

**FOX VALLEY GOLF CLUB  
2012 ANNUAL STOCKHOLDERS MEETING  
THURSDAY DECEMBER 6, 2012  
6:00PM HELD AT THE CLUB  
MINUTES:**

**CALL TO ORDER:**

The meeting was called to order by President Doug West at 6:07pm. A moment of silence was observed for deceased past members.. A quorum was declared by secretary, Ed Bekx.

**APPROVAL OF MINUTES:**

The minutes of the December 15, 2011 annual meeting were posted and approved via e-mail.

**2012 Policy and Bylaws Committee**

The Committee makes a motion to accept the following Dress Code Policy change:

Our current dress code reads as follows:

2.1 DRESS--Members and guests shall wear proper attire on the golf course and in the clubhouse. Members are to inform their guests of this policy. Shirts with collars or sleeves are required.

The board makes the following recommendation to change the policy to read as follows.

2.1 DRESS—Members and guests shall wear proper attire on the golf course and in the clubhouse. Members are to inform their guests of this policy. While proper attire is an individual choice, the following are recommended guidelines to proper attire.

**DRESS RECOMMENDATION**

Proper attire is required at Fox Valley Golf Club.  
Recommended Guidelines

**Men**

- collared golf shirt with sleeves (traditional collar or mock collar of 1")
- golf pants or shorts (not to exceed 3" above the knee)
- soft spike or spikeless golf shoes (mandatory)
- headwear worn forward

**Women**

- collared golf shirt (sleeves not required)
- golf shirt with sleeves (collar not required)
- midriff should not be exposed
- golf pants, shorts, skorts or skirts (not to exceed 5" above the knee)
- soft spike or spikeless golf shoes (mandatory)
- headwear worn forward

### **Additional Notes**

- Denim may be worn at the club (shoulder seasons preferred).
- All clothing should be worn neat, clean, not tattered.
- Sleeveless or strapped dresses may be worn in the clubhouse.
- Members are responsible for informing guests of the dress policy.

After discussion the members approved the policy change.

### **CANDIDATES FOR THE BOARD:**

President West announced the candidates running for the Board of Directors and thanked them for running. The two candidates are Dan Haak and Dan Coffey. Van Vreede moved that we dispense with the formal vote and accept the two candidates to fill the two positions on the board. This was seconded by Al Hietpas. Motion carried.

## **2012 Annual President's Report**

It was a great year for The Fox. In the treasurers report you will see we made a profit and there will be mention of the long season helping. Yes the early opening did help but the credit for our profit goes to the intelligent working employee's we have at The Fox, the strong supportive members, and a committed board.

To maintain and grow profitability in the coming years we will need to have a growing and existing membership that supports the club and continue to have top caliber employees.

A special thanks to those board members who are stepping down this year and worked hard to make The Fox a fun and profitable venture. Neal Roberts as finance committee chairperson kept our cost in line, Janet Charlesworth as activities committee chairperson came up with fun events that kept members interested, and Mike Zwiebel as Greens committee chairperson directed the great condition of the course.

Doug West

## 2012 Golf Professional Report:

I'd like to start by thanking members and their guests who supported and participated in the various tournaments, weekly events and other golf opportunities presented this season. This is an essential part of what helps make Fox Valley Golf Club such a special place. Promotion of new weekly contests and the addition of BlueGolf Tournament Manager this season triggered added participation levels, healthier payouts/club revenue and a general buzz around the club. We will strive to deliver more of the same for the 2013 golf season.

Personally, I would like to thank Steve Nockerts and the Board of Directors for granting me the opportunity to be your PGA Professional and a big thank you to the membership of Fox Valley Golf Club for all of the kind words and generosity during my second season at the club. It was another blessed year and a lot of fun. Thank you once again!!

A snapshot comparison of rounds of golf from 2012 versus 2011 is listed below. The 2012 round count was up in comparison to 2011, mainly due to an early start; 3/15/2012 and 4/13/2011. Let us hope Mother Nature gifts us again with an early start to the 2013 golf season.

