

Santa Rosa Golf & Beach Club

Executive Summary

Financial Results – YTD 2-28-2018

Date Prepared: 3/16/2018

Summary

- YTD Total Revenue was \$5,329,843 which is \$130,167 more than Budgeted and \$238,728 more than the Prior Year.
- YTD Golf Revenue was \$2,688,706 which is \$45,578 less than Budgeted but \$4,322 more than the Prior Year.
- YTD Vue Revenue was \$2,641,136 which is \$175,745 more than Budgeted and \$234,406 more than the Prior Year.
- YTD Total Gross Profit was \$4,454,366 which is \$49,255 more than Budgeted and \$167,994 more than the Prior Year.
- YTD Total Payroll was \$1,953,901 which is \$45,420 less than budgeted but \$44,921 more than the Prior Year.
- YTD Total Operating Expenses were \$1,490,095 which is \$108,559 less than budgeted but \$12,888 more than the Prior Year.
- YTD EBITDA was \$1,010,370 which is \$203,234 more than budgeted and \$110,185 more than the Prior Year.
- Cash Balance at 2/28/18 is \$1,593,933 compared to a Cash Balance at 2/28/17 of \$880,401.
- Loan Balances at 2/28/18 were \$640,494 compared to balances of \$970,936 at 2/28/17. A decrease of \$330,442. Loan Paydowns of \$303,680 were made during the current fiscal year. Interest expense was \$23,043 less than last year.
- Current Ratio is 177% vs. 120% last year.
- Current Ratio without considering Deferred Revenue is 294% vs. 155% last year.

Key Ratios

	<u>YTD Actual</u>	<u>Budgeted</u>	<u>Prior Yr</u>
• Quick	162%		103%
• Current	177%		120%
• Current Ratio (w/o Deferred Revenue)	294%		155%
• Debt to Equity	41%		65%
• Debt to Asset	29%		40%

	<u>YTD Actual</u>	<u>Budgeted</u>	<u>Prior Yr</u>
• Gross Profit	84%	85%	84%
• Payroll to Revenue	37%	38%	37%
• Oper. Expenses to Revenue	28%	31%	29%
• EBITDA to Revenue	19%	16%	18%

Total Revenue is still tracking higher than Budget and Prior Year. Golf Revenue is still tracking lower than Budget but slightly more 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 \$203,234 (25.18%) over budget and \$110,185 (12.24%) 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 \$62,930.

Since our Net Operating Loss Carryforward is being used up this year, the club will incur a Federal and Florida Tax liability on its non-member income. The Combined Federal and Florida Tax Liability is projected to be \$72,170.

Because of the increased cash position due to strong earnings, the Finance Committee agreed to make an additional \$229,000 paydown of our Long-Term Notes Payable. \$29,000 will pay off one note leaving only a single note with an approximate balance of \$400,000 outstanding.

Projected cashflow for the year is \$213,959 after allowing for \$450,000 in Capital Improvements, \$542,000 in Principal Debt paydown, the Club Corp Incentive Fee and the Income Tax Liability. The cash balance at 3-31-2018 is projected to be \$1,157,077 including the \$500,000 allocated to Capital Improvement Reserve Account.

Thank you.

Santa Rosa Golf and Beach Club

Summary Financial Report

As of February 28, 2018

Date prepared 3/16/2018

YTD Budget as of		Variance		% Inc		
YTD 2/28/2018	2/28/2018	YTD 2/28/2017	Actual vs. Budget	over budget	2018 vs. 2017	over 2017

Balance Sheet Comparison

Cash in Bank	\$	1,593,933	\$	880,401	\$	713,532	81.05%
Cash & Accounts Receivable	\$	1,837,064	\$	1,119,141	\$	717,923	64.15%
Current Assets	\$	2,007,798	\$	1,307,585	\$	700,213	53.55%
Total Assets	\$	6,054,016	\$	5,203,523	\$	850,493	16.34%
Payables and Accrued Payroll	\$	451,143	\$	405,038	\$	46,105	11.38%
Deferred Revenue	\$	683,532	\$	681,564	\$	1,968	0.29%
Current Liabilities	\$	1,134,675	\$	1,086,602	\$	48,073	4.42%
Loan and Equipment Balances	\$	640,494	\$	970,936	\$	(330,442)	-34.03%
Total Liabilities	\$	1,775,169	\$	2,057,538	\$	(282,369)	-13.72%
Total Equity	\$	4,278,847	\$	3,145,986	\$	1,132,861	36.01%

