AGENDA
GOLF ADVISORY BOARD
CITY OF PORT ORANGE

Meeting Date: Tuesday, February 7, 2017 **Time:** 5:00 PM

Type of Meeting: Regular **Location:** 2nd Floor Conference Room
City Hall, 1000 City Center Circle

A. CALL TO ORDER

1. Roll Call

B. PUBLIC COMMENTS

C. DISCUSSION/ACTION

2. Approval of Minutes - December 6, 2016
3. Approval of Minutes - January 4, 2017 - Special Meeting
4. Audit Presentation
5. Golf Course Dress Guidelines - Tony Delmonte

D. REPORTS AND COMMENTS

6. Financial Reports from KemperSports
7. Evaluation Reports from KemperSports

E. ADJOURNMENT

ANY PERSON WHO DECIDES TO APPEAL ANY DECISION MADE BY THE **GOLF ADVISORY BOARD** WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE HE OR SHE MAY NEED TO ENSURE AT HIS OR HER OWN EXPENSE FOR THE TAKING AND PREPARATION OF A VERBATIM RECORD OF ALL TESTIMONY AND EVIDENCE OF THE PROCEEDINGS UPON WHICH THE APPEAL IS TO BE BASED. NOTE: IF YOU ARE A PERSON WITH A DISABILITY WHO NEEDS ANY ACCOMMODATION IN ORDER TO PARTICIPATE IN THIS PROCEEDING, YOU ARE ENTITLED, AT NO COST TO YOU, TO THE PROVISION OF CERTAIN ASSISTANCE. PLEASE CONTACT THE CITY CLERK FOR THE CITY OF PORT ORANGE, 1000 CITY CENTER CIRCLE, PORT ORANGE, FLORIDA 32129, TELEPHONE NUMBER 386-506-5563, WITHIN 2 WORKING DAYS OF YOUR RECEIPT OF THIS NOTICE OR 5 DAYS PRIOR TO THE MEETING DATE; IF YOU ARE HEARING OR VOICE IMPAIRED, CONTACT THE RELAY OPERATOR AT 1-800-955-8771.

GOLF COURSE ADVISORY BOARD
2nd FLOOR CONFERENCE ROOM
1000 CITY CENTER CIRCLE
PORT ORANGE, FL
DECEMBER 6, 2016

A. CALL TO ORDER

A regular meeting of the Golf Course Advisory Board was called to order by Alan Angelone, Chairman, at 5:00 p.m.

1. Roll Call

Present:	Alan Angelone, Chairman/Board Member Bob Ford, Councilman/Board Member Jane Taylor, Board Member John R. Cameron, Jr., Board Member Richard Lee, Board Member Dennis Flesch, Board Member
Also Present:	Bob Duquette, Kemper Sports Jason Chennault, Kemper Sports Susan Lovallo, Parks Director Kelly McQuillen, Assistant City Clerk

B. DISCUSSION/ACTION

2. Approval of Minutes

Motion made by Tony Delmonte, seconded by John Cameron to approve the September 21, 2016 Special Meeting Minutes. Motion carried by unanimous voice vote.

Motion made by Richard Lee, seconded by Member Delmonte to approve the October 4, 2016 minutes as corrected. Corrections being to change the word groove to green and mark Member Delmonte as present. Motion carried by unanimous voice vote.

Motion made by Jane Taylor, seconded by Member Delmonte to move the Public Comments before the subsequent items on this agenda so that the residents present at the meeting could have the opportunity to speak first. Motion carried by unanimous voice vote.

3. Report from Golf Course Management Company

Motion made by Member Lee, seconded by Dennis Flesch to table the review of the financial report to the next meeting in February 2017. Motion carried by unanimous voice vote.

4. Golf Course Conditions

Member Taylor stated that the golf course conditions are great and complimented a noticeable improvement in staff customer service. Jason Chennault, Kemper Sports, suggested that maybe a board member can go out to the course with him to identify the vegetation at the front of the greens. Member Cameron stated that the vegetation is inconsistent and also when the tees are sprayed, the markers are not being moved so they are all the same color. He said that some of the details need to be firmed up. He likes the new white holes, flags and poles and thinks the greens are amazing.

5. Review Suggestions

Mr. Duquette stated there was only one suggestion regarding the pace of play. He said a customer submitted a complaint that there was a group on a Saturday that took a long time, about five hours, to play the course.

6. Watering Schedule

Mr. Duquette said that the watering schedule is under control. He stated that he will request an Irrigation Audit due to the age of the irrigation system. Ms. Lovallo stated that during the budget process, the City will work with Kemper to request the audit as a budget item for the next fiscal year. She estimated a cost of $15,000 for an audit.

7. Review Kemper Contract: Parks

Ms. Lovallo summarized the City's contract with Kemper Sports. She asked the Board if they would like to recommend to City Council that the City renew the Kemper contract. The current contract expires in September 2017. She would recommend to Council that if they decide to go out to bid rather than renew the contract, that a committee should be formed to choose a vendor; stating that it is quite a long process. She would need to give notice in March 2017 if they choose to go out to bid. The current contract does have a five-year renewal clause.

Motion made by Member Delmonte, seconded by Member Taylor to hold a special meeting in January 2017 to discuss the topic of the Kemper Contract renewal. Motion carried by unanimous voice vote.

8. Security Issues

A discussion ensued about the cost of fencing and other security measures. Mr. Duquette asked for a fencing estimate of the areas along Williamson Blvd. and the eighth tee. He said the cost of labor and materials is approximately $25,000 to install a six foot high fence. Chairman Angelone asked what the next step is. Ms. Lovallo stated that it would have to be a budget item for the 2018 budget year.

9. Restaurant and Golf Course Relationship

Member Taylor asked if the relationship was working. Mr. Duquette stated that it was.

C. PUBLIC COMMENTS

Robert and Jennifer Truglia, 1146 Key Largo Circle, addressed the Board regarding concerns of property damage. They are current Cypress Head residents and stated that they have been having problems with property damage from golfers. There was an incident that involved a police report, case# 1600010046. They have notified the HOA and police as well as an attorney. They expressed concerns about property damage and animal abuse and wanted to know what steps the Board can take to make sure that golfers don't trespass onto private property. Bob Duquette, Kemper Sports, stated that there are signs on the course discouraging trespassing. He said they can create more signage. Ms. Lovallo stated that changing the culture is what will help. She said unfortunately it is a police matter, not a civil matter. She said that changing behavior is what we need to work on as a City and community. Councilman Ford suggested that there should be more police involvement. Ms. Lovallo will ask someone from the Port Orange Police Department to attend the next regular meeting.

D. MEMBER COMMENTS

There was none

E. NEXT REGULAR MEETING DATE

February 7, 2017 at 5:00 pm in the 2nd floor conference room.

F. ADJOURNMENT: 6:30 PM

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Alan Angelone, Chairman

GOLF ADVISORY BOARD
SPECIAL MEETING MINUTES
CITY OF PORT ORANGE
1000 CITY CENTER CIRCLE
PORT ORANGE, FL 32129
2ND CONFERENCE ROOM
JANUARY 4, 2017 AT 5:00 PM

A Special Meeting of the Golf Advisory Board was called to order by Chairman Alan Angelone at 5:00 p.m.

Present:	Scott Stiltner, Council Member Jane Taylor John Cameron, Jr. Tony Delmonte Richard Lee Alan Angelone, Chairman
Absent:	Dennis Flesch
Also Present:	Susan Lovallo, Parks & Recreation Director Matt Jones, Deputy City Attorney/Police Legal Advisor Robin Fenwick, City Clerk

DISCUSSION / ACTION

2. Discussion on the Renewal of the KemperSports Contract

Chairman Angelone introduced and welcomed Council Member Scott Stiltner to the Board, who is replacing Bob Ford as the appointee from Council.

Susan Lovallo, Parks & Recreation Director, advised the Board that notice must be provided to KemperSports no later than March 2017 if the City is not going to renew their contract to manage the City's golf course. She is looking for a recommendation from this Board before she goes to Council for their direction. She provided three options for discussion, as follows: (1) renew the contract with KemperSports for five (5) years pursuant to the current contract; (2) renew the contract with KemperSports for less than five (5) years to be negotiated with KemperSports; (3) go out for a new bid that could lead to a new management company, but could also be awarded to KemperSports depending on the bids received. There are other options that the Board Members may want to suggest and discuss tonight, as well.

Member Delmonte suggested an option to be discussed that the City run the golf course by hiring staff rather than a management company.

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City Clerk Robin Fenwick read an email from Dennis Flesch, Board Member, as he could not attend. Member Flesch supports renewing the contract with KemperSports but is not opposed to exploring more options. He believes the management company is doing a great job, especially with the new employees.

