

**Santa Rosa Golf & Beach Club**  
**Executive Summary**  
**Financial Results – YTD 1-31-18**

Date Prepared: 2/16/2018

**Summary**

- YTD Total Revenue was \$4,944,923 which is \$77,839 more than Budgeted and \$211,049 more than the Prior Year.
- YTD Golf Revenue was \$2,488,567 which is \$69,126 less than Budgeted and \$1,941 less than the Prior Year.
- YTD Vue Revenue was \$2,456,356 which is \$146,966 more than Budgeted and \$212,990 more than the Prior Year.
- YTD Total Gross Profit was \$4,138,908 which is \$20,854 more than Budgeted and \$148,304 more than the Prior Year.
- YTD Total Payroll was \$1,831,482 which is \$31,912 less than budgeted but \$50,083 more than the Prior Year.
- YTD Total Operating Expenses were \$1,366,219 which is \$120,220 less than budgeted but \$40,295 more than the Prior Year.
- YTD EBITDA was \$959,206 which is \$172,985 more than budgeted and \$57,925 more than the Prior Year.
- Cash Balance at 1/31/18 is \$1,482,591 compared to a Cash Balance at 1/31/17 of \$883,763. Both Cash Balances reflect the amount of Prepaid Dues paid in January.
- Loan Balances at 1/31/18 were \$649,791 compared to balances of \$982,048 at 1/31/17. A decrease of \$332,257. Loan Paydowns of \$294,383 were made during the current fiscal year. Interest expense was \$26,705 less than last year.
- Current Ratio is 180% vs. 123% last year.
- Current Ratio without considering Deferred Revenue is 361% vs. 168% last year.

**Key Ratios**

	<u>YTD Actual</u>	<u>Budgeted</u>	<u>Prior Yr</u>
• Quick	163%		104%
• Current	180%		123%
• Current Ratio (w/o Deferred Revenue)	361%		168%
• Debt to Equity	40%		67%

• Debt to Asset	29%		40%
• Gross Profit	84%	85%	84%
• Payroll to Revenue	37%	38%	37%
• Oper. Expenses to Revenue	28%	31%	28%
• EBITDA to Revenue	19%	16%	19%

Total Revenue is still tracking higher than Budget and Prior Year. Golf Revenue is still tracking lower than Budget and slightly less than Prior Year. The Vue Revenue continues to exceed both Budget and Prior Year. Golf Payroll and Operating Expenses are tracking lower than budget but higher than prior year. Vue Payroll is tracking lower than Budget but higher than Prior Year. Vue Operating Expenses are tracking lower than Budget and Prior Year. As a result, year to date total Club EBITDA is tracking \$172,985 (22.00%) over budget and \$57,925 (6.43%) over last year. Our Current, Quick and Debt to Equity ratios continue to be very strong.

If EBITDA remains strong, we will be paying an incentive fee to Club Corp again for this fiscal year. Based on current EBITDA, the incentive fee will be approximately \$60,000.

Projected cashflow for the year is \$234,558 after allowing for \$500,000 in Capital Improvements, \$313,000 in Principal Debt paydown and the \$60,000 ClubCorp Incentive Fee payment. To date we have spent \$367,142 in Capital Improvements. Also, we have paid down our long-term debt by \$294,384.

Since our Net Operating Loss is being used up this year, the club will incur a Federal and Florida Tax liability on it's non-member income. In working with the CRI tax accountant, this liability could be as high as \$50,000. I discussed this with Mike and we agreed on some strategies to reduce this income tax. The potential income taxes paid are not included in my cash-flow projection.

Attached is the Final Budget for the upcoming year. This budget shows a 4% increase in Vue Revenue, 7.2% increase in Golf Revenue, but increases in certain expense categories resulting in a 1.4% increase in EBITDA. It also includes a small increase in Beach Club expenses to allow for increased supervision at the pool. This budget was reviewed by myself and the Finance Committee in great detail. I have attached a projected

cashflow showing a \$173,000 increase in cash after allowing for \$600,000 in Capital Improvements and \$104,000 in Principal payments on our current debt.

At the end of my presentation, I would like to make a motion to accept this budget.

The Finance Committee had another discussion as to whether we should make further paydowns on our current loan balance. At this time, it was decided not to make any additional loan paydowns, as we have the debt payments on an accelerated amortization schedule.