***Rounds of Golf***      ***2012: 16,473***      ***2011: 15,055***

Junior Golf Camp participation went from 35 in 2011 to 29 in 2012. This participation dip was likely due to the programs switch from Fridays to Tuesdays. The day switch was made for staffing efficiency and member play opportunities. We'd like to thank the parents, grandparents and families that helped out during camp and for coordinating transportation. The future of the game and the club will be determined by junior golf participation and programs that promote an enjoyable golf experience. Please spread the word to family and friends.

Development of the new business model is continuing to evolve for the Golf Shop and Golf Operations. I would like to thank Steve Nockerts and the entire Golf Staff. They continually strive to deliver an exceptional golf experience for members and guests alike. This off-season I will be working with vendors, researching product and developing a buying plan that will continue to bring added value to the membership and club. Member input is invaluable in this process. Please contact me if exposed to a product line that could succeed at The Fox. Our pricing structure in 2012 granted members and guests the best deals in the business on current product. This strategy will continue next season. Need I mention it is *YOUR GOLF SHOP*, meaning *YOUR PROFITS!!* It is truly a no-brainer to shop The Fox for your golfing needs. FYI: Your Golf Shop saw a profit increase of \$16,000 this fiscal year. 2012 Golf Shop sales were \$108,695 with a profit of \$29,403 versus sales of \$76K with a profit of \$13K in 2011.

Thank you for your patronage and participation. It does not go unnoticed and is much appreciated. Have a great Holiday Season and please keep in touch during the off-season.

Respectfully Submitted,

Jason Haack  
PGA Professional  
[jason@foxvalleygolfclub.com](mailto:jason@foxvalleygolfclub.com)

# 2012 Greens and Grounds Annual Report

Committee members: Scott Bushman, Mike Zwiebel, Dave Spencer, Jeff Reynebeau, Dick Rasmussen

Key activities for 2012:

Keep course green during drought conditions – Excellent by Scott and his crew.

Improve drainage on #15 fairways - This was an issue early in the year and was resolved by cleaning and repairing drain tiles and extending to field west of course.

Seedlings – Doug West secured 40 seedlings for the course. Scott planted these in the waste area and adjacent mowed area to the north of #12 fairway (where we maintain replacement grass for greens patching)

Rut repair on #6 fairway – Repairs were made to smooth out the ruts (created during dredging winter of 2010) that are just east (short) of the creek, #6 fairway extending into the rough between #6 and #7, some ruts on #13 (just over the pond) and in the right rough on #16

Bridge railing repair – Funds collected on Men's Night 50/50 raffle and repairs to be made in 2013.

Trim willows by #6 women's tee – This has been completed to open up the window for women's drives on #6.

TEE signs – The current tee signs were removed due to bad conditions. We are investigating purchasing modest tee signs for 2013. This was due to comments received during several non-member outings.

New golf carts - A replacement fleet of golf carts was introduced to positive reviews.

Tree removal – Doug Pagel sent an interesting article to the greens and grounds committee about courses needing to deal with tree removal. Recently Scott performed trimming on several fairway edges to remove overhanging branches (#2, #6, #7 among these) and also removed branches by #12 tee). We will be removing a large tree to the left of #1 green that blocks the sun. Mike Schneider has volunteered to do a carving on the stump.

Flower beds – Monica Renkens and Scott led the effort to replace the dying hedge behind the putting green. A grass and scrub arrangement has been put in place. The flower arrangement behind #10 tee and by the flagpole was also redone. Thanks to Monica for her efforts.

Riprap on #4 – rock is being added to the bank on #4 fairway to avoid further erosion into the pond.

Stream cleaning – Herbicide was applied to the vegetation in the stream banks to help avoid any potential spring flooding.

Overall we continued to maintain and improve our course in the face of extreme dry weather conditions during the extended golf season of 2012.

