines per alleybed per day	37.11		38.47		42.83	
Merchandise sales	0		0		22,389	
Cost of sales	0	0.00%	0	0.00%	16,374	73.13%
ADVERTISING AND PROMOTION						
GAMING MARKETING	157,096		126,597		142,764	
SALES MARKETING	46,696		45,664		78,021	
DATA BASE MARKETING	124,723		123,980		136,611	
GENERAL MARKETING	113,905		113,162		142,526	
TOTAL MARKETING	442,620		408,403		499,912	
TOTAL gaming revenue	2,692,725		3,346,582		2,958,565	
TOTAL non-gaming revenue	1,166,914		1,367,942		1,277,314	
TOTAL OPERATING REVENUE	3,859,639		4,714,524		4,235,879	
TOTAL PAYROLL	1,478,258	38.30%	1,830,663	38.83%	1,711,777	40.41%
PAYROLL EXPENSES	1,036,691	26.86%	630,840	13.38%	583,991	13.79%
TOTAL PAYROLL AND EXPENSE	2,514,949	65.16%	2,461,503	52.21%	2,295,768	54.20%

VSS ENTERPRISES
VITAL INFORMATION

DECEMBER 2002	Y-T-D DECEMBER 2002	%	Y-T-D BUDGET DECEMBER 2002	%	Y-T-D DECEMBER 2001	%
CASINO PIT GAMES						
Twenty-one						
Drop	9,986,496		13,278,570		11,629,915	
Win and % held	1,569,019	15.71%	1,871,000	14.09%	1,694,132	14.57%
Craps						
Drop	2,677,385		3,045,162		2,778,726	
Win and % held	436,511	16.30%	518,000	17.01%	549,316	19.77%
Roulette						
Drop	620,455		970,369		922,847	
Win and % held	149,907	24.00%	257,000	26.48%	253,424	27.46%
3 Card Poker						
Drop	609,129		0		0	
Win and % held	155,734	25.57%	0	0.00%	0	0.00%
Let It Ride						
Drop	833,002		1,142,727		1,052,056	
Win and % held	196,942	23.64%	252,900	22.13%	198,046	18.82%
Big Six						
Drop	11,403		100,002		81,984	
Win and % held	5,487	48.21%	44,000	44.00%	34,136	0.00%
Pai Gow Poker						
Drop	1,171,246		1,652,633		1,419,578	
Win and % held	290,517	24.80%	317,000	19.18%	320,427	22.57%
TOTAL DROP	15,909,126		20,189,463		17,885,106	
WIN & % DROP	2,803,127	17.62%	3,259,900	16.15%	3,049,481	17.05%
SLOT DEPARTMENT						
Slot Handle	741,121,969		916,090,170		824,211,096	
Win & % held	33,223,569	4.48%	38,283,111	4.18%	36,852,909	4.45%
Ave. win per unit	$69.61		$78.07		$76.61	
	1,237		1,315		1,316	
KENO DEPARTMENT						
Keno write	1,200,156		1,160,000		1,170,301	
Win & % held	391,082	32.59%	333,500	28.26%	302,489	25.85%
Avg. write per ticket	4.25		4.14		4.65	
RACE & SPORTS BOOK						
Race action	3,798,290		4,525,000		4,299,268	
Win & % held	690,601	18.18%	905,000	20.00%	813,957	18.93%
Sports action	7,513,785		6,670,000		5,963,937	
Win & % held	294,319	3.92%	300,150	4.50%	360,944	6.05%
TOTAL R&S ACTION	11,312,075		11,195,000		10,263,203	
Win & % held	984,920	8.71%	1,205,150	10.77%	1,174,901	11.45%
BINGO DEPARTMENT						
Bingo sales/person	12,298,605	20.24	10,890,000	18.31	12,215,677	18.52
Bingo payout/person	11,341,126	18.66	10,825,000	18.20	12,376,007	18.77
Bingo win\(loss)/person	957,479	1.58	65,000	0.11	(160,330)	(0.24)
Daily Ave. Attendance	1,685	0.0	1,830	0.0	1,807	0.0
Bingo attendance	607,629		594,854		659,416	
Other gaming revenue	0		0		0	
TOTAL GAMING WIN	38,360,277		43,116,681		41,019,450	
Promotional Coupons	3,638,540		2,862,000		2,451,532	
Casino Special Events	33,671		422,000		88,759	
Bingo	1,230,877		210,000		270,424	
Database Marketing	2,252,095		2,144,000		1,945,992	
Hotel	60,224		0		30,758	
Lanes	61,674		86,000		105,599	