The Finance Committee also discussed the various fees and incentives given to the members that complicate the amount that a member pays the club. The incentive addressed was the incentive to pay monthly dues in advance. Approximately 33% of the membership takes advantage of this offer. The various fees discussed were the walking fees, golf driving range fees, cart fees, etc. The Finance Committee will investigate the income effect of these various items and come up with a fair and equitable plan to address these items and present this plan at a future board meeting. The objectives would be to simplify the process, be revenue neutral, and above all, be fair to most of membership. The current fee structure is incorporated in the 2018-2019 budget. At this time, the FC recommends that we do not change the fee structure until the analysis is completed.

Lastly, I have handed out a revised 5-year Club Improvement Plan. I would like to have everyone review and is open for discussion. The important thing is that we fund the Capital Reserve Account before year-end with \$500,000 and move forward from there.

Thank you.

**Santa Rosa Golf and Beach Club**  
**Summary Financial Report**

As of January 31, 2018

Date prepared 2/14/2018

	YTD Budget as of		YTD 1/31/2017	Variance		% Inc	
	YTD 1/31/2018	1/31/2018		Actual vs. Budget	over budget	2018 vs. 2017	over 2017

**Balance Sheet Comparison**

	YTD 1/31/2018	1/31/2018	YTD 1/31/2017	Actual vs. Budget	over budget	Variance 2018 vs. 2017	% Inc over 2017
Cash in Bank	\$ 1,482,591		\$ 883,763			\$ 598,828	67.76%
Cash & Accounts Receivable	\$ 1,748,423		\$ 1,153,007			\$ 595,416	51.64%
Current Assets	\$ 1,933,936		\$ 1,364,266			\$ 569,670	41.76%
Total Assets	\$ 5,973,182		\$ 5,226,505			\$ 746,677	14.29%
Payables and Accrued Payroll	\$ 330,829		\$ 373,640			\$ (42,811)	-11.46%
Deferred Revenue	\$ 740,850		\$ 737,464			\$ 3,386	0.46%
Current Liabilities	\$ 1,071,679		\$ 1,111,104			\$ (39,425)	-3.55%
Loan and Equipment Balances	\$ 649,791		\$ 982,048			\$ (332,257)	-33.83%
Total Liabilities	\$ 1,721,470		\$ 2,093,152			\$ (371,682)	-17.76%
Total Equity	\$ 4,251,712		\$ 3,133,354			\$ 1,118,358	35.69%

**Income Statement Comparison**

	YTD 1/31/2018	1/31/2018	YTD 1/31/2017	Actual vs. Budget	over budget	Variance 2018 vs. 2017	% Inc over 2017
Total Revenue	\$ 4,944,923	\$ 4,867,084	\$ 4,733,874	\$ 77,839	1.60%	\$ 211,049	4.46%
Cost of Sales	\$ 806,015	\$ 749,030	\$ 743,270	\$ 56,985	7.61%	\$ 62,745	8.44%
Gross Profit	\$ 4,138,908	\$ 4,118,054	\$ 3,990,604	\$ 20,854	0.51%	\$ 148,304	3.72%
Payroll	\$ 1,813,482	\$ 1,845,394	\$ 1,763,399	\$ (31,912)	-1.73%	\$ 50,083	2.84%
Operating Expenses	\$ 1,366,219	\$ 1,486,439	\$ 1,325,924	\$ (120,220)	-8.09%	\$ 40,295	3.04%
Earnings before Interest, Depreciation & Taxes (EBITDA)	\$ 959,206	\$ 786,222	\$ 901,281	\$ 172,985	22.00%	\$ 57,925	6.43%
Interest Expense	\$ 24,248	\$ 45,000	\$ 50,953	\$ (20,752)	-46.11%	\$ (26,705)	-52.41%
	\$ 934,958	\$ 741,222	\$ 850,328	\$ 193,737	26.14%	\$ 84,630	9.95%
YTD Principal Payments Made	\$ 294,383	\$ 294,383	\$ 318,977	\$ -	0.00%	\$ (24,594)	-7.71%
Cashflow after Debt Payments	\$ 640,575	\$ 446,839	\$ 531,351	\$ 193,737	43.36%	\$ 109,224	20.56%

