

Santa Rosa Golf & Beach Club

Executive Summary

Unaudited Financial Results – YTD 6-30-2018

Date Prepared: 7/13/2018

Summary

- YTD Total Revenue was \$1,731,789 which is \$58,003 less than Budgeted but \$11,999 more than the Prior Year.
- YTD Golf Revenue was \$855,505 which is \$14,526 more than Budgeted and \$55,897 more than the Prior Year.
- YTD Vue Revenue was \$876,284 which is \$72,529 less than Budgeted and \$43,898 less than the Prior Year.
- YTD Total Gross Profit was \$1,399,638 which is \$95,644 less than Budgeted and \$35,223 less than the Prior Year.
- YTD Total Payroll was \$578,479 which is \$311 more than budgeted and \$584 less than the Prior Year.
- YTD Total Operating Expenses were \$562,553 which is \$41,491 less than budgeted but \$21,031 more than the Prior Year.
- YTD EBITDA was \$258,605 which is \$54,465 less than budgeted and \$55,671 less than the Prior Year.
- Net Income (after Depreciation, Amortization and Interest Expense) was \$187,813 which is \$40,207 less than Budgeted and \$32,481 less than Prior Year.
- Cash Balance at 6/30/18 was \$1,297,861 (including a Cash Reserve of \$500,000) compared to a Cash Balance at 6/30/17 of \$1,285,575.
- Loan Balances at 6/30/18 were \$369,899 compared to balances of \$711,776 at 6/30/17. A decrease of \$341,877. Year to Date Interest expense was \$6,558 less than last year.
- Current Ratio (Current Assets/Current Liabilities) is 177% vs. 162% last year.
- Current Ratio without considering Deferred Revenue is 243% vs. 210% last year.
- Debt to Equity Ratio is 8% vs. 19% last year
- Gross Profit % is 81% vs. 83% last year.
- EBITDA to Total Revenue is 15% vs. 18% last year

Key Ratios

	<u>YTD Actual</u>	<u>Budgeted</u>	<u>Prior Yr</u>
• Quick	153%		141%
• Current	177%		162%
• Current Ratio (w/o Deferred Revenue)	243%		210%
• Debt to Equity	8%		19%
• Debt to Asset	6%		13%
• Gross Profit	81%	84%	83%
• Payroll to Revenue	33%	32%	34%
• Oper. Expenses to Revenue	32%	34%	31%
• EBITDA to Revenue	15%	17%	18%

Total Revenue is tracking less than Budget but more than Prior Year. This due to the following factors:

1. Golf Revenue was higher by \$55,897, but Vue Revenue was down only \$43,898. In other words, the increase in Golf Revenue offset the decline in Vue Revenue. This is the opposite of last year when Golf Revenue suffered early on because of the very bad weather.
2. There is still a decrease in the number of Private Events from last year. This gap is narrowing as more events are being booked by Becca for late summer and fall.
3. There was a loss of revenue due to the Memorial Day Weekend Tropical Storm threat.
4. The Vue was closed several days in April and May for remodeling.

Total Gross Profit and EBITDA are both tracking lower than both Budget and Prior Year due to the following factors:

1. The decrease in Private Events from last year has a material effect on both Gross Profit and ultimately EBITDA.
2. Operating Expenses are slightly higher than prior year although lower than budget,
3. Our Debt/Equity ratio is very good. I will try to bring down the debt level this year as we did last year. My goal is to be debt-free before we take on any major improvements such green replacement, fairway replacement, etc.

The Audit will be completed by the next board meeting. Allison and I are helping the auditor get past some final minor issues.

The Finance Committee is continuing to have discussions with the Planning Committee on the Five-Year Improvement Plan. Final cost estimates on the Greens, Fairway, Cart Paths and Short Game Area will be available in 30 days. We brought our banker, DeWayne Youngblood, into the Finance Committee meeting and gave him a basic framework on what we want to finance. He did not see a problem.