VSS ENTERPRISES VITAL INFORMATION	Y-T-D DECEMBER 2002	%	Y-T-D BUDGET DECEMBER 2002	%	Y-T-D DECEMBER 2001	%
ROOMS - HOTEL						
Hotel revenue	3,798,079		4,281,801		4,067,964	
Rooms available	134,302		153,947		146,724	
Rooms occupied	96,446	71.81%	107,212	69.64%	100,050	67.27%
Guest count	190,163		212,011		196,060	
Revenue per room	39.38		39.94		40.66	
Revenue per guest	19.97		20.20		20.75	
RV PARK						
Park revenue	310,306		273,479		255,070	
Spaces available	30,660		30,660		30,744	
Spaces occupied	21,370	69.70%	18,357	59.87%	15,961	51.92%
Guest count	41,666		36,798		31,936	
Revenue per space	14.52		14.90		15.98	
Revenue per guest	7.45		7.43		7.99	
FOOD DEPARTMENT						
Total sales	5,567,937		5,428,575		6,053,148	
Cost of food	3,105,677	55.78%	2,799,600	51.59%	3,187,566	52.66%
Food guest	649,660		801,340		712,392	
Revenue per guest	8.57		6.77		8.50	
BEVERAGE DEPARTMENT						
Beverage sales	2,764,949		3,321,810		3,208,304	
Cost of sales	849,339	30.50%	930,108	28.00%	930,350	29.02%
BOWLING LANES						
Lanes Revenue	1,647,423		1,799,790		1,734,054	
Lines per alleybed per day	42.58		46.52		44.82	
Merchandise sales	8,870		54,525		388,232	
Cost of sales	32,818	369.97%	29,175	53.41%	213,850	55.03%
ADVERTISING AND PROMOTION						
GAMING MARKETING	1,166,693		927,362		867,385	
SALES MARKETING	866,141		849,171		2,122,317	
DATA BASE MARKETING	2,537,303		2,429,844		2,258,224	
GENERAL MARKETING	1,687,552		1,697,165		1,752,741	
TOTAL MARKETING	6,259,689		5,903,542		7,000,667	
TOTAL gaming revenue	38,360,277		43,116,661		41,019,450	
TOTAL non-gaming revenue	17,207,223		19,054,341		18,809,953	
TOTAL OPERATING REVENUE	55,567,500		62,171,002		59,829,403	
TOTAL PAYROLL	18,538,803	33.38%	21,138,201	34.00%	20,732,299	34.65%
PAYROLL EXPENSES	8,123,940	14.62%	7,455,373	11.99%	8,097,708	13.53%
TOTAL PAYROLL AND EXPENSE	26,662,743	47.98%	28,593,574	45.99%	28,830,007	48.19%

2/14/03 FROM PERIOD 12/02 ENDING
12:35:15 TO PERIOD 12/02 12/31/02

COMPARATIVE BALANCE SHEET
COMPANY 020 CASTAWAYS HOTEL & CASINO

COMPANY 020 CASTAWAYS HOTEL & CASINO *** CONSO

	BALANCE THIS YEAR	BALANCE LAST YEAR	BALANCE MARCH 27, 2000
CASH:			
CASINO BANKROLL ACCT.	2,391,396	2,490,443	0
SLOT MACH. HOPPER LOADS	341,964	364,296	0
CASINO CHIPS	971,796	968,896	0
RESERVE $500.00 CHIPS	200,000-	200,000-	0
RESERVE $100.00 CHIPS	242,100-	239,300-	0
RESERVE $25.00 CHIPS	137,475-	142,925-	0
RESERVE $5.00 CHIPS	33,655-	35,590-	0
RESERVE $1.00 TOKENS	204,987-	220,414-	0
RESERVE $5.00 TOKENS	47,740-	48,135-	0
RESERVE $1.00 CHIPS	4,614-	2,642-	0
RES FOR $5 ANNIV. CHIPS	0	100-	0
CASH CLEARING - NON-GAMING REV	1,389-	699-	0
CASH ON HAND	2,833,195	2,935,830	0
BANK ACCOUNTS:			
MEDICAL CLAIMS	0	148,030-	0
CREDIT CARDS	15,818	41,655	0
COMMERCIAL ACCT.	387,601-	74,304-	0
PARI-MUTUEL ACTIVITY ACCT.	2,583	25,827	0
PARI-MUTUEL HOLDING ACCT.	21,472	21,199	0
PAYROLL ACCOUNT	0	93,007-	0
CASH IN BANKS	287,728-	226,659-	0
TOTAL CASH	2,545,467	2,709,171	0
RECEIVABLES			
HOTEL	232,128	205,507	0
CASINO	75,888	65,928	0
OTHER RECEIVABLES	577,992	153,482	0
OTHER RECEIVABLES	1,070-	27,254	0
EMPLOYEE ADVANCE	1,148	2,190	0
	886,086	454,300	0
LESS ALLOW FOR DOUBTFULS:	12,084-	5,077-	0
NET RECEIVABLES	874,002	449,224	0