Member Taylor asked if there are any concerns of staff to renewing the contract. Ms. Lovallo believes change can be good, but the golf course has recently gone through a lot of change and progress has been made. She is concerned that the progress may take a few steps backwards before moving forward again. She has a good relationship with the current management company. All issues have been satisfactorily handled as they have come up. She will manage the contract no matter who the management company is. Member Taylor asked what the percentage is for an employee's benefit. Ms. Lovallo said approximately 35%. Member Taylor asked for the costs involved in preparing an RFP for publication. Ms. Lovallo isn't sure of the actual costs.

Discussion was held on the option of the City running the golf course and the costs thereof. Member Cameron said the maintenance costs are typically outsourced with other staff being City employees.

Member Delmonte and Chairman Angelone both believe an RFP would provide confirmation that the City has the best company running the course for the best price.

Councilman Stiltner reminded the Board that the contract will go to bid at some point in the future no matter what the Board and Council do right now. The contract has an expiration date. He would suggest more research regarding the option to manage the course in-house. In-house isn't always better. Councilman Stiltner would like to see a renewal period less than five (5) years. He suggested a two (2) year renewal. Member Taylor agreed that a five (5) year extension is too long.

> Motion to recommend to City Council, the renewal of the KemperSports Management Contract for a term of three (3) was made by Member Taylor, and Seconded by Member Lee.

Member Cameron suggested a three (3) year renewal plus two (2) more one-year renewal options. He also has further ideas regarding what should be included in the contract. He believes it is difficult to manage when there is no continuity.

Member Taylor suggested an amended motion to include a two (2) year renewal option.

Member Delmonte asked if the City can submit a request for information to find out information without doing a full RFP. Matt Jones, Deputy City Attorney/Police Legal Advisor, has never seen that because of the costs involved on the City's side and the vendor's side.

DRAFT

Member Lee suggested the Board Members do research on other options to be discussed after the renewal periods. Ms. Lovallo said the Board will be discussing this same topic in the next two (2) years if Council approves the three (3) year renewal.

Bob Duquette, General Manager for KemperSports, provided details of the history of the company with the City and the changes made to the contract over the years. He advised that KemperSports is in agreement with the renewal being broken out as discussed by this Board.

Chairman Angelone advised that the City can sell the golf course any time after 2023.

Motion was made by Member Taylor to amend her motion to include a two (2) year renewal option after the initial three (3) year renewal, and Seconded by Member Delmonte. Motion carried unanimously by roll call vote.

Motion as amended carried unanimously by roll call vote.

Member Cameron provided to Ms. Lovallo his suggested changes to the contract relating to maintenance that he would like to see in the renewal contract. Chairman Angelone asked the City Clerk to add an agenda item for the February 7, 2017 meeting agenda for members to provide any suggested contract amendments. Ms. Fenwick will include the item as follows: KemperSports Potential Contract Amendments for the next meeting.

ADJOURNMENT: 5:57 p.m.

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ALAN ANGELONE, CHAIRMAN

DRAFT

James Moore
Certified Public Accountants and Consultants

November 15, 2016

To the Golf Board, Honorable Mayor,
and City Council of the City of Port Orange, Florida

We have audited the financial statements of Agreement for Golf Course Management Services at Cypress Head ("the Golf Course") as of and for the year ended September 30, 2016, and have issued our report thereon dated November 15, 2016. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 3, 2015, our responsibility, as described by professional standards, is to form and express an opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Golf Course solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated November 15, 2016.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386/257-4100
Fax: 386/255-3261
dab@jmco.com

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352/378-1331
Fax: 352/372-3741
gnv@jmco.com

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850/386-6184
Fax: 850/422-2074
tlh@jmco.com

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Compliance with All Ethics Requirements Regarding Independence

The engagement teams, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence. We have applied various safeguards to eliminate identified threats to independence or reduce them to an acceptable level

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Golf Course is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended September 30, 2016. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is depreciation expense. Management's estimate of depreciation expense is based on the Golf Course's estimate of useful lives of capital assets. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Golf Course's financial statements relate to note 3 due to disclosure of related party transactions with the City of Port Orange, Florida and Kemper Sport Management.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Golf Course's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a letter dated November 15, 2016.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Golf Course, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Golf Course's auditors. In addition, during our audit we became aware of several matters that are an opportunity for strengthening internal polices and operating efficiency. The following is our comments and suggestions concerning these matters:

PRIOR YEAR COMMENTS

Management Agreement Modification (repeated from 2015)

Kemper Sport's management agreement with the City of Port Orange expires in October 1, 2017, to operate the golf course, clubhouse, pro shop and restaurant. Effective October 1, 2015, the City contracted with a third party vendor to operate the restaurant. We noted there was an amendment to the management agreement to reflect this change in operations and a reduction in the fixed management fee by 24%. However, the amendment did not address the incentive management fee in section 3B.

CURRENT YEAR COMMENTS

Documentation for Negative Sales/Voids

For 2 of the 7 negative sales selected for testing, a copy of the original sale receipt and the voided receipt was on file, but no reason for the void could be ascertained from the documentation retained.

The golf course has an internal policy requiring the reason for all negative sales be documented in the daily receipt package maintained for each business day. We recommend the policy be followed for all negative sales transactions.

Management Response: An internal control procedure is in place to ensure proper documentation of all negative (void) sales. Management will more closely follow this procedure.

Off-site Data Backup

While a backup of the golf course's financial and operating data is maintained on-site at the Clubhouse, no off-site backup is performed unless there is imminent danger such as severe weather approaching. We recommend regular occurring off-site backups be performed at least weekly to avoid loss of data, information systems downtime, and unintended costs of recovering such data.

Management Response: Management will need the assistance of the Information Technology department at City to determine the best course of action to complete offsite storage backup of data.

Old Unused Deferred Revenue

Gift certificates, gift cards, and credit memos currently have no expiration dates. As such, there is some old unused deferred revenue related to these items, which has not been recorded as revenue. We recommend management produce a systematic and rational method to recognize such items as revenue if left unused after a reasonable amount of time has passed.

Management Response: Management recommends a partial recognition of the $4,639 in old unused paper gift certificates in FY2017 of $4,500, leaving a small balance until the end of the fiscal year to be reassessed at a later date.

The Golf Course's response to the findings identified in our audit is included in the body of this report. We did not audit the Golf Course's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors and management of the Agreement for Golf Course Management Services at Cypress Head and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

James Moore & Co., P.L.

JAMES MOORE & CO., P.L

AGREEMENT FOR GOLF COURSE MANAGEMENT SERVICES AT CYPRESS HEAD

FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

AGREEMENT FOR GOLF COURSE MANAGEMENT SERVICES AT CYPRESS HEAD
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SEPTEMBER 30, 2016

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James Moore
Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

To the Golf Board, Honorable Mayor, and City Council of the
City of Port Orange, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of the Agreement for Golf Course Management Services at Cypress Head (Cypress Head Golf Club) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise Cypress Head Golf Club's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Cypress Head Golf Club's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386/257-4100
Fax: 386/255-3261
dab@jmco.com

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352/378-1331
Fax: 352/372-3741
gnv@jmco.com

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850/386-6184
Fax: 850/422-2074
tlh@jmco.com

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Cypress Head Golf Club as of September 30, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Agreement for Golf Course Management Services at Cypress Head and do not purport to, and do not, present fairly the financial position of City of Port Orange, Florida, or the City's entire Golf Course fund, as of September 30, 2016, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2016, on our consideration of Cypress Head Golf Club's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cypress Head Golf Club's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Daytona Beach, Florida
November 15, 2016

AGREEMENT FOR GOLF COURSE MANAGEMENT SERVICES AT CYPRESS HEAD
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
SEPTEMBER 30, 2016

ASSETS

Current assets	
Cash and cash equivalents	$ 177,001
Accounts receivable	92,593
Due from the City of Port Orange, Florida	110,389
Inventories	16,234
Prepaids and other current assets	17,286
Total current assets	413,503
Capital assets	
Building improvements	30,598
Machinery and equipment	5,550
Accumulated depreciation	(24,236)
Capital assets, net	11,912
Total Assets	$ 425,415

LIABILITIES AND NET POSITION

Current liabilities	
Accounts payable and accrued liabilities	$ 128,079
Unearned revenue	297,336
Total current liabilities	425,415
Net position	
Net investment in capital assets	11,912
Unrestricted	(11,912)
Total net position	-
Total Liabilities and Net Position	$ 425,415

The accompanying notes to the financial statements
are an integral part of this statement.