We extended the tax return that was due 7/16/2018. An estimated income tax payment of \$75,000 was paid to the IRS and \$15,000 to the Florida Dept. of Revenue for prior year and 1st quarter current year tax liability for non-member income. Our prior Net Operating Loss Carryforward was used up last year.

Attached is a report from our auditors concerning our IT practices. The report states that we have reasonable IT practices, but also noted some areas of improvements. This report assures the members that we are making every reasonable effort to protect their data. It also has some good suggestions to use when converting to the new computer system.

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 June 30, 2018

Date prepared 7/13/2018

	YTD Budget as of		Variance	% Inc	Variance	% Inc
	YTD 6/30/2018	6/30/2018				

Balance Sheet Comparison

Operating Cash in Bank	\$	797,861		\$	1,285,575		\$	(487,714)	-37.94%
Cash Reserve Fund	\$	500,000		\$	-		\$	500,000	100.00%
Cash & Accounts Receivable	\$	1,593,038		\$	1,539,710		\$	53,328	3.46%
Current Assets	\$	1,835,207		\$	1,770,612		\$	64,595	3.65%
Total Assets	\$	5,892,129		\$	5,626,646		\$	265,483	4.72%
Payables and Accrued Payroll	\$	555,887		\$	617,599		\$	(61,712)	-9.99%
Deferred Revenue	\$	482,560		\$	472,474		\$	10,086	2.13%
Current Liabilities	\$	1,038,446		\$	1,090,073		\$	(51,627)	-4.74%
Loan and Equipment Balances	\$	369,899		\$	711,776		\$	(341,877)	-48.03%
Total Liabilities	\$	1,408,345		\$	1,801,849		\$	(393,504)	-21.84%
Total Equity	\$	4,483,783		\$	3,824,797		\$	658,986	17.23%

Income Statement Comparison

Total Revenue	\$	1,731,789	\$	1,789,792	\$	1,719,790	\$	(58,003)	-3.24%	\$	11,999	0.70%
Cost of Sales	\$	332,151	\$	294,510	\$	284,929	\$	37,641	12.78%	\$	47,222	16.57%
Gross Profit	\$	1,399,638	\$	1,495,282	\$	1,434,861	\$	(95,644)	-6.40%	\$	(35,223)	-2.45%
Payroll	\$	578,479	\$	578,168	\$	579,063	\$	311	0.05%	\$	(584)	-0.10%
Operating Expenses	\$	562,553	\$	604,044	\$	541,522	\$	(41,491)	-6.87%	\$	21,031	3.88%
Earnings before Interest, Depreciation & Taxes (EBITDA)	\$	258,605	\$	313,070	\$	314,276	\$	(54,465)	-17.40%	\$	(55,671)	-17.71%
Interest Expense	\$	2,335	\$	10,500	\$	8,893	\$	(8,165)	-77.76%	\$	(6,558)	-73.74%
Depreciation and Amortization	\$	68,457	\$	74,550	\$	85,089	\$	(6,093)	-8.17%	\$	(16,632)	-19.55%
Net Income	\$	187,813	\$	228,020	\$	220,294	\$	(40,207)	-17.63%	\$	(32,481)	-14.74%
Less YTD Principal Payments Made	\$	30,100	\$	30,100	\$	1,322,471	\$	-	0.00%	\$	(1,292,371)	-97.72%
Cashflow after Debt Payments	\$	89,255	\$	123,370	\$	(1,187,266)	\$	(34,114)	-27.65%	\$	1,276,521	-107.52%

Key Operating Ratios

Quick Ratio	153%		141%
Current Ratio	177%		162%
Current Ratio w/o Deferred Revenue	243%		210%
Debt to Equity	8%		19%
Debt to Asset	6%		13%
Gross Profit %	81%	84%	83%
Payroll to Revenue	33%	32%	34%
Operating Expense to Revenue	32%	34%	31%
EBITDA to Revenue	15%	17%	18%

