

Santa Rosa Golf & Beach Club

Executive Summary

Unaudited Financial Results – YTD 4-30-2018

Date Prepared: 5/11/2018

Summary

- YTD Total Revenue was \$582,471 which is \$8,893 less than Budgeted but \$12,773 more than the Prior Year.
- YTD Golf Revenue (exclusive of dues) was \$181,824 which is \$720 more than Budgeted and \$650 more than the Prior Year.
- YTD Vue Revenue (exclusive of dues) was \$234,632 which is \$15,118 less than Budgeted and \$4,816 less than the Prior Year.
- YTD Dues and Intiation Fees collected was \$166,015 which is \$5,505 more than Budgeted and \$16,938 more than the Prior Year.
- YTD Total Gross Profit was \$461,739 which is \$36,134 less than Budgeted and \$13,143 less than the Prior Year.
- YTD Total Payroll was \$177,704 which is \$1,402 more than budgeted and \$2,582 more than the Prior Year.
- YTD Total Operating Expenses were \$211,404 which is \$36,859 less than budgeted but \$9,846 more than the Prior Year.
- YTD EBITDA was \$73,031 which is \$677 less than budgeted and \$25,571 less than the Prior Year.
- Net Income (after Depreciation, Amortization and Interest Expense) was \$48,128, which is \$2,770 more than Budgeted but \$18,083 less than Prior Year.
- Cash Balance at 4/30/18 was \$1,268,309 (including a Cash Reserve of \$500,000) compared to a Cash Balance at 4/30/17 of \$1,157,717.
- Cash Increased \$91,771 during the month of April.
- Loan Balances at 4/30/18 were \$390,578 compared to balances of \$729,924 at 4/30/17. A decrease of \$339,346. Year to Date Interest expense was \$1,944 less than last year.
- Current Ratio is 163% vs. 138% last year.
- Current Ratio without considering Deferred Revenue is 233% vs. 174% last year.
- Debt to Equity Ratio is 35% vs. 54% last year
- Gross Profit % is 79% vs. 83% last year.
- EBITDA to Total Revenue is 13% vs. 17% last year

Key Ratios

	<u>YTD Actual</u>	<u>Budgeted</u>	<u>Prior Yr</u>
• Quick	140%		114%
• Current	163%		138%
• Current Ratio (w/o Deferred Revenue)	233%		174%
• Debt to Equity	35%		54%
• Debt to Asset	26%		35%
• Gross Profit	79%	84%	83%
• Payroll to Revenue	31%	30%	31%
• Oper. Expenses to Revenue	36%	42%	35%
• EBITDA to Revenue	13%	12%	17%

The only major issue that stands out is the decrease in Gross Profit % from 83% last year to 79% this year. Mike attributes this to the decrease in Private Events last month. Hopefully, this is an aberration and will be corrected this month.

The Audit will commence by the end of the month. It should not take as long this year as in prior years because of the preliminary work that the auditor performed in January. I spoke to the auditor and she is confident that the report will be finished by the end of June. She says that both Allison and Savannah have been very responsive to her information requests.

Mike will begin moving our cash accounts to Progress Bank from Regions Bank. We have not been assigned a Relationship person at Regions since DeWayne Youngblood left. The plan right now is to keep our current loans in place at Regions but discuss a strategy with DeWayne in case Regions requests to have them paid off. Currently, we have no legal obligation to pay them off if we move the cash.

We are still planning on starting the computer systems conversion from IBS to Clubessentials in September 2018.

The Capital projects scheduled for the upcoming year are:

- 1.) Agronomy Center Phase I – Approved by the board last year. Work is underway.
- 2.) Clubhouse Architect and Engineering study- approved by the board last year. An architect has been hired and the Planning Committee is working with him.
- 3.) Refresh of the Vue interior- approved by the board last year. Work is underway.
- 4.) Short Game area located where old tennis courts were- To be approved by current board after a plan is approved by the various committees.

I would like to thank all the Non-Finance Committee Board Members (Bob, Mike and Edith) for attending the Finance Committee meeting on Thursday. Their input was very helpful.

Thank you.