Sincerely,

Mike Zwiebel

## **2012 Bar and Dining Annual Report**

In December of 2011 we began our search for a new head chef and in January we hired Mark Coniff formally with Westridge Golf Club and this time we hit “a hole in one”. With Mark in the kitchen and the bar in the very capable hands of Ryan we had a very successful year in Bar and Dining. But none of this would have been possible without the leadership of Steve Nockerts . Thanks for a great job Steve!!!

Revenues in the dining area for 2012 were \$104,532 with a net loss of \$27,946, compared to a net loss of \$ 61,185 for the year 2011. Revenues in the bar for 2012 were \$184,147 with a net profit of \$46,040 compared to a net profit of \$ 41,398 for the year 2011.

Total profit for Bar and Dining for our 2012 year was \$18,094 compared to a loss of \$19,787 in 2011.

THANKS to all the members who continue to support our Bar and Dining area.

Respectfully Submitted

Dick Rasmussen  
Bar and Dining Chair

## **2012 Golf Activities Committee Annual Report**

I want to start off by thanking each of the Golf Activities Committee members. There are many events to plan each year and appreciate your dedication. The Golf Activities Committee members for 2012 were:

Sheryl Verstegen  
Patti Ohme  
Monica Renkens

Therese Bauman  
Chuck Smith

A special thank you to Jason Haack and Steve Nockerts for making sure each event ran smoothly.

A Derby Day golf event was added early this year. This event had a large number of fun participants. It was a great way to start the year.

Once again the Golf Activities Committee listened and made adjustments to some events. We did have a scheduling conflict with the He/She Scramble and Parent/Sibling events and apologize to those that missed out on either of these events.

Overall, we had great participation in the events this year and hope that trend continues into next year.

The Golf Activities Committee knows there are more improvements to be made and are open to suggestions. Please share your ideas and/or volunteer to be on the committee next year.

This is my final year on the board and as the Golf Activities Chairperson. I want to thank the committee members again for their involvement and wish the best for the new Chairperson.

Janet Charlesworth  
Golf Activities Chairperson  
December 6, 2012

## **2012 Building Committee Annual Report**

Committee Members: Jeff Maulick, Greg Verstegen,

Projects completed in 2012:

- Upgraded all 40 existing golf carts with 40 -2008 Model Precedent IQ pre-owned carts. All carts were also upgraded with new batteries.
- Parking lot was inspected by Absolute Asphalt, and it was recommended that we look at resurfacing the complete parking lot vs. trying to patch as the parking lot is beyond repair in many areas. This is something that will need to be discussed further in 2013.
- Replaced existing hot water circulation pump on existing system
- Wax seals on toilets were replaced with foam seals to fix leaks

- PTAC system was repaired in administration office with some free labor for removal and installation from Greg Verstegen. Thanks Greg!

## **2012 Marketing and Member Relations Annual Report**

The focus of the Member Relations Committee is to communicate with the membership, keep them current on what is happening at their club and listening to and acting upon member concerns and ideas. The Committee also addresses membership challenges attributable to the current economy by developing membership programs that attract new members and retain existing members. The Marketing arm of The Fox works in concert with the Member Relations Committee to get the word out about the incredible club we have so potential Members can experience The Fox for themselves.

Major Accomplishments in 2012:

- Positive growth in overall Membership levels: total Membership levels is at approximately 225 (Junior, Individual, Family, Senior, Business, etc.), with total Members numbering more than 250.
  - Buddy Program continues to be a strong recruiting tool as well as a way to reward Members for spreading the word about The Fox to potential members.
- Champions Club program continued strong in its second year, rewarding Members with discounts on Golf Shop Merchandise while providing a convenient means of paying for food, beverages, golf and merchandise at the club. We also expanded the benefits of the Champions Club to include reduced Guest Green Fees and reduced Power Cart Rental Rates, which were both received very positively.
- The Fox Beautification Initiative—which raises money for clubhouse and property renovations and upgrades, and recruits volunteer help from within the Membership for various projects—continues to expand. The Ladies Organization made a major contribution to this fund this year, which helped fund the new plantings and borders around the practice putting green.
- Participated in the Fox Cities Golf Expo for the second year.
- Our website—and particularly our e-mail communication program—continue to be critical points of communication with our Members, Guests and potential Members. We have received many positive comments for our efforts to proactively communicate all aspects of FVGC events and club business to Members.