Santa Rosa Golf and Beach Club

Year to Date Summary Financial Report by Cost Center

As of June 30, 2018

Date prepared 7/13/2018

	<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>
Income Statement Comparison									
Total Revenue (inc Dues Allocation)	\$ 855,505	\$ 840,979	\$ 14,526	\$ 876,284	\$ 948,814	\$ (72,529)	\$ 1,731,789	\$ 1,789,792	\$ (58,003)
Cost of Sales	\$ 89,374	\$ 64,286	\$ 25,088	\$ 242,777	\$ 230,224	\$ 12,553	\$ 332,151	\$ 294,510	\$ 37,641
Gross Profit	\$ 766,130	\$ 776,693	\$ (10,562)	\$ 633,507	\$ 718,590	\$ (85,082)	\$ 1,399,638	\$ 1,495,282	\$ (95,644)
Payroll	\$ 273,605	\$ 276,224	\$ (2,620)	\$ 304,875	\$ 301,944	\$ 2,931	\$ 578,479	\$ 578,168	\$ 311
Operating Expenses	\$ 378,349	\$ 396,303	\$ (17,953)	\$ 184,204	\$ 207,741	\$ (23,538)	\$ 562,553	\$ 604,044	\$ (41,491)
Earnings before Interest, Depreciation & Taxes (EBITDA)	\$ 114,177	\$ 104,165	\$ 10,011	\$ 144,429	\$ 208,905	\$ (64,476)	\$ 258,605	\$ 313,070	\$ (54,465)

Key Ratios

Gross Profit %	90%	92%	72%	76%	81%	84%
Payroll to Revenue	32%	33%	35%	32%	33%	32%
Operating Expense to Revenue	44%	47%	21%	22%	32%	34%
EBITDA to Revenue	13%	12%	16%	22%	15%	17%

Santa Rosa Golf and Beach Club

Year to Date Summary Financial Report by Cost Center to Prior Year

As of June 30, 2018

Date prepared 7/13/2018

	Golf			Vue			Total		
	Actual	Prior Year	Difference	Actual	Prior Year	Difference	Actual	Prior Year	Difference
Income Statement Comparison									
Total Revenue (Inc Dues Allocation)	\$ 855,505	\$ 799,608	\$ 55,897	\$ 876,284	\$ 920,183	\$ (43,898)	\$ 1,731,789	\$ 1,719,790	\$ 11,998
Cost of Sales	\$ 89,374	\$ 54,956	\$ 34,419	\$ 242,777	\$ 229,973	\$ 12,804	\$ 332,151	\$ 284,929	\$ 47,222
Gross Profit	\$ 766,130	\$ 744,652	\$ 21,478	\$ 633,507	\$ 690,209	\$ (56,702)	\$ 1,399,638	\$ 1,434,861	\$ (35,224)
Payroll	\$ 273,605	\$ 272,180	\$ 1,424	\$ 304,875	\$ 306,883	\$ (2,008)	\$ 578,479	\$ 579,063	\$ (584)
Operating Expenses	\$ 378,349	\$ 358,860	\$ 19,489	\$ 184,204	\$ 182,662	\$ 1,542	\$ 562,553	\$ 541,522	\$ 21,031
Earnings before Interest, Depreciation & Taxes (EBITDA)	\$ 114,177	\$ 113,612	\$ 565	\$ 144,429	\$ 200,664	\$ (56,235)	\$ 258,605	\$ 314,276	\$ (55,670)

Key Ratios

Gross Profit %	90%	93%	72%	75%	81%	83%
Payroll to Revenue	32%	34%	35%	33%	33%	34%
Operating Expense to Revenue	44%	45%	21%	20%	32%	31%
EBITDA to Revenue	13%	14%	16%	22%	15%	18%

Santa Rosa Golf & Beach Club, Inc.

