



Board Meeting Minutes

May 15, 2018

Board Members Present: Bob Baird, Robert Reeder, Steve Tabor, Sam Dalton, Bill Wyrrough, Jim Shepherd, Eden Cooper, David Kettell, Mike Baggett

Board Members Absent:

Others Present: Michael Bickett, Sarah Brazwell, Rick Schoonover

Next meeting: June 19, 2018

President called meeting to order at 9:30 a.m.

March & April Minutes

Mr. Wyrrough made a motion to approve the minutes. Mr. Tabor seconded the motion. Motion carries.

Operations Report – Michael Bickett, General Manager

Mr. Bickett reviewed updates from the club this month, including: A successful Annual Men's Member-Guest tournament on May 3 – May 5. The club had a full field of 60 teams (up from 54 the previous year); The maintenance team took out grass on the right side of hole 4 near the green and added native grasses. They also plan to build a berm behind the green; We continue to wait for furniture for the renovation at Vue on 30a. Painting and carpet will begin soon and we plan to have everything finished by the end of May; Our new Member Relations Coordinator, Bryanna Muscella began in her new role on May 7. We are excited to have her a part of the team; We had plumbing issues in the kitchen, pool and hot tub. They have all been fixed but the hot tub and pool leaks were hard to find due to the location being underwater; Ceiling fans have been installed on the terrace and are rated for outdoor, wet areas and are designed for a beach environment; Two new gates and railing for the pool deck were installed on April 12; We are in need of finding night-time line cooks and have marketing campaigns in addition to visiting local community colleges and more in the works. Once we have more staff in place, we will be able to open on Mondays; Sarah will begin her maternity leave at the end of this month; Auditors will be at the club starting May 21 and should be here for about a week.

Finance Committee – Steve Tabor, Chairman

Mr. Tabor reviewed the financial overview results for the month of April that were submitted in the board package.

House & Social Committee – Eden Cooper, Chairman

Mrs. Cooper-Millsap reviewed the social and pool committee meeting minutes submitted in the board package.

Membership Committee – Robert Reeder, Chairman

Mr. Wyrrough made a motion to approve Todd Craig to come off medical leave earlier than the 8-month minimum. Mr. Reeder seconded. Motion carries.

Mr. Reeder reviewed the membership committee report submitted for the board's review. New equity members, Jim Stuart, Michael Rankin, Stephen Shipes, Russell Wehrin, Greg Zoglio, D'Wayne



Briggs, Kyle McQueen, Brenda Pierce and Dan McMillan were reviewed for board approval. Mr. Tabor made a motion to approve the new equity members. Mr. Kettell seconded. Motion carries.

New social members: Kevin Versen, Jason Medina, Sam Paglioni, Phyllis Flowers, Jonathan Nash, Kristin Drohan and Paul Weatherby were reviewed for board approval. Mr. Tabor made a motion to approve the new social members. Mr. Baggett seconded. Motion carries.

New junior members: Stefan Hoffer and Lee Owen were reviewed for board approval. Mr. Tabor made a motion to approve the new junior members. Mr. Baggett seconded. Motion carries.

Golf Committee – Mike Baggett, Chairman

Mr. Baggett reviewed the golf committee minutes as submitted in the board package.

Mr. Dalton made a motion to not allow the GBO tournament at SRGBC moving forward due to the lack of availability with the club's growing number of members and the impact the tournament has to member play during the multi-day tournament. Mr. Tabor seconded the motion. Motion carries.

The board requested that the management team look at extending the driving range hours of operation for the summer season.

Greens & Grounds Committee – Sam Dalton, Chairman

Mr. Dalton reviewed the greens & grounds committee meeting minutes submitted in the board package. Additionally, it was noted that there have been several setbacks with the Agronomy Center project. The committee will keep the board updated on this timeline.

A motion was made by Mr. Dalton for the club to investigate/speak to a golf course architect to begin the process of receiving plans and pricing for replacement of the greens and fairways. Mr. Tabor seconded. Motion carries.

Mr. Dalton also requested that the management team purchase 6 additional benches for the golf course. Mr. Bickett agreed that the club would be able to purchase the additional benches needed.

Policies – Bill Wyrrough, Chairman

No new business.