Going forward, our primary focus will be to leverage our marketing budget and our most powerful marketing tool--word of mouth and personal relationship networking by our Members--

to reach out to potential Members in an effort to increase the total number of Individual, Family and Business Memberships at The Fox.

Our heartfelt thanks go out to all the FVGC Members who do such a great job of spreading the word to friends, family and acquaintances about the amazing club we have. This is an essential part of the marketing and promotion of the club, and more important, a critical element that helps make Fox Valley Golf Club such a special place.

Respectfully Submitted,

Steve Nockerts  
Director of Operations

## **2012 Personnel Committee Annual Report**

Organizations run well when the people who manage key components of the organization are skilled, committed and dedicated. Fox Valley Golf Club is no exception. The Personnel Committee had a real easy year! Very little drama or problems. It's because we are fortunate to have some real good people in key positions. It starts at the top. I would like to thank President Doug West for his vision, commitment and dedication to our club. Operations Manager, Steve Knockerts did a very good job of overseeing, leading and managing the overall the golf side of operations and the bar and dining side of the operations. There was very good communication and working together across all parts of the operation which led to our success. Jason, Ryan and Mark managed their respective areas well, and the various committee groups were active and contributed to the great service to the club. Scott and his team did a fabulous job maintaining our course. His effective leadership and managing of his team was evident in and on display with our course. Good people make good organizations. This was a good year, with good people in a good organization.

Thank you,  
Jamie Loehnis  
Personnel Committee Chair

### **ACKNOWLEDGEMENT OF RETIRING DIRECTORS:**

President West thanked Mike Zwiebel, Neal Roberts and Janet Charlesworth for their service to the board the past 3 years. West also thanked all who served the club in the past year.

## 2012 ANNUAL TREASURER'S REPORT:

Rich Scott, Treasurer  
Fox Valley Golf Club

### Overall Revenues

Revenues for the year totaled \$1,153,304 for fiscal 2012. Our total revenue in fiscal 2011 was \$1,011,853. The breakdown of fiscal 2012 to 2011 was as follows:

	2012	2011
Dues	\$500,350	\$483,936
Bar	\$184,148	\$160,480
Dining	\$ 99,587	\$ 92,658
Cart Rental	\$105,781	\$ 92,860
Pro Shop Sales	\$108,695	\$ 77,488
Green Fees & Driving Range	\$100,125	\$ 77,878
Gain on Sale Equipment	\$ 32,700	\$ -0-
Bag Storage	\$ 8,075	\$ 7,642
Locker Rental	\$ 5,250	\$ 5,050
Cart Storage	\$ 4,505	\$ 4,714
Miscellaneous Income	\$ 3,679(a)	\$ 8,338(a)
Interest Income	\$ 68	\$ 66
Initiation Fees & Stock	\$ 341(b)	\$ 743(b)

- (a) Miscellaneous Income is composed mostly of gratuities, cash short and over, fixed assets sales, rebates, the member party, handicap, hall rental, rent income and other minor miscellaneous income.
- (b) Initiation and stock fees were a net positive in 2012 because we added stock fees for members who joined in 2012. This number is reported on a net basis as we did receive the stock fees for incoming members but we had to refund some initial initiation fees.

### Observations with regard to revenue for 2012:

The dues amount for 2012 increased by about \$16,000 from 2011 and this can be attributed to the reduced amount for the buddy program where we added new members at 75% of the dues amount for 2012 for the various dues categories and members switching to lesser memberships such as to restricted senior memberships versus a full regular membership. We also had some members move to the business membership where their amounts are included in green fees, bar

and dining and cart fees. So overall, I believe we stabilized the dues revenue in 2012 and hopefully should see that amount grow over the next few years.