Comparative Balance Sheet As Of 6/30/2018

	As of Date 3/31/2018	As of Date 6/30/2018	\$ Variance	% Variance
ASSETS				
Current Assets				
Cash				
Petty Cash	2,500	2,500	0	0.0%
Petty Cash Checking	5,265	5,265	0	0.0%
Capital Reserve Fund	1,000	1,000	0	0.0%
Regions Checking	664,118	785,052	(120,934)	0.0%
Cash Clearing	0	389	(389)	0.0%
Regions Reserve	500,000	500,000	0	0.0%
Trustmark Giving Fund	3,655	3,655	(1)	0.0%
Total Cash	1,176,538	1,297,861	(121,324)	0.0%
Receivable				
Accounts receivable - Membership	307,843	291,548	16,295	3.0%
Accounts receivable - Events	8,023	10,459	(2,436)	126.0%
Accounts receivable - Other	0	0	0	-98.0%
Accounts receivable - Employees	0	41	(41)	0.0%
Allowance for Bad Debt	(6,871)	(6,871)	0	-8.0%
Total Receivable	308,995	295,177	13,818	-57.0%
Inventory				
Golf Inventory	62,680	65,677	(2,997)	46.0%
Mulligans Inventory	3,787	4,456	(670)	23.0%
Mulligans Inventory - Liquor	2,875	2,298	577	48.0%
Mulligans Inventory - Wine	72	6	66	-46.0%
Mulligans Inventory - Beer	1,563	2,448	(885)	-20.0%
Vue Inventory- Food	21,463	17,998	3,465	11.0%
Vue Inventory - Liquor	10,227	12,453	(2,226)	16.0%
Vue Inventory - Wine	17,495	15,830	1,665	-6.0%
Vue Inventory - Beer	1,507	2,048	(541)	13.0%
Golf Maintenance Supplies Inventory	0	0	0	-100.0%
Total Inventory	121,669	123,214	(1,546)	-28.0%
Prepaid Expenses				
Prepaid expenses and other	41,293	31,101	10,191	17.0%
Prepaid insurance	92,335	87,853	4,482	-27.0%
Total Prepaid Expenses	133,628	118,955	14,673	-16.0%
Total Current Assets	1,740,829	1,835,207	(94,378)	
Property and Equipment				
Land	513,845	513,845	0	0.0%
Buildings	751,574	751,574	0	0.0%
Improvements	4,727,896	4,822,235	(94,339)	9.0%
Equipment	1,560,896	1,566,892	(5,995)	1.0%
Furniture and fixtures	148,514	148,514	0	0.0%
Irrigation	1,320,527	1,320,527	0	0.0%
Construction In Progress	22,750	22,750	0	0.0%
Accumulated depreciation	(5,027,320)	(5,094,820)	67,500	7.0%
Total Property and Equipment	4,018,682	4,051,516	(32,834)	2.0%
Other Assets				
Deposits	7,474	7,474	0	0.0%
Loan Closing Costs	19,342	19,342	0	0.0%
Amortization	(20,452)	(21,410)	957	25.0%
Total Other Assets	6,364	5,406	957	-41.0%
TOTAL ASSETS	5,765,874	5,892,129	(126,255)	

Santa Rosa Golf & Beach Club, Inc.

Comparative Balance Sheet As Of 5/31/2018

LIABILITIES

Current Liabilities

Payables

Accounts payable	94,650	297,615	(202,966)	-40.0%
Accrued Waqes	86,999	25,032	61,967	33.0%
Accrued Performance Bonuses	118,174	76,174	42,000	19.0%
Total Payables	299,822	398,822	(98,999)	-19.0%

Taxes Payable and Accrued

Property tax payable	0	17,757	(17,757)	0.0%
Sales tax payable	32,807	38,063	(5,257)	13.0%
Total Taxes Payable and Accrued	32,807	55,820	(23,014)	33.0%

Accrued Expenses

Accrued PTO	27,892	27,892	0	0.0%
Accrued Expenses	3,444	13,324	(9,881)	-94.0%
Accrued Property Tax	13,993	13,993	0	-13.0%
Total Accrued Expenses	45,328	55,209	(9,881)	-62.0%

