

Finance Manager Report

March 10, 2020

Cash Update:

- Cash balance as of 2/29/2020 is \$184,969.
- Projected cash needs: Given that the course is opening in March, I do not anticipate needing to borrow funds for operations.

Financial Operations Update: - YTD Feb 29, 2020

- Total Revenue \$291,394.
- Operating Expenses \$118,835.
- Operating Income (EBITDA) \$172,559.
- Cash provided \$110,571

Capital Spend Update: - MTD Feb 29, 2020:

- Fully depreciated Mowers were sold for \$2,000.

Follow up items from the February board meeting:

1. Will asked - What comprised the Intangible Consulting Asset? I reviewed the consulting items with Ken. I expensed the net book value of the Master Plan of \$20K as it is no longer applicable. I expensed it in 2019.
2. Bryce asked - Where is the cash from the Trail Fees reported, and should it be earmarked for capital spending? I've included a history and update for the board to review and discuss.
3. TBK bank update. Candy and I met to discuss the DSCR (debt service coverage ratio) calculation and other matters. I would like to read an email she sent. We reviewed the 2019 financials, loan agreements and covenants. We are in good standing with TBK.

Trail Fees History

In Sept 2012, the Board approved \$1 Trail Fee starting in 2013.

The fees were to be designated for Capital Improvements and Cash Reserve.

In 2014 the trail fees were raised to \$2 for 18 holes and remained \$1 for 9 holes.

In 2014 a Cash Reserve bank account was opened and funded with \$58K.

No deposits were made after initial funding in 2014 for \$58K.

No payments or withdraws were made except one check was written for \$1,634 in 2016.

The Cash Reserve account balance has remained at \$56K since 2016.

The Cash Reserve and Checking bank account balances were added together for 2019 reports.

(The bank accounts are separate on the balance sheet)

The Capital Reserves Equity account balance is \$53K since 2014

The Capital Reserves Equity was combined with Equity in 2019 reports.

(The Equity accounts are separate on the balance sheet)

Trail Fee and Capital Spending summary:

YEAR	Trail Fee Income	Capital Expenditures	
2013	36,804	134,683	
2014	55,302	19,993	
2015	48,862	585,451	(capital = golf course renov)
2016	51,176	57,269	
2017	52,810	32,266	
2018	51,897	79,750	
2019	53,603	233,089	
TOTAL	350,454	1,142,502	

Discussion points:

1- Does the Board want to continue as is?

Do not fund the reserve bank account and spend the funds on capital.

2- Should the current reserves be used to pay for capital and zeroed out?

3- Does the Board want to fund the reserve account and spend the funds for capital?

Reserve for specific capital projects?

Hillcrest Golf Club

BALANCE SHEET

As of February 29, 2020

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1050 CHECKING	128,180.31
1060 CASH RESERVE BANK ACCOUNT	56,789.12
Total Bank Accounts	\$184,969.43
Other Current Assets	
1100 PREPAID EXPENSES	5,443.46
1300 INVENTORY	0.00
1305 GOLF CLUBS	13,109.96
1310 ACCESSORIES	11,614.70
1315 MENS APPAREL	4,349.71
1320 WOMENS APPAREL	3,036.92
1325 FOOTWEAR	1,776.95
1330 HEADWEAR	1,522.94
1335 GOLF BALLS	3,454.14
1340 GOLF BAGS	1,347.57
1345 PULL CARTS	240.00
1350 GOLF GLOVES	562.50
Total 1300 INVENTORY	41,015.39
Total Other Current Assets	\$46,458.85
Total Current Assets	\$231,428.28
Fixed Assets	
1500 FIXED ASSETS	
1501 BUILDING & IMPROVEMENTS	1,820,832.04
1551 LAND IMPROVEMENTS	2,715,626.75
1600 MACHINERY & EQUIPMENT	1,188,325.05
1625 FURNITURE & FIXTURES	106,470.00
1650 COMPUTERS & ELECTRICAL	13,118.66
1690 ACCUMULATED DEPRECIATION	-4,022,395.38
Total 1500 FIXED ASSETS	1,821,977.12
Total Fixed Assets	\$1,821,977.12
Other Assets	
1800 INTANGIBLE ASSETS	
1810 INTANGIBLE - CONSULTING	19,741.00
1812 INTANGIBLES - SOFTWARE	12,269.00
1820 ACCUMULATED AMORTIZATION	-25,631.78
Total 1800 INTANGIBLE ASSETS	6,378.22
Total Other Assets	\$6,378.22
TOTAL ASSETS	\$2,059,783.62