**Key Operating Ratios**

Quick Ratio	163%		104%
Current Ratio	180%		123%
Current Ratio w/o Deferred Revenue	361%		168%
Debt to Equity	40%		67%
Debt to Asset	29%		40%
Gross Profit %	84%	85%	84%
Payroll to Revenue	37%	38%	37%
Operating Expense to Revenue	28%	31%	28%
EBITDA to Revenue	19%	16%	19%

**Santa Rosa Golf and Beach Club**  
**Year to Date Summary Financial Report by Cost Center**

As of 11/30/17  
 Date prepared 12/11/2017

	<u>Golf Actual</u>	<u>Golf Budget</u>	<u>Difference</u>	<u>Vue Actual</u>	<u>Vue Budget</u>	<u>Difference</u>	<u>Total Actual</u>	<u>Total Budget</u>	<u>Difference</u>
<b>Income Statement Comparison</b>									
Total Revenue	\$ 2,488,567	\$ 2,557,694	\$ (69,126)	\$ 2,456,356	\$ 2,309,390	\$ 146,966	\$ 4,944,923	\$ 4,867,084	\$ 77,839
Cost of Sales	\$ 182,118	\$ 173,241	\$ 8,877	\$ 623,897	\$ 575,789	\$ 48,108	\$ 806,015	\$ 749,030	\$ 56,985
Gross Profit	\$ 2,306,450	\$ 2,384,453	\$ (78,003)	\$ 1,832,458	\$ 1,733,601	\$ 98,857	\$ 4,138,908	\$ 4,118,054	\$ 20,854
Payroll	\$ 877,941	\$ 888,277	\$ (10,336)	\$ 935,542	\$ 957,117	\$ (21,575)	\$ 1,813,482	\$ 1,845,394	\$ (31,912)
Operating Expenses	\$ 791,686	\$ 831,138	\$ (39,451)	\$ 574,533	\$ 655,301	\$ (80,768)	\$ 1,366,219	\$ 1,486,439	\$ (120,220)
Earnings before Interest, Depreciation & Taxes (EBITDA)	\$ 636,823	\$ 665,039	\$ (28,216)	\$ 322,383	\$ 121,183	\$ 201,201	\$ 959,206	\$ 786,222	\$ 172,985

<u>Key Ratios</u>	<u>Golf Actual</u>	<u>Golf Budget</u>	<u>Vue Actual</u>	<u>Vue Budget</u>	<u>Total Actual</u>	<u>Total Budget</u>
Gross Profit %	93%	93%	75%	75%	84%	85%
Payroll to Revenue	35%	35%	38%	41%	37%	38%
Operating Expense to Revenue	32%	32%	23%	28%	28%	31%
EBITDA to Revenue	26%	26%	13%	5%	19%	16%

**Santa Rosa Golf and Beach Club**  
**Year to Date Summary Financial Report comparing YTD 2018 vs. YTD 2017**

As of 11/30/17  
 Date prepared 12/11/2017

	Golf Current Year	Golf Prior Year	Difference	Vue Current Year	Vue Prior Year	Difference	Total Current Year	Total Prior Year	Difference
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**Income Statement Comparison**

Total Revenue	\$ 2,488,567	\$ 2,490,508	\$ (1,941)	\$ 2,456,356	\$ 2,243,366	\$ 212,990	\$ 4,944,923	\$ 4,733,874	\$ 211,049
Cost of Sales	\$ 182,118	\$ 181,740	\$ 378	\$ 623,897	\$ 561,530	\$ 62,367	\$ 806,015	\$ 743,270	\$ 62,745
Gross Profit	\$ 2,306,450	\$ 2,308,768	\$ (2,318)	\$ 1,832,458	\$ 1,681,836	\$ 150,622	\$ 4,138,908	\$ 3,990,604	\$ 148,304
Payroll	\$ 877,941	\$ 854,374	\$ 23,567	\$ 935,542	\$ 909,025	\$ 26,517	\$ 1,813,482	\$ 1,763,399	\$ 50,083
Operating Expenses	\$ 791,686	\$ 745,961	\$ 45,725	\$ 574,533	\$ 579,963	\$ (5,430)	\$ 1,366,219	\$ 1,325,924	\$ 40,295
Earnings before Interest, Depreciation & Taxes (EBITDA)	\$ 636,823	\$ 708,433	\$ (71,610)	\$ 322,383	\$ 192,848	\$ 129,535	\$ 959,206	\$ 901,281	\$ 57,925