Income Statement Comparison

Total Revenue	\$	5,329,843	\$	5,199,676	\$	5,091,115	\$	130,167	2.50%	\$	238,728	4.69%
Cost of Sales	\$	875,477	\$	794,565	\$	804,743	\$	80,912	10.18%	\$	70,734	8.79%
Gross Profit	\$	4,454,366	\$	4,405,111	\$	4,286,372	\$	49,255	1.12%	\$	167,994	3.92%
Payroll	\$	1,953,901	\$	1,999,321	\$	1,908,981	\$	(45,420)	-2.27%	\$	44,921	2.35%
Operating Expenses	\$	1,490,095	\$	1,598,654	\$	1,477,207	\$	(108,559)	-6.79%	\$	12,888	0.87%
Earnings before Interest, Depreciation & Taxes (EBITDA)	\$	1,010,370	\$	807,136	\$	900,185	\$	203,234	25.18%	\$	110,185	12.24%
Interest Expense	\$	26,457	\$	49,500	\$	54,553	\$	(23,043)	-46.55%	\$	(28,096)	-51.50%
YTD Principal Payments Made	\$	303,680	\$	303,680	\$	114,000	\$	-	0.00%	\$	189,680	166.39%
Cashflow after Debt Payments	\$	680,232	\$	453,956	\$	731,632	\$	226,276	49.85%	\$	(51,400)	-7.03%

Key Operating Ratios

Quick Ratio	162%	103%	
Current Ratio	177%	120%	
Current Ratio w/o Deferred Revenue	294%	155%	
Debt to Equity	41%	65%	
Debt to Asset	29%	40%	
Gross Profit %	84%	85%	84%
Payroll to Revenue	37%	38%	37%
Operating Expense to Revenue	28%	31%	29%
EBITDA to Revenue	19%	16%	18%

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

As of February 28, 2018
 Date prepared 3/16/2018

	Golf Actual	Golf Budget	Difference	Vue Actual	Vue Budget	Difference	Total Actual	Total Budget	Difference
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Income Statement Comparison

Total Revenue	\$ 2,688,706	\$ 2,734,285	\$ (45,578)	\$ 2,641,136	\$ 2,465,392	\$ 175,745	\$ 5,329,843	\$ 5,199,676	\$ 130,167
Cost of Sales	\$ 194,656	\$ 181,536	\$ 13,120	\$ 680,821	\$ 613,029	\$ 67,792	\$ 875,477	\$ 794,565	\$ 80,912
Gross Profit	\$ 2,494,050	\$ 2,552,749	\$ (58,698)	\$ 1,960,316	\$ 1,852,363	\$ 107,953	\$ 4,454,366	\$ 4,405,111	\$ 49,255
Payroll	\$ 947,653	\$ 969,951	\$ (22,298)	\$ 1,006,248	\$ 1,029,370	\$ (23,121)	\$ 1,953,901	\$ 1,999,321	\$ (45,420)
Operating Expenses	\$ 850,401	\$ 883,761	\$ (33,360)	\$ 639,694	\$ 714,893	\$ (75,199)	\$ 1,490,095	\$ 1,598,654	\$ (108,559)
Earnings before Interest, Depreciation & Taxes (EBITDA)	\$ 695,996	\$ 699,036	\$ (3,040)	\$ 314,373	\$ 108,100	\$ 206,273	\$ 1,010,370	\$ 807,136	\$ 203,234
	\$ 695,996	\$ 699,036		\$ 314,373	\$ 108,100		\$ 1,010,370	\$ 807,136	

Key Ratios

	Golf Actual	Golf Budget	Vue Actual	Vue Budget	Total Actual	Total Budget
Gross Profit %	93%	93%	74%	75%	84%	85%
Payroll to Revenue	35%	35%	38%	42%	37%	38%
Operating Expense to Revenue	32%	32%	24%	29%	28%	31%
EBITDA to Revenue	26%	26%	12%	4%	19%	16%