The bar and dining revenue increased about \$30,600 in 2012 as we had a change in personnel in the kitchen. That change had a positive effect when compared to last year. We greatly improved our margins in the dining area in 2012. We specifically targeted this area for improvement in 2012 as Steve was directed to spend more time in this area since this is a crucial area and directly affects the club's profitability. Those efforts paid off as we had a significant improvement in the bottom line of close to \$34,700. The efforts of Steve and Chef Mark were crucial to getting this area of the club moving back in the right direction. The bar area of the club from a margin standpoint was identical to last year. We have good consistency in the bar area as total bar revenue was up approximately \$23,700 and we kept consistent margins on a year to year basis. Ryan has done an excellent job with the bar staff from a training standpoint and managing the bar area for the club.

When we combine the bar and dining operation as one unit, we generated a profit in 2012 of \$18,000. In 2011, we had a net loss of \$19,800. That \$38,000 turn around has a tremendous effect on the club's profitability. It is crucial that we maintain those profits in the future to help aid the club and keep it in a profitable direction.

Green Fees increased by \$22,000. This can be directly related to the business membership green fees and increase in green fees from outside events being booked at the golf club as well as the beautiful weather we had in 2012. Our cart revenue was up for the year by about \$13,000 of which some of that can be attributed to the cart card deals where we gave reduce fees to those who bought the cart cards up front, Champion's Club members, and the unlimited cart card as well as outside events where we brought in additional cart revenue. The weather again also played a big role in the cart revenue for the club as well.

The biggest change in revenue for 2012 was the club operating the pro shop area for the second year. This generated about \$108,700 in sales in 2012 versus \$77,500 in sales in 2011. With cost of sales running \$79,300, we generated a net profit of \$29,400 in 2012, compared to \$12,900. This is another area of the club where we can continue to hopefully increase sales and profitability in the future.

The other revenue amounts either came close to last year and you can see that in the revenue detail above.

### **Course Operations:**

We define course operations as items that directly relate to golf course play and would be needed to run the golf course operations. These would encompass the departments we call Course, Pro Shop, Club House, and Administration.

### **Course Operation Revenue:**

The revenue breakdown of actual compared to 2012 for fiscal 2011 was as follows:

	<b>2012</b>	<b>2011</b>
Dues	\$500,350	\$483,936
Cart Rental	\$105,781	\$ 92,860
Green Fees & Driving Range	\$100,125	\$ 77,878
Pro Shop Sales	\$108,695	\$ 77,488
Bag Storage	\$ 8,075	\$ 7,642
Locker Rental	\$ 5,250	\$ 5,050
Cart Storage	\$ 4,505	\$ 4,714
Handicap Income	\$ 1,025	\$ 880
Interest Income	\$ 68	\$ 67
Initiation Fees & Stock	<u>\$ 341</u>	<u>\$ 743</u>
<b>Total Course Operation Revenue</b>	<b><u>\$ 834,215</u></b>	<b><u>\$ 751,258</u></b>

The revenue in this area comes from dues, green fees, locker rental, bag storage, cart storage, cart rental income, initiation or entry fees, and some miscellaneous revenue.

**Course Operation Expenses:**

	<b>2012</b>	<b>2011</b>
Course Operations & Labor	\$385,451	\$381,184
Pro Shop Operations	\$212,584	\$173,594
Club House	\$ 51,826	\$ 52,287
Administration	<u>\$157,439</u>	<u>\$154,756</u>
<b>Total Course Operation Expenses</b>	<b><u>\$807,300</u></b>	<b><u>\$761,821</u></b>

Expenses related to course operations for fiscal 2012 were \$807,300. Therefore we had a net profit on the course operations of approximately \$26,900 versus a loss of \$10,500 in 2011. The pro shop area of the club has helped make this area profitable for the club. We continue to need new members and additional revenue in this area to keep the club profitable. We need to make the course operations area a profit center for the club, and the weather in 2012 definitely had an impact on this area of the club.

**Dues Revenue:**

Dues revenue is generated by the members and the related categories of members. At the end of October 2011, we had the following membership numbers by category.