AGREEMENT FOR GOLF COURSE MANAGEMENT SERVICES AT CYPRESS HEAD
STATEMENT OF REVENUE, EXPENSES, AND TRANSFERS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Operating Revenue	
Charges for Services:	
Green fees and membership charges	$ 613,222
Cart rentals and trail fees	460,706
Pro-shop sales and merchandise	68,649
Surcharges	75,295
Total operating revenue	1,217,872
Operating Expenses	
Personal services	650,055
Cost of sales	41,113
Materials and supplies	127,148
Utilities	70,356
Maintenance and repairs	41,406
Depreciation	11,147
Management fees	70,211
Other expenses	170,478
Total operating expenses	1,181,914
Operating income to City of Port Orange, Florida before transfers	35,958
Transfers from (to) the City of Port Orange, Florida	
For loss from operations	120,256
For maintenance and usage of equipment	(118,408)
For debt service	-
For renewal and replacement surcharges	(37,806)
Total transfers from (to) the City of Port Orange, Florida	(35,958)
Net income after transfers	$ -

The accompanying notes to the financial statements
are an integral part of this statement.

AGREEMENT FOR GOLF COURSE MANAGEMENT SERVICES AT CYPRESS HEAD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Cash flows from operating activities	
Cash received from customers	$ 1,372,424
Cash paid for personal services	(645,326)
Cash paid to suppliers	(445,644)
Net cash provided by operating activities	281,454
Cash flows from noncapital and related financing activities	
Net cash payments from (to) the City of Port Orange, Florida	(154,567)
Net increase in cash and cash equivalents	126,887
Cash and cash equivalents, beginning of year	50,114
Cash and cash equivalents, end of year	$ 177,001
Reconciliation of operating income to net cash provided by operating activities	
Operating income	$ 35,958
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	11,147
Decrease (increase) in current assets:	
Accounts receivable	69,014
Inventories	(1,064)
Prepaids and other current assets	17,250
Increase (decrease) in current liabilities:	
Accounts payable and accrued liabilities	63,611
Unearned revenue	85,538
Net cash provided by operating activities	$ 281,454

The accompanying notes to the financial statements
are an integral part of this statement.

(1) Summary of Significant Accounting Policies:

The following is a summary of the significant accounting policies of the Agreement for Golf Course Management Services at Cypress Head, which affect significant elements of the financial statements:

(a) **Organization and nature of activities**—The Cypress Head Golf Club (the "Golf Course") is an 18-hole championship course, with lighted practice facility, driving range, maintenance barn, cart barn, clubhouse, pro shop, and other related facilities wholly owned and operated by the City. Golf Club at Cypress Head, Inc. was incorporated on August 31, 2001, under the laws of the State of Florida and is the successor of Cypress Head Golf Course, Inc. which was incorporated on October 10, 1991. Golf Club at Cypress Head, Inc. is wholly owned by the City of Port Orange, Florida (the "City"). The City has agreed to operate and maintain these facilities for a period of 30 years after the Golf Course opened in 1992. At the completion of this term, the City may continue to operate the Course, or simply allow the property to revert to open space. These financial statements provide a separate accounting for the revenues and expenses generated from player fees, pro-shop sales, and other related financial activities of the Golf Course. The Golf Course is managed by an independent sports management company as described in Note 3. The accompanying financial statements were prepared to present only those financial activities of the Golf Course which is managed pursuant to the Agreement for Golf Course Management Services at Cypress Head. Other real and other personal property associated with the Golf Course and related revenues and expenses are recorded only on the City's accounting records. Therefore, these financial statements are not intended to be a complete presentation of the Golf Course's assets, liabilities, revenue, and expenses.

(b) **Basis of accounting**—The financial statements are prepared on the accrual basis of accounting. The use of this method of accounting identifies revenues and expenses with specific periods of time. Revenues are recorded when earned and expenses are recorded as incurred, without regard to the date of receipt or payment of cash.

(c) **Use of estimates**—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

(d) **Cash and cash equivalents**—For the purposes of the statement of cash flows, the Golf Course considers all cash, demand deposit accounts, and highly liquid investments with original maturity dates of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

(e) **Accounts receivable**—Accounts receivable are reported at net realizable value. The receivables are stated net of an allowance for uncollectible accounts which has been provided based upon management's analysis of historical trends. Accounts deemed worthless are written off in the year they are determined to be worthless. At September 30, 2016, management has determined no allowance is required.

(f) **Revenue recognition**—Annual golf passes are recognized as revenue in the applicable membership period which is based on the fiscal year. Prepaid play cards are recognized as revenue as the prepaid rounds are played. Amounts billed in advance are appropriately recorded and captioned as "Unearned revenue" in the financial statements.

(1) **Summary of Significant Accounting Policies:** (Continued)

(g) **Inventories**—Inventories are stated at lower of cost (average cost) or market value. Inventories consist of retail golf merchandise.

(h) **Capital assets**—Capital assets are accounted for and capitalized at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the assets' estimated useful lives. The estimated useful lives of the major classes of capital assets are as follows:

Assets	Years
Building improvements	20 - 40
Machinery and equipment	7 - 20

(i) **Operating revenue and expenses**—Operating revenue and expenses are distinguished from non-operating revenue. Operating revenue and expenses generally result from providing services and delivering goods in connection with ongoing operations. The principal operating revenue of the Golf Course is charges for services. The Golf Course also charges a $1.00 surcharge for every 9 holes of golf as authorized by City of Port Orange, Florida Resolution 12-44.

(j) **Accrued payroll and accumulated unpaid vacation pay**—The portion of employees' payroll costs paid subsequent to year-end attributable to services performed prior to year-end is recorded and recognized as a current liability.

(k) **Income taxes**—The City of Port Orange, Florida, is exempt from income taxes as a state or subdivision thereof. Since the Golf Club at Cypress Head, Inc. acts as an agent for the City of Port Orange, Florida, and therefore has no assets, liabilities, revenue, or expenses, the corporation has no corporate income tax liability.

(l) **Subsequent events**—The Course has evaluated events and transactions for potential recognition of disclosure in financial statements through November 15, 2016, the date through which the financial statements were available to be issued. No subsequent events requiring recognition or disclosure have been identified.

(2) **Cash and Investments:**

(a) **Interest rate risk**—Generally, the Golf Course limits its exposure to fair value losses arising from increases in interest rates by limiting the investment of its operating funds in investments with maturities of less than one year. Substantially all of the Golf Course's surplus funds are invested in non-interest bearing demand deposit accounts.

(b) **Credit risk**—The provisions of Section 218.415, Florida Statutes, require that the investment activity of the Golf Course be conducted in accordance with a written investment plan adopted by the governing body. Under that plan, allowable investment instruments include: bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America, interest bearing savings accounts, interest bearing certificates of deposit, and interest bearing time deposits, including those held with the Florida State Board of Administration investment pool.

(2) **Cash and Investments:** (Continued)

(c) **Custodial credit risk**—Custodial credit risk is the risk that in the event of a bank failure, the Golf Course's deposits may not be returned to it. Pursuant to the applicable provisions of Chapter 280, Florida Statutes, The Florida Security for Public Deposits Act ("the Act"), the State of Florida, Department of Financial Services, Division of Treasury, Bureau of Collateral Management have established specific requirements relative to the security and collateralization for public deposits. Accordingly, banks qualifying as a public depository in the State of Florida must adopt the necessary procedures outlined in these statutes and meet all of the requirements of this chapter to be designated by the State's Chief Financial Officer as eligible to receive deposits from municipal depositors. Collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance is required to be pledged or deposited with the State's Chief Financial Officer to secure such deposits. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Securities eligible to be pledged as collateral are generally limited to obligations of the United States government and any state thereof and are held in the name of the State Chief Financial Officer's office. Compliance with the provisions of Chapter 280, Florida Statutes, is monitored by a Qualified Public Depository Oversight Board with members appointed by the State Chief Financial Officer.

At September 30, 2016, the carrying amount of the Golf Course's deposits was $175,651, all of which was covered by collateral securities in accordance with the Act. Also included in the Golf Course's cash position at year end was $1,350 of cash on hand used for daily operational purposes, not included in the Golf Course's cash deposits described above.

(3) **Related Party Transactions:**

(a) **Kemper Sports Management**—Effective October 1, 2012, the City of Port Orange, Florida entered into a five year management agreement for operation of the Golf Course with an independent sports management company. Under the terms of the original agreement, the management company was paid $86,700 per year payable in advance in twelve monthly installments on the first business day of each month. There was an addendum to the agreement during the year ended September 30, 2016, to reduce the management fee by 24% beginning November 1, 2015 due to cessation of the Food and Beverage management services as set forth in the original agreement. The base management fee is increased by two percent of the management fee for the preceding twelve month period. In addition to the base management fee, the management company is entitled to an incentive fee equal to five percent of all gross receipts in excess of $1,800,000 per annum, if any. The total incentive fee cannot exceed $85,000. The agreement may be renewed for an additional five year period, solely at the City's option and with the mutual acceptance of Kemper Sports Management.