Santa Rosa Golf and Beach Club

Year to Date Summary Financial Report comparing YTD 2018 vs. YTD 2017

As of February 28, 2018
Date prepared 3/16/2018

	Golf Current Year	Golf Prior Year	Difference	Vue Current Year	Vue Prior Year	Difference	Total Current Year	Total Prior Year	Difference
Income Statement Comparison									
Total Revenue	\$ 2,688,706	\$ 2,684,384	\$ 4,322	\$ 2,641,136	\$ 2,406,731	\$ 234,406	\$ 5,329,843	\$ 5,091,115	\$ 238,728
Cost of Sales	\$ 194,656	\$ 192,620	\$ 2,036	\$ 680,821	\$ 612,123	\$ 68,698	\$ 875,477	\$ 804,743	\$ 70,734
Gross Profit	\$ 2,494,050	\$ 2,491,765	\$ 2,286	\$ 1,960,316	\$ 1,794,608	\$ 165,708	\$ 4,454,366	\$ 4,286,372	\$ 167,994
Payroll	\$ 947,653	\$ 929,295	\$ 18,358	\$ 1,006,248	\$ 979,686	\$ 26,562	\$ 1,953,901	\$ 1,908,981	\$ 44,921
Operating Expenses	\$ 850,401	\$ 818,210	\$ 32,191	\$ 639,694	\$ 658,996	\$ (19,302)	\$ 1,490,095	\$ 1,477,207	\$ 12,888
Earnings before Interest, Depreciation & Taxes (EBITDA)	\$ 695,996	\$ 744,260	\$ (48,263)	\$ 314,373	\$ 155,925	\$ 158,448	\$ 1,010,370	\$ 900,185	\$ 110,185
Key Ratios									
	Golf Current Year	Golf Prior Year		Vue Current Year	Vue Prior Year		Total Current Year	Total Prior Year	
Gross Profit %	93%	93%		74%	75%		84%	84%	
Payroll to Revenue	35%	35%		38%	41%		37%	37%	
Operating Expense to Revenue	32%	30%		24%	27%		28%	29%	
EBITDA to Revenue	26%	28%		12%	6%		19%	18%	

Club Corp Fee Calculation

As of 2-28-2018

Date prepared 3/16/2018

		<u>Projected Annual</u>
Current Year EBITDA		\$ 1,034,058
Less Incentive Fee accrual		\$ (62,872)
Adjusted EBITDA		<u>\$ 971,186</u>
Base Line EBITDA		
Per Club corp agreement	\$ 656,537	<u>\$ 656,537</u>
Excess EBITDA over baseline		\$ 314,649
% to Club Corp		<u>\$ 62,930</u>
Last Year's Fee		<u>\$ 50,241</u>

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

Date prepared 3/16/2018

	<u>YTD Total</u>	<u>Projected FYE 3/31/18</u>	<u>Notes</u>
Cash flows from operating activities			
Net income (loss)	\$ 693,694	\$ 693,694	Projected based on break even- March
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation & amortization	289,817	\$ 340,364	Projected
Projected Federal and State Income Taxes Due		\$ (72,170)	
Club Corp Incentive Payment Due		\$ (62,930)	
Changes in operating assets and liabilities:			
(Increase) decrease in			
Receivables	452,128	\$ 450,000	Projected based on YTD
Inventories	73,594	\$ 80,000	Projected based on YTD
Prepaid expenses	86,652	\$ 87,000	Projected based on YTD
Deposits	-		
Increase (decrease) in			
Accounts payable	(86,988)	- \$ (90,000)	Projected based on YTD
Accrued liabilities	(298,007)	\$ (298,000)	Projected based on YTD
Deferred revenues	112,538	- \$ 100,000	Projected based on YTD
Net cash provided by (used in) operating activities	<u>1,323,428</u>	<u>\$ 1,177,959</u>	
Cash flows from investing activities			
Purchases of property and equipment	(396,932)	\$ (450,000)	Projected
Net cash provided by (used in) investing activities	<u>(396,932)</u>	<u>\$ (450,000)</u>	
Cash flows from financing activities			
Proceeds from long-term debt			
Payments on long-term debt	(303,680)	\$ (313,000)	Projected based on amortization schedule
Additional Debt Payments authorized		\$ (229,000)	Per Finance Committee
Issuance of equity memberships	25,750	\$ 25,750	Projected based on YTD
Equity membership payouts	2,250	\$ 2,250	Projected
Net cash provided by (used in) financing activities	<u>(275,681)</u>	<u>\$ (514,000)</u>	
Net change in cash	650,815	\$ 213,959	
Cash at beginning of period	<u>943,118</u>	<u>\$ 943,118</u>	
Cash at end of period	<u>\$ 1,593,933</u>	<u>\$ 1,157,077</u>	

Allocation of Cash	
Operating Account	\$ 657,077
Reserve Account	\$ 500,000
Total	\$ 1,157,077