Note Payable - current portion

N/P - Reqions Construction	29,380	29,380	0	0.0%
N/P - Reqions Irrigation	(0)	(0)	0	-100.0%
N/P - Reqions Equipment	8,136	8,136	0	0.0%
Total Note Payable - current portion	37,516	37,516	0	-24.0%

Deferred Revenue

Prepaid membership dues	540,422	383,822	156,600	-17.0%
Event Deposits	116,958	98,738	18,221	-16.0%
Total Deferred Revenue	657,380	482,560	174,821	-17.0%

Other Current Liabilities

Employee bonus fund	0	25	(25)	-100.0%
Gift card payable	22,542	24,307	(1,765)	11.0%
Credit Books	26,199	12,316	13,883	-34.0%
Prepaid Signature Gold	(100)	(100)	0	0.0%
Due to beach service	0	(0)	0	-90.0%
Gratuities payable	425	9,488	(9,063)	23.0%
Total Other Current Liabilities	49,067	46,036	3,031	-3.0%

Total Current Liabilities

1,121,920 1,075,962 45,958 -20.0%

Long Term Debt

N/P - Reqions Construction	370,620	340,520	30,100	-44.0%
N/P - Reqions Irrigation	0	0	0	-100.0%
N/P - Reqions Equipment	(8,136)	(8,136)	0	-113.0%
Total Long Term Debt	362,484	332,383	30,100	-61.0%

TOTAL LIABILITIES

1,484,404 1,408,345 76,058 -36.0%

EQUITY

Equity memberships	2,844,893	2,851,143	(6,250)	0.0%
Paid In Capital	100,600	108,850	(8,250)	28.0%
Retained earnings	643,160	1,335,977	(692,817)	-539.0%
Current Year Profit/(Loss)	692,817	187,813	505,004	-95.0%
TOTAL EQUITY	4,281,470	4,483,783	(202,313)	22.0%

TOTAL LIABILITIES & EQUITY

5,765,874 5,892,129 (126,255) -1.0%

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>6/30/2018</u>	<u>YTD Total</u>
Cash flows from operating activities				
Net income (loss)	\$ 48,819	\$ 14,580	\$ 124,416	\$ 187,816
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation & amortization	22,819	22,819	22,819	\$ 68,457
Changes in operating assets and liabilities:				
(Increase) decrease in				
Receivables	12,525	(9,508)	10,801	\$ 13,818
Inventories	(10,451)	13,849	(4,944)	\$ (1,545)
Prepaid expenses	10,054	(20,843)	25,462	\$ 14,673
Increase (decrease) in				
Accounts payable	96,493	59,395	47,078	\$ 202,966
Accrued liabilities	5,938	(79,612)	(430)	\$ (74,104)
Deferred revenues (event deposits)	(69,391)	(62,648)	(42,781)	\$ (174,821)
Net cash provided by (used in) operating activities	<u>116,806</u>	<u>(61,967)</u>	<u>182,421</u>	\$ 237,259
Cash flows from investing activities				
Purchases of property and equipment	(20,923)	(24,367)	(55,045)	\$ (100,335)
Net cash provided by (used in) investing activities	<u>(20,923)</u>	<u>(24,367)</u>	<u>(55,045)</u>	\$ (100,335)
Cash flows from financing activities				
Proceeds from long-term debt	-	-	-	\$ -
Payments on long-term debt	(9,422)	(10,472)	(10,207)	\$ (30,101)
Issuance of equity memberships	6,000	3,000	5,500	\$ 14,500
Equity membership payouts	-	-	-	\$ -
Net cash provided by (used in) financing activities	<u>(3,422)</u>	<u>(7,472)</u>	<u>(4,707)</u>	\$ (15,601)
Net change in cash	92,461	(93,806)	122,669	121,323
Cash at beginning of period	<u>\$ 1,176,538</u>	<u>\$ 1,268,999</u>	<u>\$ 1,175,192</u>	<u>1,176,538</u>
Cash at end of period	<u>\$ 1,268,999</u>	<u>\$ 1,175,192</u>	<u>\$ 1,297,861</u>	<u>\$ 1,297,861</u>