

Fox Valley Golf Club
Board of Directors Meeting Minutes
Monday October 29, 2018 7:15pm at the Club

Present: Mike Zimmer, Josh Hounsell, Brandon Warman, Dan Haak, Bob Zarter, Jon Wittmann, Cindy Roberts, Rich Scott, Jason Haack, Ed Bekx, Scott Bushman, Jeremy Wilkinson

Excused: None

Absent: None

Minutes: Minutes of the September 10, 2018 board meeting were approved.

Correspondence: None

Treasurer Report: The written treasurer report was e-mailed to all board members.

Fox Valley Golf Club
Treasurer's Report
October 29, 2018

From: Rich Scott
Treasurer

The treasurer's report is for the first eleven months of fiscal 2018 which are November through September of 2018.

Executive Summary:

Total Gross Revenue for the year 2018 when compared to 2017 is down about \$35,600. We are up in dues by \$18,300, but down in pro shop merchandise sales about \$11,200, down in bar and dining revenue by \$21,200, green fees of \$11,500, cart rental \$7,900.

Total net income for 2018 when compared to 2017 is about \$600 more than last year. At the end of September 2017 we had net operating profit of \$83,000 versus this year we have \$83,600. However, we have to update yet for new assets for depreciation purposes added in 2018. That will happen next month when we do year end close. Therefore chances are we are behind last year at this time.

Total overall costs of goods sold and expenses are down about \$9,500 over last year.

Detail Report:

We have dues revenue of approximately \$520,800 adjusted for all the various memberships. Last year total dues revenue for the entire year was \$502,400. Therefore we have had about \$18,400 jump in dues revenue for 2018.

Comparing 2018 to 2017 through the first eleven months of our fiscal year, our net income of \$83,600 is about \$600 ahead of 2017. We still need to adjust for depreciation for 2018 additions yet and therefore I assume that we are actually behind last years net income at this time. For 2017, we showed a profit of about \$83,000. We have made some nice gains in revenue in the dues where we are up \$18,400, over last year or 3.66% increase. However we are done in all other areas of the club. Our pro shop merchandise revenue is down \$11,200 or roughly a 13.59% decrease. Green fees are down \$11,500 or a 10.95% decrease in green fees over last year at this time. Bar and dining revenue is down \$21,200 over last year or a 7.8% decrease. Cart rental is down \$7,900 or about a 7.85% decrease.

The bar area has produced a profit for the first eleven months of about \$49,700. Last year the bar area had a profit of about \$66,200 at this time.

In the dining area, we have a loss of about \$38,500 in 2018 versus a loss of \$35,100 in 2017. Our cost of food year to date was running around 57.3% in 2018 and in 2017 they ran about 57.8%. Food costs have gone up so we will need to look at adjusting pricing of items in the future to keep us in the 50% range or better we normally have been targeting.

Course costs for the first eleven months of 2018 are about \$6,000 more than last year or 1.72%. In the pro shop area, our operating net income is up over last by about \$14,100 for the first eleven months of 2018, with the bulk of the increase coming from reduction in expenses. Pro shop merchandise sales year to date are at \$72,735 and that is about an \$11,260 decrease over last year. We are behind in green fees from last year by \$11,500. In the administration area of the club we have increased our total costs before donations for club improvements, gain on sale equipment, and interest income by \$27,900 with the bulk of that coming from increase in labor cost when compared to last year.

Our line of credit at September 30, 2018 was \$130,000 and we had cash of \$147,000. Last year at September 30, 2017 we were at \$25,000 on the line and cash of \$50,700. Our long term debt is up over last year by \$30,200 as we paid down the mortgage and we had a decrease in member notes, but we also added \$150,000 for the tee box project in 2018. We have continued to aggressively pay down the loans for the club so far in 2018.

Summary:

September 30, 2018 is a very good indicator of where the club will end up for the fiscal 2018 year. We are eleven months into the year now and have a pretty good idea of where we will be as far as dues and established club revenue. I am hoping our October will be better than last October and keep us on the upswing as we finalize our year.

If I had to venture a guess on where we will end up at the end of this year for 2018, I think we could end up close to breakeven year if I use the loss we had in 2017 for October as a guide it

was around \$85,000. We had a net loss last year of \$1,800. From a cash flow standpoint, I think we will hopefully have increase our long term debt around \$30,000 because of the tee box project.

The key now is trying to finish off the year as best we can with hopefully a longer fall golf season. Thanks to all the members for their continued patronage and help when our club has needed it. It makes me proud to say I am a member of “The Fox”.

As we look to next year’s budget, we will need to grow our revenue numbers once again as we have added costs associated with the servicing the membership in 2018. We hope to see some nice membership gains again as we move into the 2019 golf season.

Greens and Grounds: Dan Haak started a discussion regarding the short and long term patio needs. The awning needs some work and the committee will look at long term updates for the patio area. Scott Bushman reported that the greens have been aerified and the fairways have been sprayed. Everyone agrees that the tee box project went well and they did a great job. Hopefully we will be able to use them by Memorial Day next year.

The board had a discussion on the carts. Short and long terms options were discussed and the committee will look at our options during the off season. The board also had a discussion on the long term condition of some of the remaining bridges on the course.

Golf Activities Committee: Jason and Jeremy reported that the PGA merchandise show is coming up soon. They will be ordering for next year. They wanted all members to know that even if an item is not in the shop special orders will be available for most items. End of the year clearance is happening now.

Building Committee: Josh Hounsell reported that an 80” TV is being donated to the club by a member. The pump house pumps are being replaced.

Business Development and Marketing Committee Report: Jason Haack will be working on developing marketing ideas in the off season.

Policy, Bylaws and Member Service Committee: None

Personnel: An item will be discussed in an executive session.

Old Business: None

New Business: The board discussed the need for an ad-hoc bar and dining committee to look at ways to improve that area of the club. Brandon Warman and Josh Hounsell will co-chair that committee and Cindy Roberts and Ryan Zellhoffer will be on the committee.

Next Meeting: The annual stockholder meeting is scheduled for Thursday December 13, 2018 at 6:00pm at the club.

Adjourn: Motion by Hounsell with a second by Wittman. M/C

Executive Session: Requested

Respectfully Submitted:
Edward Bekx
Secretary to the Board