**Membership as of October 31**

Membership Type

	<b>2012</b>	<b>2011</b>
Family	61	91
Individual & Special	56	43
Family-special	4	4
Senior	16	17
Senior - Restricted	14	4
Junior-family	2	2
Junior-single	12	14
Clergy	2	2
Non-resident	3	3
Business Card	46	46
Student	<u>9</u>	<u>6</u>
<b>Total</b>	<b><u>223</u></b>	<b><u>232</u></b>

### **Cart Revenue and Expenses:**

For members who may not know this, the electric carts are owned by the club. We have had questions in the past on the financial performance of the carts.

	<b>2012</b>	<b>2011</b>
Cart Revenue	\$105,781	\$92,860
Depreciation Expense	\$ 7,875	\$ 193
Cart Rental Expense	\$ 6,020	\$ 5,311
Cart Storage Expense	\$ 1,000	\$ 1,000
Cart Maintenance Expense	\$ 3,477	\$ 1,276
Utilities Charge Carts	\$ 2,450	\$ 2,028
<b>Net Profit</b>	<b><u>\$ 84,959</u></b>	<b><u>\$83,052</u></b>

We fully depreciated the carts in 2010 and the batteries we bought for the carts as well in that year. There were some small items that we depreciated related to the carts in 2011. However, we purchased a new cart fleet in June of 2012, and therefore that is why you see the increase in depreciation expense in 2012 over 2011. With the new cart fleet, this should allow us to continue to provide very nice carts to the members and outside events that use our course over the next 5 to six years when we would look at replacing these carts again. The depreciation reflected above is a prorated amount for 2012 since we bought them in June of 2012 and will be depreciating them over 60 months. Next year will reflect a full year of cart depreciation at \$18,900. We bought the carts in 2012 with member notes of about \$70,000 and the sale of our old fleet of carts for \$28,000. The cart notes are being paid off to members over a three year period.

### **Bar and Dining:**

The club operates a bar and restaurant for its members and also for outings. The operational results for 2012 for the bar and restaurant was as follows:

<b>Bar:</b>	<b>2012</b>	<b>2011</b>
Bar Revenue	\$184,147	\$160,480
Cost of Beverages Supplies	\$ 59,175	\$ 51,476
Labor Bar	\$ 57,495	\$ 46,910
Operating Expenses	<u>\$ 21,437</u>	<u>\$ 20,696</u>
<b>Net Profit</b>	<b><u>\$ 46,040</u></b>	<b><u>\$ 41,398</u></b>

The total bar revenue for fiscal 2012 increased about \$23,700. This was about a 15% increase over the prior year. The cost of our beverages as it relates to sales for 2012 was approximately 32.1% compared to 32.1% in 2011. Labor in the bar area when comparing 2012 to 2011 was up by \$10,600, but that is due to the early opening of the club in March of 2012 and the fact that we had great weather in 2012. Operating expenses were almost identical for the two year period in the bar area.

<b>Dining:</b>	<b>2012</b>	<b>2011</b>
Dining Revenue	\$104,532	\$ 95,617
Cost of Food	\$ 51,701	\$ 74,479
Labor Dining	\$ 50,506	\$ 47,369
Operating Expenses	<u>\$ 30,271</u>	<u>\$ 34,954</u>
<b>Net Loss</b>	<b><u>\$ 27,946</u></b>	<b><u>\$ 61,185</u></b>

The total dining revenue for fiscal 2012 was up about \$9,000. This is a 9.3% increase in dining revenue from 2011. The cost of our food as it relates to sales for 2012 was 50% compared to 78% compared in 2011. We targeted 50% as our goal for 2012, and I am proud to say that we finally have hit that goal for the club. Labor costs were up from 2011 because we are no longer using members as hosts to help out on Friday night and just general overall costs of workman's compensation and other employment tax expenses increasing for the club. Operating expenses were down from the prior year mainly due to a reduction in supply costs.