Hillcrest Golf Club

BALANCE SHEET

As of February 29, 2020

LIABILITIES AND EQUITY	TOTAL
Liabilities	
Current Liabilities	
Accounts Payable	
2000 ACCOUNTS PAYABLE	27,840.79
Total Accounts Payable	27,840.79
Other Current Liabilities	
2160 ACCRUED TAX-ST & CNTY SALES TAX	95.61
2162 ACCRUED TAX- DGO CITY SALES TAX	50.71
2210 DEFERRED REVENUE - Gift Card	3,316.23
2290 CART SHED DEPOSITS	1,500.00
2300 ACCOUNTS PAYABLE - OTHER	5,950.00
2400 ACCOUNTS PAYABLE - EMPLOYEE	2,505.39
2500 ACCUMULATED UTIL-MAINT FUND	2,752.17
Total Other Current Liabilities	\$16,170.11
Total Current Liabilities	\$44,010.90
Long-Term Liabilities	
2600 IRRIGATION PERMANENT LOAN/FNB	244,067.54
2605 2015 RENOVATION-CONST. LOAN	342,963.98
2610 2017 LPEA LOAN	3,813.87
2615 WELLS FARGO EQUIP LEASE 2018	80,712.62
2620 EXCHANGE BANK CART LEASE 2019	161,722.93
2625 WELLS FARGO LEASE 2019	72,538.88
Total Long-Term Liabilities	\$905,819.82
Total Liabilities	\$949,830.72
Equity	
30000 Opening Balance Equity	1,128,308.56
30010 CAPITAL RESERVES	53,464.73
32000 Retained Earnings	-186,718.28
Net Income	114,897.89
Total Equity	\$1,109,952.90
TOTAL LIABILITIES AND EQUITY	\$2,059,783.62

Hillcrest Golf Club

PROFIT AND LOSS

January - February, 2020

	TOTAL
Income	
4000 INCOME	
4001 MEMBERSHIP	262,125
4004 RANGE	5,776
4005 PUNCH PASS	3,085
4006 MERCHANDISE	2,101
4007 FOOD & BEVERAGE	46
4008 STORAGE	11,475
4010 GOLF SERVICES	-14
4011 HANDICAPS	6,800
Total 4000 INCOME	291,394
Total Income	\$291,394
GROSS PROFIT	
	\$291,394
Expenses	
5000 COST OF SALES - SHOP	
5009 MERCHANDISE	2,062
5029 VENDOR DISCOUNTS	-234
5040 PAYROLL EXPENSE - SHOP	5,900
5075 VISA/MC CHARGES	3,879
5077 SALES TAX	721
5080 FREIGHT	35
Total 5000 COST OF SALES - SHOP	12,363
5049 COST OF SALES - FOOD & BEV	
5051 BEER & WINE	90
Total 5049 COST OF SALES - FOOD & BEV	90
6000 MAINTENANCE EXPENSES	
6001 UTILITIES	1,795
6012 EQUIP REPAIRS - GOLF COURSE	4,586
6015 COURSE GAS & OIL	-29
6016 SHOP SUPPLIES	550
6027 LANDSCAPING MATERIALS	5,451
6028 TRAVEL & MEMBERSHIPS	170
6100 PAYROLL EXPENSE - MAINTENANCE	32,679
Total 6000 MAINTENANCE EXPENSES	45,202
7000 GOLF OPERATIONS	
7008 UTILITIES	3,645
7015 REPAIRS & MAINTENANCE	2,977
7016 PROFESSIONAL FEES - ADMIN	804
7017 INSURANCE - ADMIN	68
7019 MARKETING	90
7020 HANDICAPS	5,950
7021 OFFICE SUPPLIES	593

	TOTAL
7022 PRINTING	606
7023 SUNDRIES - CLUBHOUSE	87
7024 PROPERTY TAXES	4,642
7026 FEES & LICENSES	1,695
7027 POSTAGE	214
7028 DUES & SUBSCRIPTIONS	3,931
7029 BANK CHARGES - ADMIN	72
7031 TRAVEL & EDUCATION	173
7035 CASH (OVER)/SHORT	6
7036 OPERATING SUPPLIES	1,168
7037 DISCOUNTS EARNED	-37
7080 GAIN/LOSS ON SALE OF ASSETS	-2,000
7100 PAYROLL EXPENSE - GOLF OPERATIONS	36,482
Total 7000 GOLF OPERATIONS	61,164
8000 OTHER EXPENSE	
7032 DEPRECIATION EXPENSE	52,138
7033 AMORTIZATION EXPENSE	132
8090 INTEREST EXPENSE	5,406
Total 8000 OTHER EXPENSE	57,676
Total Expenses	\$176,496
NET OPERATING INCOME	\$114,898
NET INCOME	\$114,898