Planning Committee – David Kettell, Chairman

The planning committee will be meeting today, May 15 along with representatives from the Finance, Executive Committee and Management team.

Unfinished Business

New Business

Mr. Baird gave an update on the Fox Lake Development, noting that the club plans to re-ignite this soon to ensure we keep this project an active topic for the club.

With no other business to discuss, Mr. Dalton made a motion to adjourn. The motion was seconded by Mr. Reeder. The meeting was adjourned at 11:25 a.m.

Committee meeting minutes can be requested by equity members by emailing sarah@santarosaclub.com.

Santa Rosa Golf & Beach Club

Executive Summary

Unaudited Financial Results – YTD 5-31-2018

Date Prepared: 6/15/2018

Summary

- YTD Total Revenue was \$1,129,022 which is \$40,130 less than Budgeted and \$3,810 less than the Prior Year.
- YTD Golf Revenue (exclusive of dues) was \$337,745 which is \$16,423 more than Budgeted and \$22,636 more than the Prior Year.
- YTD Vue Revenue (exclusive of dues) was \$458,707 which is \$63,908 less than Budgeted and \$58,723 less than the Prior Year.
- YTD Dues and Intiation Fees collected were \$332,570 which is \$7,355 more than Budgeted and \$32,277 more than the Prior Year.
- YTD Total Gross Profit was \$905,051 which is \$75,660 less than Budgeted and \$48,897 less than the Prior Year.
- YTD Total Payroll was \$374,404 which is \$6,558 more than budgeted and \$3,142 less than the Prior Year.
- YTD Total Operating Expenses were \$420,216 which is \$35,108 less than budgeted but \$8,446 more than the Prior Year.
- YTD EBITDA was \$110,431 which is \$47,110 less than budgeted and \$54,201 less than the Prior Year.
- Net Income (after Depreciation, Amortization and Interest Expense) was \$60,708 which is \$31,833 less than Budgeted and \$32,964 less than Prior Year.
- Cash Balance at 5/31/18 was \$1,174,504 (including a Cash Reserve of \$500,000) compared to a Cash Balance at 5/31/17 of \$1,175,056.
- Loan Balances at 5/31/18 were \$380,106 compared to balances of \$720,825 at 5/31/17. A decrease of \$340,719. Year to Date Interest expense was \$4,351 less than last year.
- Current Ratio is 168% vs. 146% last year.
- Current Ratio without considering Deferred Revenue is 239% vs. 187% last year.
- Debt to Equity Ratio is 9% vs. 20% last year
- Gross Profit % is 80% vs. 84% last year.
- EBITDA to Total Revenue is 10% vs. 15% last year

In the mean-time, the Finance Committee will make every effort to pay down our existing debt, so when we take on new debt for these projects the balance will be lower than the 60% of equity limitation as stipulated in the By-laws.

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

Thank you.

Santa Rosa Golf and Beach Club
Summary Financial Report-Unaudited

As of May 31, 2018

Date prepared 5/09/2018

	YTD Budget as of		YTD 5/31/2017	Variance		% Inc	
	YTD 5/31/2018	5/31/2018		Actual vs. Budget	over budget	2018 vs. 2017	over 2017

Balance Sheet Comparison

Operating Cash in Bank	\$	674,504	\$	1,175,056		\$	(500,552)	-42.60%
Cash Reserve Fund	\$	500,000	\$	-		\$	500,000	100.00%
Cash & Accounts Receivable	\$	1,480,481	\$	1,434,067		\$	46,414	3.24%
Current Assets	\$	1,743,168	\$	1,694,773		\$	48,395	2.86%
Total Assets	\$	5,767,865	\$	5,577,475		\$	190,390	3.41%
Payables and Accrued Payroll	\$	509,240	\$	609,162		\$	(99,922)	-16.40%
Deferred Revenue	\$	525,341	\$	553,510		\$	(28,169)	-5.09%
Current Liabilities	\$	1,034,581	\$	1,162,672		\$	(128,091)	-11.02%
Loan and Equipment Balances	\$	380,106	\$	720,825		\$	(340,719)	-47.27%
Total Liabilities	\$	1,414,687	\$	1,883,497		\$	(468,810)	-24.89%
Total Equity	\$	4,353,179	\$	3,693,978		\$	659,201	17.85%