**Key Ratios**

	Golf Current Year	Golf Prior Year	Vue Current Year	Vue Prior Year	Total Current Year	Total Prior Year
Gross Profit %	93%	93%	75%	75%	84%	84%
Payroll to Revenue	35%	34%	38%	41%	37%	37%
Operating Expense to Revenue	32%	30%	23%	26%	28%	28%
EBITDA to Revenue	26%	28%	13%	9%	19%	19%

**Santa Rosa Golf and Beach Club**  
**Statement of Cash Flows Forecast**  
**FYE 3/31/18**

	<u>YTD Total</u>	<u>Projected FYE 3/31/18</u>	<u>Notes</u>
<b>Cash flows from operating activities</b>			
Net income (loss)	\$ 667,559	\$ 594,194	Projected based on break even- Feb , March
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation & amortization	266,998	\$ 340,364	Projected
Changes in operating assets and liabilities:			
(Increase) decrease in			
Receivables	429,427	\$ 430,000	Projected
Inventories	83,552	\$ 88,000	Based on last year
Prepaid expenses	61,914	\$ (20,000)	Based on last year
Deposits	-	-	
Increase (decrease) in			
Accounts payable	(217,163)	\$ (250,000)	Includes Accrued Incentive Fee
Accrued liabilities	(288,145)	\$ (130,000)	Based on last year
Deferred revenues	169,856	\$ 61,000	Based on last year
<b>Net cash provided by (used in) operating activities</b>	<u>1,173,998</u>	<u>\$ 1,063,558</u>	
<b>Cash flows from investing activities</b>			
Purchases of property and equipment	(367,142)	\$ (400,000)	Projected
<b>Net cash provided by (used in) investing activities</b>	<u>(367,142)</u>	<u>\$ (400,000)</u>	
<b>Cash flows from financing activities</b>			
Proceeds from long-term debt	-	-	
Payments on long-term debt	(294,384)	\$ (313,000)	Projected
Issuance of equity memberships	24,750	\$ -	
Equity membership payouts	2,250	\$ (16,000)	Projected based on last year
<b>Net cash provided by (used in) financing activities</b>	<u>(267,384)</u>	<u>\$ (329,000)</u>	
<b>Net change in cash</b>	539,473	\$ 334,558	
<b>Cash at beginning of period</b>	943,118	<u>\$ 943,118</u>	
<b>Cash at end of period</b>	<u>\$ 1,482,591</u>	<u>\$ 1,277,676</u>	

Allocation of Cash	
Operating Account	\$ 777,676
Reserve Account	\$ 500,000
<b>Total</b>	<u>\$ 1,277,676</u>