Management fees incurred for the year ended September 30, 2016, are as follows:

Golf Course management fee	$	70,211
Incentive management fee		-
Total Management Fees	$	70,211

(3) **Related Party Transactions:** (Continued)

(b) **City of Port Orange, Florida**—Throughout the fiscal year, the City requires the Golf Course to manage and finance its operational affairs from its own cash funds. As surplus funds accumulated exceed, or do not meet, amounts historically needed to provide for its ongoing seasonal operations, cash funds are transferred to and from the City, respectively, as cash and operating reserves dictate.

During the year ended September 30, 2016, the following related party transactions occurred between the Golf Course and the City:

Golf Course expense incurred by the City for:		
Golf Course use of golf carts, equipment, and rolling stock	$	118,408
Repayment of interfund capital loan		-
Golf Course operating expenses incurred by the City		8,221
Surcharge for restricted renewal and replacement reserve collected and paid to the City		37,806
Cash transfers to City		124,580

(4) **Retirement Plan:**

Kemper Sports Management employs all personnel of the Golf Course and sponsors a defined contribution plan which covers employees, over 21 years of age, with a minimum of one year of service, and who work at least 1,000 hours during the plan year. The plan allowed for an employer matching contribution of 25% of the first 5% of employee salaries contributed by employees. For the year ended September 30, 2016, the Golf Course contributed $1,377 to the plan.

(5) **Risk Management:**

The Golf Course is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Golf Course carries commercial insurance.

(6) **Capital Assets and Depreciation:**

Capital asset activity of the Golf Course for the 2016 fiscal year was as follows:

	Balance September 30, 2015	Increases	Decreases	Balance September 30, 2016
Capital assets				
Building improvements	$ 54,143	$ -	$ (23,545)	$ 30,598
Furniture and fixtures	9,045	-	(9,045)	-
Machinery and equipment	16,000	-	(10,450)	5,550
Total capital assets	79,188	-	(43,040)	36,148
Accumulated depreciation				
Building improvements	(35,509)	(9,220)	23,545	(21,184)
Furniture and fixtures	(9,045)	-	9,045	-
Machinery and equipment	(11,575)	(1,927)	10,450	(3,052)
Total accumulated depreciation	(56,129)	(11,147)	43,040	(24,236)
Capital assets, net	$ 23,059	$ (11,147)	-	$ 11,912

Depreciation expense for the year ended September 30, 2016 was $11,147.

COMPLIANCE SECTION

James Moore
Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Golf Board, Honorable Mayor, and City Council of the
City of Port Orange, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Agreement for Golf Course Management Services at Cypress Head (Cypress Head Golf Club) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Cypress Head Golf Club's basic financial statements, and have issued our report thereon November 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cypress Head Golf Club's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cypress Head Golf Club's internal control. Accordingly, we do not express an opinion on the effectiveness of Cypress Head Golf Club's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described below, that we consider to be a significant deficiency.

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386/257-4100
Fax: 386/255-3261
dab@jmco.com

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352/378-1331
Fax: 352/372-3741
gnv@jmco.com

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850/386-6184
Fax: 850/422-2074
tlh@jmco.com

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2013-01 Cash Receipts

During our testing of cash receipts, we noted for 6 of the 25 items tested, there was no evidence of direct approval by the General Manager related to cash receipts and allocation of revenue. This approval is accomplished by the General Manager reviewing a journal entry summary sheet and placing his signature or initials directly on the summary. We recommend the Golf Course more closely follow their direct approval process for cash receipts.

Management Response: Management will more closely follow its internal procedures in regards to cash receipts approval.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cypress Head Golf Club's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we reported to management of the Cypress Head Golf Club in a separate letter dated November 15, 2016.

Cypress Head Golf Club's Response to Findings

The Cypress Head Golf Club's response to the findings identified in our audit are described in the body of this report. The Golf Course's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Daytona Beach, Florida
November 15, 2016

The Golf Club at Cypress Head
Course Cash Flow Report
December 31, 2016

	December	*YTD*
EBITDA	**$3,690.47**	**($20,856.12)**
Management Fee Expense	**(5,712.85)**	**(17,138.55)**
Depreciation & Amortization	**(153.61)**	**(458.83)**
Net Income	**(2,175.99)**	**(38,453.50)**
Working Capital Changes		
Inventory	**(2,391.56)**	**(7,026.76)**
Receivables	**2,359.77**	**92,253.54**
Payables	**(34,264.75)**	**(50,607.51)**
Due to from the City	**(122.89)**	**499.93**
Prepaids	**(3,230.02)**	**(2,402.77)**
Accrued Liabilities	**13,018.28**	**(28,384.76)**
Other Liabilities	**(13,360.09)**	**(82,032.04)**
Depreciation & Amortization	**153.61**	**458.83**
Operating Cash Flow	**(40,013.64)**	**(115,695.04)**
Investing Cash Flows		
Financing Cash Flow		
Net Cash Flows	**(40,013.64)**	**(115,695.04)**
Beginning Cash	**101,319.70**	**177,001.10**
Net Cash Flows	**(40,013.64)**	**(115,695.04)**
Ending Cash	**61,306.06**	**61,306.06**

The Golf Club at Cypress Head
Comparative Income Statement
For the Three Months Ending December 31, 2016

	MTD Prior Year	YTD Prior Year	Audited Prior Year	Percent of Total	MTD Actual	YTD Actual	Annual Budget	Percent of Total
REVENUES								
Green Fees & Cart Fees	97,965	212,201	1,077,267	20%	95,092	270,264	1,116,089	24%
Merchandise	4,454	11,516	54,320	21%	4,869	15,633	57,514	27%
Other Pro Shop	720	1,247	14,505	9%	825	1,754	11,540	15%
Range	3,173	6,230	34,150	18%	2,776	8,352	34,679	24%
Food and Beverage	0	0	137		0	0	0	
Other Operating Revenues	3,481	7,393	37,806	20%	3,149	9,441	39,852	24%
TOTAL REVENUE	109,794	238,586	1,218,185	20%	106,710	305,444	1,259,674	24%
COST OF SALES								
Merchandise	4,004	10,081	36,189	28%	2,789	9,095	40,260	23%
TOTAL COGS	4,004	10,081	36,189	28%	2,789	9,095	40,260	23%
COGS - Merchandise %	89.9%	87.5%	66.6%	131.4%	57.3%	58.2%	70.0%	83.1%
PAYROLL								
Course and Grounds	30,861	91,009	339,558	27%	32,688	91,418	351,366	26%
Carts, Range, Starters, Etc.	7,204	17,253	81,091	21%	6,431	20,221	92,546	22%
Pro Shop	5,508	15,856	53,209	30%	2,931	11,087	55,398	20%
General and Administrative	11,746	31,545	127,363	25%	10,733	32,145	129,158	25%
Marketing	4,480	12,426	48,834	25%	4,299	12,464	49,603	25%
TOTAL PAYROLL	59,800	168,088	650,054	26%	57,081	167,335	678,071	25%
OPERATING EXPENSES								
Course and Grounds	16,165	52,378	247,630	21%	16,767	57,105	212,591	27%
Carts, Range, Starters, Etc.	8,368	22,872	80,708	28%	6,328	20,701	85,302	24%
Pro Shop	0	574	10,107	6%	1,339	1,064	9,015	12%
Food and Beverage	0	185	322	57%	0	0	0	
General and Administrative	19,678	55,522	197,823	28%	18,139	66,181	205,607	32%
Marketing	1,893	16,784	34,250	49%	575	4,820	33,063	15%
TOTAL OPERATING EXPENSES	46,104	148,315	570,840	26%	43,149	149,871	545,578	27%
TOTAL EXPENSES	109,908	326,484	1,257,084	26%	103,019	326,300	1,263,909	26%
OTHER INCOME (EXPENSE)								
MANAGEMENT FEES	(5,713)	(18,795)	(70,211)	27%	(5,713)	(17,139)	(69,924)	25%
Depreciation & Amortization	(381)	(1,143)	(11,147)	10%	(154)	(459)	(4,572)	10%
TOTAL OTHER INCOME (EXPENSE)	(6,094)	(19,938)	(81,358)	25%	(5,866)	(17,597)	(74,496)	24%
NET INCOME	(6,208)	(107,836)	(120,257)	90%	(2,176)	(38,454)	(78,731)	49%
Paid Rounds	3,080	6,783	34,878	19%	2,778	8,578	38,696	22%
Annual Pass Rounds	873	1,715	8,657	20%	795	2,205	5,051	44%
Other Rounds	251	467	2,437	19%	260	685	2,812	24%
Total Rounds	4,204	8,965	45,972	20%	3,833	11,468	46,559	25%
Revenue/Paid Rounds	36	35	35	101%	38	36	33	109%
Revenue/Total Rounds	26	27	26	100%	28	27	27	98%