The bar and dining area of the club prior to 2009 was an extreme drain on the club where the loss after combining the bar with dining was in the \$80,000 range. In 2011 we had a net loss of \$19,787 which mostly is caused by the poor margins related to the cost of food. In 2012, we obviously focused on this area of the club a lot more because it is crucial to our club's profitability where we have net profit when combining bar and dining of \$18,094. We must continue to work on this area of the club in the future to at least keep bar and dining as a small profit center for the club.

## Summary:

In summary, Fox Valley Golf Club had one of its best years ever in spite of one of the worst economic climates, but a great weather climate. If a private golf club or any golf course did not make money in 2012, then it most likely will never be profitable. We have continued to pay our debt obligations and are moving forward to a more positive outlook for 2013. Hopefully the economy will continue on an upward direction and with our changes in how we have run the club over the past few years we can move forward to greater profitability. When we look at the results of operations in total we end up with a profit for fiscal 2012 as follows:

	<b>2012</b>	<b>2011</b>
Net Profit (Loss) from Course Operations	\$ 26,915	\$(10,563)
Net Loss from Dining	\$ (27,946)	\$ 61,185
Net Income from Bar	\$ 46,040	\$ 41,398
Net Miscellaneous and Equipment Sales	<u>\$ 32,775</u>	<u>\$ 4,421</u>
<b>Net Income (Loss) for Fox Valley Golf Club</b>	<b><u>\$ 77,784</u></b>	<b><u>(\$ 25,929)</u></b>

## Debt of the Club

Our current bank is the Bank of Kaukauna and we have a line of credit with a maximum capacity of \$250,000. In addition, we had a mortgage note of \$850,000 starting in October of 2007. The mortgage note comes due January 15, 2013. The line of credit has to be renewed each year in January.

The current payment on our mortgage is approximately \$6,900 per month at a current interest rate of 5%. The interest rate is a floating rate based upon prime with a floor of 5%. Should the interest rates increase in the future, our payments will eventually increase as well. The current rate on our line of credit is 5.00% with a floor at 5.00% and also is a floating rate based upon prime. From a debt stand point, we are very lucky to have a very low interest rate environment. As of October 31, 2012 we had an outstanding balance on the line of credit of \$10,000 and our mortgage had a balance of \$632,329. As of October 31, 2011 we had a balance on the line of credit of \$60,880 and the mortgage balance was \$680,994. We paid off \$48,665 on the mortgage in 2012 and reduce the line of credit by \$50,880. Our member notes have increased by \$65,056, to just over \$175,000 outstanding to members. The bulk of that member note increase was because we purchased the new cart fleet. Overall when you look at total debt paid down for the club with regard to bank and member notes, we still paid off about \$34,500 in 2012.

## Final Thoughts

We had the perfect situation in 2012. The weather was fantastic, we opened early, had wonderful outings, and the club prospered because of it in 2012. We had everything we could go right in 2012 and that doesn't happen often. We have accomplished quite a bit in 2012 even with the change over in kitchen personnel and the economic times. We are continuing to make strides in the operations areas of the club. With Steve taking on greater responsibilities at the club in 2012, we have someone who can deal with the day to day issues that board members and volunteers had to do in the past. The key to moving the club forward is to make sure we continue to attract members to the club, keep our costs in line, and continue patronage in the club at the pro shop, bar and restaurant. What you spend in those areas of the club has a direct impact on how we do financially as a club. To those who have continually supported that area of the club, I thank you. For those of you who have not taken advantage of what the club has to offer in the pro shop, and bar and dining, I ask you to look at increasing your patronage of the club because the pay back is tremendous to the profitability and sustainability of the club. Weather plays a significant factor in the success of the club, and we were lucky this year with the weather. Let's pray for an early spring and excellent weather in 2013 as well, and I look forward to another great golf season at The Fox.

**OLD BUSINESS:**

None

**NEW BUSINESS:**

None

**MOTION TO ADJOURN:**

A motion to adjourn was made by Roger Van Vreede with a second by Al Hietpas. M/C.

Respectfully submitted,

Edward Bekx  
Secretary to the Board of Directors  
Fox Valley Golf Club