Balance left in Operating  
account  
Transfer to Reserve Account

**Santa Rosa Golf & Beach Club**  
**FY19 Proposed Budget**

	Actual and Forecast FY2018	Budget FY 2018	Proposed Budget FY2019	Increase/Decrease Budget vs Actual	% Chg.
<b>Vue on 30a</b>					
Revenue	2,215,879	2,154,171	2,304,342	88,463	4.0%
Cost of Sales	695,178	658,731	698,558	3,380	0.5%
Labor	836,816	837,860	861,734	24,918	3.0%
Operating Expense	354,668	414,829	409,771	55,103	15.5%
<b>Net Income</b>	<b>329,217</b>	<b>242,751</b>	<b>334,279</b>	<b>5,062</b>	<b>1.5%</b>
<b>Administration</b>					
Revenue	1,959,092	1,879,503	2,003,000	43,908	2.2%
Labor	512,872	529,761	501,063	(11,809)	-2.3%
Operating Expense	620,927	635,825	644,818	23,891	3.8%
<b>EBITDA</b>	<b>825,293</b>	<b>713,917</b>	<b>857,119</b>	<b>31,826</b>	<b>3.9%</b>
<b>Pro Shop</b>					
Revenue	1,260,284	1,399,495	1,350,614	90,330	7.2%
Cost of Sales	107,724	115,266	116,684	8,961	8.3%
Labor	325,579	333,025	341,371	15,792	4.9%
Operating Expense	214,489	231,327	258,486	43,997	20.5%
<b>Net Income</b>	<b>612,493</b>	<b>719,877</b>	<b>634,073</b>	<b>21,581</b>	<b>3.5%</b>
<b>Mulligan's</b>					
Revenue	188,547	189,217	196,673	8,126	4.3%
Cost of Sales	83,432	76,245	84,900	1,468	1.8%
Labor	60,863	77,352	64,800	3,937	6.5%
Operating Expense	30,817	33,133	34,889	4,072	13.2%
<b>Net Income</b>	<b>13,435</b>	<b>2,487</b>	<b>12,084</b>	<b>(1,351)</b>	<b>-10.1%</b>
<b>Beach Club</b>					
Revenue	51,700	45,890	56,190	4,490	8.7%
Cost of Sales	12,605	11,149	13,476	871	6.9%
Labor	16,210	21,990	32,911	16,701	103.0%
Operating Expense	37,632	43,800	43,843	6,211	16.5%
<b>Net Income</b>	<b>(14,747)</b>	<b>(31,049)</b>	<b>(34,041)</b>	<b>(19,294)</b>	<b>-130.8%</b>
<b>Maintenance</b>					
Labor	446,744	416,239	442,565	(4,179)	-0.9%
Operating Expense	383,688	400,085	412,712	29,024	7.6%
<b>Net Income</b>	<b>(830,432)</b>	<b>(816,324)</b>	<b>(855,276)</b>	<b>(24,844)</b>	<b>3.0%</b>
<b>Total Club</b>					
Revenue	5,675,502	5,668,276	5,910,820	235,318	4.1%
Cost of Sales	898,939	861,391	913,619	14,680	1.6%
Labor	2,199,084	2,216,227	2,244,444	45,360	2.1%
Operating Expense	1,642,221	1,758,999	1,804,518	162,297	9.9%
<b>EBITDA</b>	<b>935,259</b>	<b>831,659</b>	<b>948,239</b>	<b>12,981</b>	<b>1.4%</b>
Depreciation & Amortization	329,272	340,368	298,200	(31,072)	-9.4%
Interest	35,509	54,000	42,000	6,491	18.3%
<b>Net Income</b>	<b>570,478</b>	<b>437,291</b>	<b>608,039</b>	<b>37,562</b>	<b>6.5%</b>



**Santa Rosa Golf and Beach Club**  
**Statement of Cash Flows Forecast**  
**FYE 3/31/18**

	<u>YTD Total</u>	<u>Projcted FYE 3/31/18</u>	<u>Notes</u>
<b>Cash flows from operating activities</b>			
Net income (loss)	\$ 667,559	\$ 594,194	Projected based on break even- Feb , March
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation & amortization	266,998	\$ 340,364	Projected
Changes in operating assets and liabilities:			
(Increase) decrease in			
Receivables	429,427	\$ 430,000	Projected
Inventories	83,552	\$ 88,000	Based on last year
Prepaid expenses	61,914	\$ (20,000)	Based on last year
Deposits	-	-	
Increase (decrease) in			
Accounts payable	(217,163)	\$ (250,000)	Includes Accrued Incentive Fee
Accrued liabilities	(288,145)	\$ (130,000)	Based on last year
Deferred revenues	169,856	\$ 61,000	Based on last year
<b>Net cash provided by (used in) operating activities</b>	<u>1,173,998</u>	<u>\$ 1,063,558</u>	
<b>Cash flows from investing activities</b>			
Purchases of property and equipment	<u>(367,142)</u>	<u>\$ (500,000)</u>	Projected
<b>Net cash provided by (used in) investing activities</b>	<u>(367,142)</u>	<u>\$ (500,000)</u>	
<b>Cash flows from financing activities</b>			
Proceeds from long-term debt	-	-	
Payments on long-term debt	(294,384)	\$ (313,000)	Projected
Issuance of equity memberships	24,750	\$ -	
Equity membership payouts	<u>2,250</u>	<u>\$ (16,000)</u>	Projected based on last year
<b>Net cash provided by (used in) financing activities</b>	<u>(267,384)</u>	<u>\$ (329,000)</u>	
<b>Net change in cash</b>	539,473	\$ 234,558	
<b>Cash at beginning of period</b>	<u>943,118</u>	<u>\$ 943,118</u>	
<b>Cash at end of period</b>	<u>\$ 1,482,591</u>	<u>\$ 1,177,676</u>	

Allocation of Cash	
Operating Account	\$ 677,676
Reserve Account	\$ 500,000
<b>Total</b>	<u>\$ 1,177,676</u>

Balance left in Operating  
account  
Transfer to Reserve Account