Santa Rosa Golf and Beach Club
Summary Financial Report-Unaudited

As of April 30, 2018

Date prepared 5/09/2018

	YTD Budget as of		Variance	% Inc	Variance	% Inc
	YTD 4/30/2018	4/30/2018				

Balance Sheet Comparison

Operating Cash in Bank	\$	768,309	\$	1,157,717	\$	(389,408)	-33.64%
Cash Reserve Fund	\$	500,000	\$	-	\$	500,000	100.00%
Cash & Accounts Receivable	\$	1,564,778	\$	1,426,100	\$	138,678	9.72%
Current Assets	\$	1,820,472	\$	1,727,234	\$	93,238	5.40%
Total Assets	\$	5,843,620	\$	5,637,975	\$	205,645	3.65%
Payables and Accrued Payroll	\$	529,455	\$	646,577	\$	(117,122)	-18.11%
Deferred Revenue	\$	587,989	\$	602,724	\$	(14,735)	-2.44%
Current Liabilities	\$	1,117,444	\$	1,249,301	\$	(131,857)	-10.55%
Loan and Equipment Balances	\$	390,578	\$	729,924	\$	(339,346)	-46.49%
Total Liabilities	\$	1,508,022	\$	1,979,225	\$	(471,203)	-23.81%
Total Equity	\$	4,335,598	\$	3,658,750	\$	676,848	18.50%

Income Statement Comparison

Total Revenue	\$	582,471	\$	591,364	\$	569,698	\$	(8,893)	-1.50%	\$	12,773	2.24%
Cost of Sales	\$	120,732	\$	93,491	\$	94,816	\$	27,241	29.14%	\$	25,916	27.33%
Gross Profit	\$	461,739	\$	497,873	\$	474,882	\$	(36,134)	-7.26%	\$	(13,143)	-2.77%
Payroll	\$	177,704	\$	176,302	\$	175,122	\$	1,402	0.80%	\$	2,582	1.47%
Operating Expenses	\$	211,004	\$	247,863	\$	201,158	\$	(36,859)	-14.87%	\$	9,846	4.89%
Earnings before Interest, Depreciation & Taxes (EBITDA)	\$	73,031	\$	73,708	\$	98,602	\$	(677)	-0.92%	\$	(25,571)	-25.93%
Interest Expense	\$	2,084	\$	3,500	\$	4,028	\$	(1,416)	-40.46%	\$	(1,944)	-48.26%
Depreciation and Amortization	\$	22,819	\$	24,850	\$	28,363	\$	(2,031)	-8.17%	\$	(5,544)	-19.55%
Net Income	\$	48,128	\$	45,358	\$	66,211	\$	2,770	6.11%	\$	(18,083)	-27.31%
Less YTD Principal Payments Made	\$	(9,422)	\$	(9,422)	\$	214,250	\$	-	0.00%	\$	(223,672)	-104.40%
Cashflow after Debt Payments	\$	80,369	\$	79,630	\$	(119,676)	\$	739	0.93%	\$	200,045	-167.16%

Key Operating Ratios

Quick Ratio	140%	114%	
Current Ratio	163%	138%	
Current Ratio w/o Deferred Revenue	233%	174%	
Debt to Equity	35%	54%	
Debt to Asset	26%	35%	
Gross Profit %	79%	84%	83%
Payroll to Revenue	31%	30%	31%
Operating Expense to Revenue	36%	42%	35%
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Statement of Cash Flows Forecast
FYE 3/31/19, as of 4/30/18

	<u>YTD Total</u>
Cash flows from operating activities	
Net income (loss)	\$ 48,128
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation & amortization	\$ 22,819
Changes in operating assets and liabilities:	
(Increase) decrease in	
Receivables	\$ 12,525
Inventories	\$ (10,451)
Prepaid expenses	\$ 13,566
Deposits	\$ -
Increase (decrease) in	
Accounts payable	\$ 96,493
Accrued liabilities	\$ 5,427
Deferred revenues	<u>\$ (69,391)</u>
Net cash provided by (used in) operating activities	<u>\$ 119,116</u>
Cash flows from investing activities	
Purchases of property and equipment	<u>\$ (20,923)</u>
Net cash provided by (used in) investing activities	<u>\$ (20,923)</u>
Cash flows from financing activities	
Proceeds from long-term debt	\$ -
Payments on long-term debt	\$ (9,422)
Issuance of equity memberships	\$ 3,000
Equity membership payouts	<u>\$ -</u>
Net cash provided by (used in) financing activities	<u>\$ (6,422)</u>
Net change in cash	\$ 91,771
Cash at beginning of period	<u>\$ 1,176,538</u>
Cash at end of period	<u><u>\$ 1,268,309</u></u>