2/14/03 FROM PERIOD 12/02 ENDING
12:35:15 TO PERIOD 12/02 12/31/02

COMPARATIVE BALANCE SHEET
COMPANY 020 CASTAWAYS HOTEL & CASINO

COMPANY 020 CASTAWAYS HOTEL & CASINO *** CONSOI

	BALANCE THIS YEAR	BALANCE LAST YEAR	BALANCE MARCH 29, 2000
INVENTORIES			
FOOD:			
MAIN KITCHEN	15,697	25,810	0
FOOD - WAREHOUSE	61,097	76,447	0
PRIME CUT INVENTORY	7,011	10,140	0
BUFFET	25,819	35,999	0
JAVA COAST INVENTORY	743	583	0
CATERING INVENTORY	350	5,007	0
FOOD INVENTORY	110,718	153,957	0
BEVERAGE			
STOREROOM - BEVERAGE	58,189	71,074	0
REEF BAR	3,508	0	0
WINDJAMMER LOUNGE/BAR	5,838	5,684	0
BANQUET BAR	4,471	3,971	0
SEABREEZE BAR INVENTORY	5,864	8,437	0
SPECIALTY SERVICE BAR INV	2,037	1,520	0
RIPTIDE BAR INV	3,942	4,469	0
RACE & SPORTS BK BAR	4,430	5,518	0
BEVERAGE INVENTORY	88,278	100,676	0
MERCHANDISE:			
LANES PRO SHOP	0	64,981	0
GIFT SHOP INVENTORY	62,886	58,142	0
RV PARK INVENTORY	0	2,522	0
MERCHANDISE INVENTORY	62,886	125,645	0
OTHER INVENTORIES:			
OFFICE SUPPLIES	40,618	41,746	0
SLOT CLUB PROMOTIONAL MDSE.	14,098	27,966	0
OTHER INVENTORIES	54,717	69,712	0
TOTAL INVENTORIES	316,599	449,990	0

2/14/03 FROM PERIOD 12/02 ENDING COMPARATIVE BALANCE SHEET
12:35:15 TO PERIOD 12/02 12/31/02 COMPANY 020 CASTAWAYS HOTEL & CASINO

COMPANY 020 CASTAWAYS HOTEL & CASINO *** CON

	BALANCE THIS YEAR	BALANCE LAST YEAR	BALANCE MARCH 29, 2000
PREPAIDS:			
INSURANCE	213,303	294,670	0
TAXES AND LICENSES	856,228	937,628	0
SEWER SERVICES	23,464	27,159	0
OTHER PREPAIDS	191,609	125,042	0
PREPAID POSTAGE	2,693	5,091	0
TOTAL PREPAIDS	1,287,297	1,389,590	0
TOTAL CURRENT ASSETS	5,023,365	4,997,974	0
CAPITAL LEASES	2,700,129	2,236,441	0
LAND	4,262,323	4,262,323	0
HOTEL EQUIPMENT	819,566	762,338	0
FOOD EQUIPMENT	466,005	457,005	0
BEVERAGE EQUIPMENT	44,565	43,715	0
GAMING EQUIPMENT	2,924,374	1,801,863	0
LANES EQUIPMENT	542,100	455,126	0
OFFICE EQUIPMENT	69,746	67,235	0
CARPET AND DRAPES	168,043	121,824	0
SIGNS AND LIGHTING	155,749	151,287	0
MAINT AND BLDG	1,506,303	1,388,994	0
LEASE IMPRVMT-RV PARK	591,525	591,525	0
COMPUTER EQUIPMENT	744,622	691,890	0
OTHER EQUIPMENT	982,783	860,453	0
BLDG IMPROVEMENTS	17,993,136	17,229,415	0
CONSTRUCTION IN PROGRESS	120,278	419,954	0
TOTAL PROPERTY AND EQUIPMENT	34,091,402	31,542,541	0
ACCUM DEPRECIATION	6,160,771-	3,543,357-	0
NET - EQUIPMENT	27,930,631	27,999,184	0
OTHER ASSETS:			
DEFERRED LOAN FEES	648,020	417,552	0
SLOT PARTS	137,726	137,726	0
OTHER ASSET-UNIFORMS	0	5,998	0
OTHER ASSET-CHINA & FLATWARE	11,255	24,477	0
DEPOSITS AND OTHER ASSETS	797,001	585,753	0
TOTAL ASSETS	33,750,997	33,582,911	0