The Golf Club at Cypress Head

For the Three Months Ending December 31, 2016

	12/31/16	09/30/16	12/31/15
ASSETS			
CURRENT ASSETS:			
Cash			
Cash - Operating	0	0	140,410
Cash - Depository	59,956	176,360	0
Cash - Manual Checks	850	850	850
Cash - Housebank & Other	500	(209)	(3,742)
Total Cash	61,306	177,001	137,518
Accounts Receivable			
A/R Member	340	92,593	3,517
Total Accounts Recievable	340	92,593	3,517
Other Current Assets			
Inventory - Merchandise	23,260	16,234	17,613
Prepaid Insurance	14,755	10,248	14,557
Prepaid Exp - Other	4,934	7,038	6,595
Total Other Current Assets	42,950	33,520	38,765
TOTAL CURRENT ASSETS	104,596	303,115	179,800
PROPERTY, PLANT AND EQUIPMENT:			
Buildings & Improvements	30,598	30,598	54,143
Furniture and Fixtures	0	0	9,045
Machinery & Equipment	5,550	5,550	16,000
Property Plant and Equipment	36,148	36,148	79,187
Accumulated Depreciation	(24,695)	(24,236)	(57,272)
TOTAL PROPERTY, PLANT AND EQUIPMENT	11,453	11,911	21,915
TOTAL ASSETS	116,048	315,026	201,715

The Golf Club at Cypress Head

For the Three Months Ending December 31, 2016

	12/31/16	09/30/16	12/31/15
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accts Pay - Trade	24,504	75,111	7,486
Accts Pay - Other	(109,889)	(110,389)	38,274
Accrued Expenses	4,669	7,783	152
Accrued Payroll	16,095	25,945	16,013
Accrued Taxes	3,819	13,903	9,698
Accrued Interest	0	5,337	0
Deferred Revenue	215,305	297,337	237,929
TOTAL CURRENT LIBILITIES	154,503	315,027	309,551
TOTAL LIABILITIES	154,503	315,027	309,551
STOCKHOLDER'S EQUITY			
Retained Earnings	(38,455)	(1)	(107,836)
Net Retained Earnings	(38,455)	(1)	(107,836)
Stockholders Equity	(38,455)	(1)	(107,836)
TOTAL STOCKHOLDER'S EQUITY	(38,455)	(1)	(107,836)
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	116,048	315,026	201,715

The Golf Club at Cypress Head
Course Cash Flow Report
For the Year Ended September 30, 2017

	OCT Actual	NOV Actual	DEC Actual	JAN Actual	FEB Actual	MAR Actual	APR Actual	MAY Actual	JUN Actual	JUL Actual	AUG Actual	SEP Actual	TOTAL
EBITDA	(25,773)	1,227	3,690	39,332	0	0	0	0	0	0	0	0	18,476
Management Fee Expense	(5,713)	(5,713)	(5,713)	(5,713)	0	0	0	0	0	0	0	0	(22,851)
Depreciation & Amortization	(154)	(152)	(154)	0	0	0	0	0	0	0	0	0	(459)
Net Income	(31,640)	(4,638)	(2,176)	33,619	0	0	0	0	0	0	0	0	(4,834)
Working Capital Changes													
Inventory	(2,093)	(2,542)	(2,392)	0	0	0	0	0	0	0	0	0	(7,027)
Receivables	88,276	1,618	2,360	(19)	0	0	0	0	0	0	0	0	92,235
Prepaid Expenses	(1,862)	2,690	(3,230)	(29,000)	0	0	0	0	0	0	0	0	(31,403)
Payables	(33,493)	17,150	(34,265)	(1,647)	0	0	0	0	0	0	0	0	(52,255)
Due to from the City	512	111	(123)	0	0	0	0	0	0	0	0	0	500
Accrued Expenses	(25,855)	(15,548)	13,018	(8,733)	0	0	0	0	0	0	0	0	(37,117)
Deferred Revenues	(52,262)	(16,409)	(13,360)	(906)	0	0	0	0	0	0	0	0	(82,938)
Depreciation & Amortization	154	152	154	0	0	0	0	0	0	0	0	0	459
Operating Cash Flow	(58,263)	(17,418)	(40,014)	(6,686)	0	0	0	0	0	0	0	0	(122,381)
Investing Activities													
Financing Activites													
Net Cash Flows	(58,263)	(17,418)	(40,014)	(6,686)	0	0	0	0	0	0	0	0	(122,381)
Beginning Cash	177,001	118,738	101,320	61,306	54,621	54,621	54,621	54,621	54,621	54,621	54,621	54,621	895,329
Net Cash Flows	(58,263)	(17,418)	(40,014)	(6,686)	0	0	0	0	0	0	0	0	(122,381)
Ending Cash	118,738	101,320	61,306	54,621	54,621	54,621	54,621	54,621	54,621	54,621	54,621	54,621	772,948

The Golf Club at Cypress Head
Summary of All Units
For the Three Months Ending December 31, 2016

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	
					REVENUES							
58,236	52,466	111%	57,466	101%	Green Fees	161,500	156,140	103%	124,289	130%	646,060	653,771
36,856	40,499	91%	40,499	91%	Cart Fee	108,765	121,324	90%	87,912	124%	470,029	481,559
0	0	0%	0	0%	Merchandise	0	0	0%	0	0%	0	(137)
280	60	467%	60	467%	Handicap Fee	320	140	229%	140	229%	4,567	5,069
345	400	86%	400	86%	Lessons	924	860	107%	610	151%	3,931	7,249
0	0	0%	0	0%	Other Pro Shop Revenue	0	0	0%	0	0%	0	74
200	260	77%	260	77%	Rental Clubs	510	697	73%	497	103%	3,042	2,620
4,869	4,454	109%	4,454	109%	Retail	15,633	14,015	112%	11,516	136%	57,514	58,573
2,776	2,773	100%	3,173	87%	Range	8,352	7,730	108%	6,230	134%	34,679	36,272
0	0	0%	0	0%	Food & Beverage	0	0	0%	0	0%	0	137
3,149	3,481	90%	3,481	90%	City Surcharge R & R	9,441	10,074	94%	7,393	128%	39,852	39,855
106,710	104,393	102%	109,794	97%	Total Revenues	305,444	310,980	98%	238,586	128%	1,259,674	1,285,042
					COST OF GOODS SOLD							
2,789	3,118	89%	4,004	70%	COGS - Merchandise	9,095	9,811	93%	10,081	90%	40,260	35,203
2,789	3,118	89%	4,004	70%	Total COGS	9,095	9,811	93%	10,081	90%	40,260	35,203
103,921	101,275	103%	105,790	98%	GROSS MARGIN	296,349	301,169	98%	228,505	130%	1,219,414	1,249,839
57.29%	70.00%	81.83%	89.90%	63.73%	COGS - Merchandise %	58.18%	70.00%	83.11%	87.54%	66.46%	70.00%	720.45%
					PAYROLL							
20,777	19,078	109%	18,420	113%	Gross Payroll - Salaried	61,763	57,234	108%	54,359	114%	228,936	239,070
25,773	27,382	94%	27,915	92%	Gross Payroll - Hourly	75,287	81,263	93%	82,513	91%	318,603	295,302
46,550	46,460	100%	46,335	100%	S/T Wages	137,050	138,497	99%	136,872	100%	547,539	534,371
3,458	3,555	97%	3,587	96%	Payroll Tax - FICA	10,296	10,597	97%	10,294	100%	41,893	40,044
214	210	102%	380	56%	Payroll Tax - UC	819	691	118%	1,311	62%	4,953	5,249
759	966	79%	1,366	56%	Payroll Tax - WC	2,752	2,879	96%	3,084	89%	11,719	10,931
6,100	5,818	105%	8,132	75%	Benefits	16,418	17,453	94%	16,527	99%	71,967	58,706
10,531	10,549	100%	13,465	78%	S/T Adders	30,284	31,620	96%	31,216	97%	130,532	114,930
57,081	57,009	100%	59,800	95%	TOTAL PAYROLL	167,335	170,117	98%	168,088	100%	678,071	649,301
					OPERATING EXPENSES							
0	201	0%	101	0%	Cart Supplies	456	637	72%	838	54%	2,521	976
496	112	443%	12	4140%	Course Accessories	2,892	1,814	159%	744	389%	3,886	4,367
2,782	2,089	133%	1,689	165%	Fertilizer	8,873	8,089	110%	6,192	143%	25,094	41,496
0	0	0%	0	0%	Flowers/Decor	0	174	0%	74	0%	399	1,531
1,354	1,008	134%	1,208	112%	Fuel	2,589	3,133	83%	2,332	111%	13,026	11,594
0	0	0%	361	0%	Fungicides	1,071	806	133%	1,635	66%	4,045	4,659
649	623	104%	623	104%	Herbicides	3,736	3,713	101%	3,213	116%	15,068	21,044
1,572	1,190	132%	1,190	132%	Insecticides	5,327	4,509	118%	2,409	221%	15,077	17,868
187	459	41%	159	118%	Janitorial Supplies	546	985	55%	414	132%	4,136	4,208
160	100	160%	0	0%	Laundry/Uniforms	209	300	70%	0	0%	1,038	351
554	480	116%	530	105%	Office Supplies	856	1,586	54%	1,637	52%	4,366	3,920
0	0	0%	0	0%	Range Balls	1,455	1,730	84%	1,530	95%	3,330	2,475
132	174	76%	774	17%	Range Equipment	339	376	90%	796	43%	1,284	800
0	0	0%	0	0%	Range Expenses	0	10	0%	10	0%	460	13
926	0	0%	0	0%	Sand/Topdress	1,925	1,000	192%	2,692	72%	9,011	10,314
0	0	0%	0	0%	Seeds/Trees	4,400	4,069	108%	3,469	127%	4,069	4,400
246	0	0%	0	0%	Small Tools	611	150	407%	0	0%	407	1,134
0	0	0%	0	0%	Staff/Volunteer Uniforms	0	400	0%	0	0%	833	41
878	150	585%	0	0%	Supplies	878	450	195%	0	0%	1,801	3,460
0	0	0%	0	0%	Tournament Expense	(425)	574	-74%	574	-74%	1,174	(320)
411	181	227%	181	228%	Alarm System	1,144	363	315%	362	316%	1,425	3,201
0	0	0%	0	0%	Carpet Cleaning	0	0	0%	0	0%	890	0
0	237	0%	1,237	0%	Cart Repairs	0	437	0%	1,237	0%	1,855	88
190	4,165	5%	165	115%	Computer Service	571	4,440	13%	441	130%	6,912	3,263
0	0	0%	0	0%	Contract Cleaning	0	130	0%	130	0%	130	0
32	0	0%	24	131%	Guest Relations	32	0	0%	49	65%	0	117
0	0	0%	0	0%	Handicap Expense	150	0	0%	0	0%	4,475	5,074
0	0	0%	0	0%	Indoor Plant Maint	0	0	0%	0	0%	100	0
400	34	1176%	34	1185%	Irrigation	452	1,515	30%	515	88%	6,392	5,122
0	75	0%	0	0%	Lesson Expense	0	225	0%	0	0%	965	1,151
0	0	0%	0	0%	Pest Control	0	0	0%	0	0%	230	0
1,144	3,417	33%	4,367	26%	Repair & Maint - Equipment	6,167	6,783	91%	8,313	74%	22,585	29,264
439	0	0%	(561)	-78%	Repair & Maint - Building	664	1,148	58%	86	771%	3,208	3,930
5,356	5,356	100%	5,356	100%	Cart Lease	16,067	16,068	100%	16,068	100%	64,272	64,267
4,886	4,886	100%	4,512	108%	Equipment Lease	14,659	14,658	100%	13,536	108%	58,632	55,262
168	168	100%	168	100%	Off-Site Storage	504	504	100%	504	100%	1,974	2,053
1,055	1,093	97%	1,093	97%	Utilities - Electric	3,076	3,123	99%	3,123	99%	13,383	12,427
3,863	3,742	103%	3,742	103%	Utilities - Other	11,395	9,681	118%	9,681	118%	41,871	50,917
250	113	222%	248	101%	Utilities - Telephone/Fax	1,001	618	162%	754	133%	2,449	2,811
275	299	92%	299	92%	Utilities - Water	755	992	76%	991	76%	2,897	2,941