Income Statement Comparison

Total Revenue	\$	1,129,022	\$	1,169,152	\$	1,132,832	\$	(40,130)	-3.43%	\$	(3,810)	-0.34%
Cost of Sales	\$	223,971	\$	188,441	\$	178,884	\$	35,530	18.85%	\$	45,087	25.20%
Gross Profit	\$	905,051	\$	980,711	\$	953,948	\$	(75,660)	-7.71%	\$	(48,897)	-5.13%
Payroll	\$	374,404	\$	367,846	\$	377,546	\$	6,558	1.78%	\$	(3,142)	-0.83%
Operating Expenses	\$	420,216	\$	455,324	\$	411,770	\$	(35,108)	-7.71%	\$	8,446	2.05%
Earnings before Interest, Depreciation & Taxes (EBITDA)	\$	110,431	\$	157,541	\$	164,632	\$	(47,110)	-29.90%	\$	(54,201)	-32.92%
Interest Expense	\$	2,085	\$	7,000	\$	6,436	\$	(4,915)	-70.21%	\$	(4,351)	-67.60%
Depreciation and Amortization	\$	45,638	\$	56,000	\$	62,524	\$	(10,362)	-18.50%	\$	(16,886)	-27.01%
Net Income	\$	62,708	\$	94,541	\$	95,672	\$	(31,833)	-33.67%	\$	(32,964)	-34.46%
Less YTD Principal Payments Made	\$	19,894	\$	19,894	\$	223,348	\$	-	0.00%	\$	(203,454)	-91.09%
Cashflow after Debt Payments	\$	88,452	\$	130,647	\$	(65,152)	\$	(42,195)	-32.30%	\$	153,604	-235.76%

Key Operating Ratios

Quick Ratio	143%		123%
Current Ratio	168%		146%
Current Ratio w/o Deferred Revenue	239%		187%
Debt to Equity	32%		51%
Debt to Asset	25%		34%
Gross Profit %	80%	84%	84%
Payroll to Revenue	33%	31%	33%
Operating Expense to Revenue	37%	39%	36%
EBITDA to Revenue	10%	13%	15%

Santa Rosa Golf and Beach Club
Statement of Cash Flows Forecast
FYE 3/31/19

	<u>4/30/2018</u>	<u>5/31/2018</u>	<u>YTD Total</u>
Cash flows from operating activities			
Net income (loss)	\$ 48,128	\$ 14,580	\$ 62,708
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation & amortization	22,819	22,819	\$ 45,638
Changes in operating assets and liabilities:			
(Increase) decrease in			
Receivables	12,525	(9,508)	\$ 3,017
Inventories	(10,451)	13,849	\$ 3,398
Prepaid expenses	13,566	(20,843)	\$ (7,277)
Deposits	-		\$ -
Increase (decrease) in			
Accounts payable	96,493	59,395	\$ 155,888
Accrued liabilities	5,427	(79,612)	\$ (74,185)
Deferred revenues	(69,391)	(62,648)	\$ (132,039)
Net cash provided by (used in) operating activities	<u>119,116</u>	<u>(61,967)</u>	<u>\$ 57,148</u>
Cash flows from investing activities			
Purchases of property and equipment	(20,923)	(24,367)	\$ (45,290)
Net cash provided by (used in) investing activities	<u>(20,923)</u>	<u>(24,367)</u>	<u>\$ (45,290)</u>
Cash flows from financing activities			
Proceeds from long-term debt	-	-	\$ -
Payments on long-term debt	(9,422)	(10,471)	\$ (19,893)
Issuance of equity memberships	3,000	1,500	\$ 4,500
Equity membership payouts	-	1,500	\$ 1,500
Net cash provided by (used in) financing activities	<u>(6,422)</u>	<u>(7,471)</u>	<u>\$ (13,893)</u>
Net change in cash	91,771	(93,806)	(2,035)
Cash at beginning of period	\$ 1,176,538	\$ 1,268,308	1,176,538
Cash at end of period	<u><u>\$ 1,268,308</u></u>	<u><u>\$ 1,174,503</u></u>	<u><u>\$ 1,174,503</u></u>