2/14/03 FROM PERIOD 12/02 ENDING COMPARATIVE BALANCE SHEET
12:35:15 TO PERIOD 12/02 12/31/02 COMPANY 020 CASTAWAYS HOTEL & CASINO

COMPANY 020 CASTAWAYS HOTEL & CASINO *** CONSOL1

	BALANCE THIS YEAR	BALANCE LAST YEAR	BALANCE MARCH 29, 2000
LIABILITIES			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE:			
ACCOUNTS PAYABLE - TRADE	2,037,982-	3,235,721-	0
ACCOUNTS PAYABLE - ACCRUED	3,255,772-	738,759-	0
UNEARNED BINGO REVENUE	0	1,295-	0
SUPERBALL BINGO LIAB	37,041-	21,517-	0
SPORTS BOOK - FUTURES	30,649-	39,622-	0
RACE BK - UNPAID TICKETS	8,236-	10,238-	0
SPORTS BK UNPAID TICKETS	82,566-	62,349-	0
ADVANCE DEPOSITS - HOTEL	269,258-	357,250-	0
DEPOSITS - LANES	238,857-	252,018-	0
BONANZA BINGO	22,876-	16,150-	0
DEPOSITS-TOURNAMENT	90,134-	42,615-	0
WIDE AREA PROGRESSIVES	29,400-	95,720-	0
	6,101,712-	4,872,393-	0
CURRENT MATURITIES	110,204-	3,124,348-	0
CONSTRUCTION PAYABLE	0	320,118-	0
ACCRUED LIABILITIES:			
PAYROLL	533,008-	384,873-	0
ACCRUED VACATIONS	464,777-	565,879-	0
PAYROLL TAXES AND W/HOLDINGS	1,824,161-	92,781-	0
OTHER TAXES & LICENSES	257,102-	288,705-	0
RESERVE-MEDICAL CLAIMS	750,446-	237,234-	0
RESREVE LIAB. INS CLAIMS	25,661-	48,162-	0
PROGRESSIVE SLOT MACHINE	305,680-	303,655-	0
OUTSTANDING CHIP OBLIGATION	54,035-	48,422-	0
OUTSTANDING TOKEN OBLIGATION	47,190-	31,368-	0
CONTRA CHIP & TOKEN LIABTLY	41,349	32,266	0
ACCRUED INTEREST PAYABLE	3,083,409-	3,446,537-	0
SLOT CLUB SCRIPT	118,316-	273,906-	0
OTHER ACCRUED LIABILITIES	14,675-	29,191-	0
TOTAL ACCRUED LIABILITIES	7,437,109-	5,718,467-	0
NOTE PAYABLE LONG TERM ACI	13,675,275-	14,035,326-	0
NOTE PAYABLE FOOTHILLS	20,000,000-	12,707,672-	0
NOTE PAYABLE DKS	18,100,000-	17,900,000-	0
NOTE PAYABLE PDS	538,265-	0	0
OBLIGATIONS UNDER CAP LEASE	1,595,226-	1,508,100-	0
TOTAL	40,312,195-	32,115,772-	0

2/14/03 FROM PERIOD 12/02 ENDING
12:35:15 TO PERIOD 12/02 12/31/02

COMPARATIVE BALANCE SHEET
COMPANY 020 CASTAWAYS HOTEL & CASINO

COMPANY 020 CASTAWAYS HOTEL & CASINO *** CONSOL

	BALANCE THIS YEAR	BALANCE LAST YEAR	BALANCE MARCH 29, 2000
LESS CURRENT MATURITIES	78,704-	3,124,348-	0
TOTAL	40,233,491-	28,991,424-	0
SHAREHOLDERS' EQUITY:			
RETAINED EARNINGS	9,443,839	3,803,876	0
EARNINGS BEFORE TAXES	10,713,930	5,639,963	178,363
TOTAL SHAREHOLDERS' EQUITY	20,157,769	9,443,839	178,363
SHAREHOLDERS' EQUITY AND TOTAL LIABILITIES	33,750,997-	33,582,911-	178,363