The Golf Club at Cypress Head
Summary of All Units
For the Three Months Ending December 31, 2016

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	
575	2,028	28%	1,778	32%	Advertising & Promotion	3,808	4,536	84%	4,036	94%	16,247	19,003
520	442	118%	442	117%	Bank Charges	1,436	758	189%	757	190%	1,382	3,949
(582)	0	0%	18	-3195%	Cash Short/(Over)	383	0	0%	103	373%	0	556
200	200	100%	175	114%	Cell Phone	650	675	96%	575	113%	2,475	2,250
3,149	3,481	90%	3,481	90%	City Surcharge R & R	9,441	10,074	94%	7,393	128%	39,852	39,855
(42)	131	-32%	131	-32%	Copier/Photocopies	18	166	11%	166	11%	671	614
1,742	2,352	74%	2,352	74%	Credit Card Discounts	7,581	9,070	84%	8,069	94%	27,744	23,013
0	0	0%	0	0%	Donations	(267)	0	0%	0	0%	0	97
0	0	0%	0	0%	Dues & Subscriptions	0	150	0%	150	0%	1,109	459
0	0	0%	0	0%	Education & Training	0	0	0%	0	0%	200	0
633	540	117%	40	1585%	Employee Relations	955	753	127%	553	173%	2,122	2,748
87	29	300%	29	300%	Employee Testing	203	131	155%	131	155%	244	623
3,858	3,871	100%	3,796	102%	Insurance Expense	11,575	11,538	100%	11,388	102%	46,377	45,898
0	0	0%	0	0%	Member Relations	38	131	29%	131	29%	649	38
0	0	0%	0	0%	Messenger Service - Fedex	104	83	126%	83	125%	403	452
0	1,500	0%	0	0%	Miscellaneous	864	5,522	16%	12,622	7%	13,291	1,569
0	5,800	0%	5,800	0%	O/S - Accounting	12,000	12,000	100%	12,000	100%	12,000	12,000
0	0	0%	0	0%	O/S - Legal	0	0	0%	0	0%	80	0
350	0	0%	0	0%	O/S - Other	350	0	0%	325	108%	9,218	17,263
2,291	366	626%	366	627%	Payroll Processing Fee	3,880	791	491%	790	491%	3,535	9,777
81	0	0%	0	0%	Postage/Shipping	142	39	365%	39	363%	634	239
0	(30)	0%	(30)	0%	Tax/Licenses/Fees	(90)	(60)	150%	(60)	150%	(100)	(285)
0	0	0%	0	0%	Theft Loss	0	0	0%	106	0%	0	0
43	30	144%	30	144%	Travel - Meals	128	92	139%	91	140%	683	1,929
1,837	769	239%	185	994%	Travel - Other	4,298	3,887	111%	3,619	119%	16,423	12,004
0	0	0%	0	0%	Website Expenses	0	0	0%	900	0%	4,000	2,100
0	0	0%	0	0%	Employee Meals	0	200	0%	0	0%	669	25
43,149	51,861	83%	46,104	94%	TOTAL OPERATING EXPENSES	149,871	155,726	96%	148,315	101%	545,578	572,396
3,690	(7,595)	-49%	(114)	-3234%	EBITDA	(20,856)	(24,674)	85%	(87,897)	24%	(4,235)	28,142
5,713	5,827	98%	5,713	100%	Management Fee	17,139	17,481	98%	18,795	91%	69,924	68,554
5,713	5,827	98%	5,713	100%	Management Fees	17,139	17,481	98%	18,795	91%	69,924	68,554
37	98	38%	98	38%	Deprec - Mach & Equip	111	294	38%	293	38%	1,176	1,745
117	283	41%	283	41%	Deprec - Buildings	348	849	41%	850	41%	3,396	8,718
154	381	40%	381	40%	S/T DEPR. & AMORT	459	1,143	40%	1,143	40%	4,572	10,463
(2,176)	(13,803)	16%	(6,208)	35%	NET INCOME	(38,454)	(43,298)	89%	(107,836)	36%	(78,731)	(50,875)

The Golf Club at Cypress Head
Course & Grounds
For the Three Months Ending December 31, 2016

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	
					REVENUES							
58,236	52,466	111%	57,466	101%	Green Fees	161,500	156,140	103%	124,289	130%	646,060	653,771
3,149	3,481	90%	3,481	90%	City Surcharge R & R	9,441	10,074	94%	7,393	128%	39,852	39,855
61,385	55,947	110%	60,948	101%	Total Revenues	170,941	166,214	103%	131,682	130%	685,912	693,626
61,385	55,947	110%	60,948	101%	GROSS MARGIN	170,941	166,214	103%	131,682	130%	685,912	693,626
					PAYROLL							
9,075	7,802	116%	6,881	132%	Gross Payroll - Salaried	27,067	23,406	116%	20,557	132%	93,624	101,178
17,286	15,738	110%	16,686	104%	Gross Payroll - Hourly	47,117	46,706	101%	53,049	89%	186,129	176,604
26,361	23,540	112%	23,567	112%	S/T Wages	74,184	70,112	106%	73,605	101%	279,753	277,782
1,855	1,801	103%	1,758	105%	Payroll Tax - FICA	5,271	5,364	98%	5,260	100%	21,402	19,669
145	47	309%	122	119%	Payroll Tax - UC	505	142	355%	585	86%	2,040	2,709
407	490	83%	664	61%	Payroll Tax - WC	1,374	1,459	94%	1,629	84%	5,990	5,364
3,920	3,409	115%	4,749	83%	Benefits	10,084	10,226	99%	9,931	102%	42,181	34,443
6,327	5,747	110%	7,294	87%	S/T Adders	17,234	17,191	100%	17,404	99%	71,613	62,185
32,688	29,287	112%	30,861	106%	TOTAL PAYROLL	91,418	87,303	105%	91,009	100%	351,366	339,967
					OPERATING EXPENSES							
496	112	443%	12	4140%	Course Accessories	2,892	1,814	159%	744	389%	3,886	4,367
2,782	2,089	133%	1,689	165%	Fertilizer	8,873	8,089	110%	6,192	143%	25,094	41,496
0	0	0%	0	0%	Flowers/Decor	0	174	0%	74	0%	399	1,531
1,354	1,008	134%	1,208	112%	Fuel	2,589	3,133	83%	2,332	111%	13,026	11,594
0	0	0%	361	0%	Fungicides	1,071	806	133%	1,635	66%	4,045	4,659
649	623	104%	623	104%	Herbicides	3,736	3,713	101%	3,213	116%	15,068	21,044
1,572	1,190	132%	1,190	132%	Insecticides	5,327	4,509	118%	2,409	221%	15,077	17,868
926	0	0%	0	0%	Sand/Topdress	1,925	1,000	192%	2,692	72%	9,011	10,314
0	0	0%	0	0%	Seeds/Trees	4,400	4,069	108%	3,469	127%	4,069	4,400
246	0	0%	0	0%	Small Tools	611	150	407%	0	0%	407	1,134
0	0	0%	0	0%	Staff/Volunteer Uniforms	0	400	0%	0	0%	833	41
400	34	1176%	34	1185%	Irrigation	452	1,515	30%	515	88%	6,392	5,122
1,092	3,297	33%	4,322	25%	Repair & Maint - Equipment	4,189	6,079	69%	7,754	54%	20,663	25,500
0	0	0%	0	0%	Repair & Maint - Building	0	500	0%	0	0%	1,207	270
4,886	4,886	100%	4,512	108%	Equipment Lease	14,659	14,658	100%	13,536	108%	58,632	55,262
215	194	111%	194	111%	Utilities - Electric	692	730	95%	730	95%	2,703	2,509
1,688	1,594	106%	1,594	106%	Utilities - Other	4,433	4,733	94%	4,733	94%	16,748	21,824
99	98	101%	98	101%	Utilities - Telephone/Fax	298	303	98%	304	98%	1,072	1,204
275	299	92%	299	92%	Utilities - Water	755	992	76%	991	76%	2,897	2,941
0	100	0%	0	0%	Employee Relations	0	100	0%	0	0%	200	542
87	29	300%	29	300%	Employee Testing	203	131	155%	131	155%	244	623
0	0	0%	0	0%	O/S - Other	0	0	0%	325	0%	9,218	16,913
0	100	0%	0	0%	Travel - Other	0	300	0%	600	0%	1,700	1,200
16,767	15,653	107%	16,165	104%	TOTAL OPERATING EXPENSES	57,105	57,898	99%	52,378	109%	212,591	252,356
11,929	11,007	108%	13,922	86%	EBITDA	22,418	21,013	107%	(11,705)	-192%	121,955	101,303
11,929	11,007	108%	13,922	86%	NET INCOME	22,418	21,013	107%	(11,705)	-192%	121,955	101,303

The Golf Club at Cypress Head
Carts
For the Three Months Ending December 31, 2016

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	
					REVENUES							
36,856	40,499	91%	40,499	91%	Cart Fee	108,765	121,324	90%	87,912	124%	470,029	481,559
36,856	40,499	91%	40,499	91%	**Total Revenues**	108,765	121,324	90%	87,912	124%	470,029	481,559
36,856	40,499	91%	40,499	91%	**GROSS MARGIN**	108,765	121,324	90%	87,912	124%	470,029	481,559
					PAYROLL							
5,818	7,415	78%	6,288	93%	Gross Payroll - Hourly	18,136	22,006	82%	15,211	119%	82,679	75,065
5,818	7,415	78%	6,288	93%	S/T Wages	18,136	22,006	82%	15,211	119%	82,679	75,065
455	567	80%	482	94%	Payroll Tax - FICA	1,449	1,683	86%	1,201	121%	6,323	5,910
56	123	46%	195	29%	Payroll Tax - UC	243	426	57%	503	48%	1,688	1,463
94	154	61%	187	50%	Payroll Tax - WC	378	457	83%	311	121%	1,767	1,521
9	8	107%	53	16%	Benefits	16	24	66%	26	60%	89	101
614	852	72%	916	67%	S/T Adders	2,085	2,590	81%	2,041	102%	9,867	8,995
6,431	8,267	78%	7,204	89%	**TOTAL PAYROLL**	20,221	24,596	82%	17,253	117%	92,546	84,060
					OPERATING EXPENSES							
0	201	0%	101	0%	Cart Supplies	456	637	72%	838	54%	2,521	976
0	237	0%	1,237	0%	Cart Repairs	0	437	0%	1,237	0%	1,855	88
5,356	5,356	100%	5,356	100%	Cart Lease	16,067	16,068	100%	16,068	100%	64,272	64,267
841	899	94%	899	93%	Utilities - Electric	2,384	2,393	100%	2,393	100%	10,680	9,918
6,196	6,693	93%	7,594	82%	**TOTAL OPERATING EXPENSES**	18,908	19,535	97%	20,536	92%	79,328	75,248
24,228	25,539	95%	25,701	94%	**EBITDA**	69,636	77,193	90%	50,123	139%	298,155	322,251
24,228	25,539	95%	25,701	94%	**NET INCOME**	69,636	77,193	90%	50,123	139%	298,155	322,251

The Golf Club at Cypress Head
Range
For the Three Months Ending December 31, 2016

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	
					REVENUES							
2,776	2,773	100%	3,173	87%	Range	8,352	7,730	108%	6,230	134%	34,679	36,272
2,776	2,773	100%	3,173	87%	Total Revenues	8,352	7,730	108%	6,230	134%	34,679	36,272
2,776	2,773	100%	3,173	87%	GROSS MARGIN	8,352	7,730	108%	6,230	134%	34,679	36,272
					OPERATING EXPENSES							
0	0	0%	0	0%	Range Balls	1,455	1,730	84%	1,530	95%	3,330	2,475
132	174	76%	774	17%	Range Equipment	339	376	90%	796	43%	1,284	800
0	0	0%	0	0%	Range Expenses	0	10	0%	10	0%	460	13
0	75	0%	0	0%	Repair & Maint - Equipment	0	225	0%	0	0%	900	0
132	249	53%	774	17%	TOTAL OPERATING EXPENSES	1,794	2,341	77%	2,336	77%	5,974	3,289
2,644	2,524	105%	2,400	110%	EBITDA	6,558	5,389	122%	3,894	168%	28,705	32,984
2,644	2,524	105%	2,400	110%	NET INCOME	6,558	5,389	122%	3,894	168%	28,705	32,984

The Golf Club at Cypress Head
F & B Cafe
For the Three Months Ending December 31, 2016

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	
					REVENUES							
0	0	0%	0	0%	Food & Beverage	0	0	0%	0	0%	0	137
0	0	0%	0	0%	Total Revenues	0	0	0%	0	0%	0	137
0	0	0%	0	0%	GROSS MARGIN	0	0	0%	0	0%	0	137
					OPERATING EXPENSES							
0	0	0%	0	0%	Repair & Maint - Equipment	0	0	0%	79	0%	0	0
0	0	0%	0	0%	Cash Short/(Over)	0	0	0%	0	0%	0	137
0	0	0%	0	0%	Theft Loss	0	0	0%	106	0%	0	0
0	0	0%	0	0%	TOTAL OPERATING EXPENSES	0	0	0%	185	0%	0	137
0	0	0%	0	0%	EBITDA	0	0	0%	(185)	0%	0	0
0	0	0%	0	0%	NET INCOME	0	0	0%	(185)	0%	0	0

The Golf Club at Cypress Head
Golf Shop
For the Three Months Ending December 31, 2016

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	
					REVENUES							
0	0	0%	0	0%	Merchandise	0	0	0%	0	0%	0	(137)
280	60	467%	60	467%	Handicap Fee	320	140	229%	140	229%	4,567	5,069
345	400	86%	400	86%	Lessons	924	860	107%	610	151%	3,931	7,249
0	0	0%	0	0%	Other Pro Shop Revenue	0	0	0%	0	0%	0	74
200	260	77%	260	77%	Rental Clubs	510	697	73%	497	103%	3,042	2,620
4,869	4,454	109%	4,454	109%	Retail	15,633	14,015	112%	11,516	136%	57,514	58,573
5,694	5,174	110%	5,174	110%	Total Revenues	17,387	15,712	111%	12,762	136%	69,054	73,448
					COST OF GOODS SOLD							
2,789	3,118	89%	4,004	70%	COGS - Merchandise	9,095	9,811	93%	10,081	90%	40,260	35,203
2,789	3,118	89%	4,004	70%	Total COGS	9,095	9,811	93%	10,081	90%	40,260	35,203
2,905	2,056	141%	1,170	248%	GROSS MARGIN	8,292	5,901	141%	2,681	309%	28,794	38,245
57.29%	70.00%	81.83%	89.90%	63.73%	COGS - Merchandise %	58.18%	70.00%	83.11%	87.54%	66.46%	70.00%	720.45%
					PAYROLL							
2,670	4,229	63%	4,941	54%	Gross Payroll - Hourly	10,034	12,551	80%	14,253	70%	49,795	43,633
2,670	4,229	63%	4,941	54%	S/T Wages	10,034	12,551	80%	14,253	70%	49,795	43,633
204	324	63%	363	56%	Payroll Tax - FICA	788	961	82%	1,094	72%	3,812	3,393
12	35	35%	63	19%	Payroll Tax - UC	71	108	66%	223	32%	728	570
44	88	50%	141	31%	Payroll Tax - WC	193	261	74%	286	68%	1,063	844
261	447	58%	567	46%	S/T Adders	1,052	1,330	79%	1,603	66%	5,603	4,807
2,931	4,676	63%	5,508	53%	TOTAL PAYROLL	11,087	13,881	80%	15,856	70%	55,398	48,440
					OPERATING EXPENSES							
461	50	922%	0	0%	Office Supplies	461	150	307%	0	0%	600	1,200
878	150	585%	0	0%	Supplies	878	450	195%	0	0%	1,801	3,460
0	0	0%	0	0%	Tournament Expense	(425)	574	-74%	574	-74%	1,174	(320)
0	0	0%	0	0%	Handicap Expense	150	0	0%	0	0%	4,475	5,074
0	75	0%	0	0%	Lesson Expense	0	225	0%	0	0%	965	1,151
0	0	0%	0	0%	Repair & Maint - Building	0	0	0%	0	0%	0	31
1,339	275	487%	0	0%	TOTAL OPERATING EXPENSES	1,064	1,399	76%	574	185%	9,015	10,597
(1,365)	(2,895)	47%	(4,338)	31%	EBITDA	(3,858)	(9,379)	41%	(13,748)	28%	(35,619)	(20,791)
(1,365)	(2,895)	47%	(4,338)	31%	NET INCOME	(3,858)	(9,379)	41%	(13,748)	28%	(35,619)	(20,791)

The Golf Club at Cypress Head
G & A
For the Three Months Ending December 31, 2016

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	
					PAYROLL							
8,138	7,905	103%	7,961	102%	Gross Payroll - Salaried	24,415	23,715	103%	23,566	104%	94,860	97,451
8,138	7,905	103%	7,961	102%	S/T Wages	24,415	23,715	103%	23,566	104%	94,860	97,451
688	605	114%	716	96%	Payroll Tax - FICA	2,050	1,815	113%	2,000	102%	7,260	8,173
0	0	0%	0	0%	Payroll Tax - UC	0	0	0%	0	0%	291	344
158	164	96%	276	57%	Payroll Tax - WC	617	492	126%	644	96%	2,031	2,433
1,749	1,993	88%	2,793	63%	Benefits	5,062	5,979	85%	5,335	95%	24,716	19,562
2,594	2,762	94%	3,785	69%	S/T Adders	7,730	8,286	93%	7,979	97%	34,298	30,512
10,733	10,667	101%	11,746	91%	TOTAL PAYROLL	32,145	32,001	100%	31,545	102%	129,158	127,963
					OPERATING EXPENSES							
187	459	41%	159	118%	Janitorial Supplies	546	985	55%	414	132%	4,136	4,208
160	100	160%	0	0%	Laundry/Uniforms	209	300	70%	0	0%	1,038	351
93	430	22%	530	18%	Office Supplies	395	1,436	28%	1,637	24%	3,766	2,720
411	181	227%	181	228%	Alarm System	1,144	363	315%	362	316%	1,425	3,201
0	0	0%	0	0%	Carpet Cleaning	0	0	0%	0	0%	890	0
190	4,165	5%	165	115%	Computer Service	571	4,440	13%	441	130%	6,912	3,263
0	0	0%	0	0%	Contract Cleaning	0	130	0%	130	0%	130	0
32	0	0%	24	131%	Guest Relations	32	0	0%	49	65%	0	117
0	0	0%	0	0%	Indoor Plant Maint	0	0	0%	0	0%	100	0
0	0	0%	0	0%	Pest Control	0	0	0%	0	0%	230	0
51	45	114%	45	114%	Repair & Maint - Equipment	1,978	479	413%	479	413%	1,022	3,764
439	0	0%	(561)	-78%	Repair & Maint - Building	664	648	103%	86	771%	2,001	3,629
168	168	100%	168	100%	Off-Site Storage	504	504	100%	504	100%	1,974	2,053
2,176	2,148	101%	2,148	101%	Utilities - Other	6,962	4,948	141%	4,948	141%	25,123	29,093
151	15	1007%	150	101%	Utilities - Telephone/Fax	703	315	223%	450	156%	1,377	1,608
520	442	118%	442	117%	Bank Charges	1,436	758	189%	757	190%	1,382	3,949
(582)	0	0%	18	-3195%	Cash Short/(Over)	383	0	0%	103	373%	0	419
200	200	100%	175	114%	Cell Phone	650	675	96%	575	113%	2,475	2,250
3,149	3,481	90%	3,481	90%	City Surcharge R & R	9,441	10,074	94%	7,393	128%	39,852	39,855
(42)	131	-32%	131	-32%	Copier/Photocopies	18	166	11%	166	11%	671	614
1,742	2,352	74%	2,352	74%	Credit Card Discounts	7,581	9,070	84%	8,069	94%	27,744	23,013
0	0	0%	0	0%	Donations	(267)	0	0%	0	0%	0	97
0	0	0%	0	0%	Dues & Subscriptions	0	150	0%	150	0%	1,109	459
0	0	0%	0	0%	Education & Training	0	0	0%	0	0%	200	0
633	440	144%	40	1585%	Employee Relations	955	653	146%	553	173%	1,922	2,207
3,858	3,871	100%	3,796	102%	Insurance Expense	11,575	11,538	100%	11,388	102%	46,377	45,898
0	0	0%	0	0%	Member Relations	38	131	29%	131	29%	649	38
0	0	0%	0	0%	Messenger Service - Fedex	104	83	126%	83	125%	403	452
0	0	0%	0	0%	Miscellaneous	(36)	906	-4%	1,006	-4%	1,675	669
0	5,800	0%	5,800	0%	O/S - Accounting	12,000	12,000	100%	12,000	100%	12,000	12,000
0	0	0%	0	0%	O/S - Legal	0	0	0%	0	0%	80	0
350	0	0%	0	0%	O/S - Other	350	0	0%	0	0%	0	350
2,291	366	626%	366	627%	Payroll Processing Fee	3,880	791	491%	790	491%	3,535	9,777
81	0	0%	0	0%	Postage/Shipping	142	39	365%	39	363%	634	239
0	(30)	0%	(30)	0%	Tax/Licenses/Fees	(90)	(60)	150%	(60)	150%	(100)	(285)
43	30	144%	30	144%	Travel - Meals	128	92	139%	91	140%	683	1,929
1,837	569	323%	69	2665%	Travel - Other	4,186	3,287	127%	2,788	150%	13,523	10,521
0	0	0%	0	0%	Employee Meals	0	200	0%	0	0%	669	25
18,139	25,363	72%	19,678	92%	TOTAL OPERATING EXPENSES	66,181	65,101	102%	55,522	119%	205,607	208,483
(28,872)	(36,030)	80%	(31,424)	92%	EBITDA	(98,326)	(97,102)	101%	(87,067)	113%	(334,765)	(336,446)
5,713	5,827	98%	5,713	100%	Management Fee	17,139	17,481	98%	18,795	91%	69,924	68,554
5,713	5,827	98%	5,713	100%	Management Fees	17,139	17,481	98%	18,795	91%	69,924	68,554
37	98	38%	98	38%	Deprec - Mach & Equip	111	294	38%	293	38%	1,176	1,745
117	283	41%	283	41%	Deprec - Buildings	348	849	41%	850	41%	3,396	8,718
154	381	40%	381	40%	S/T DEPR. & AMORT	459	1,143	40%	1,143	40%	4,572	10,463
(34,738)	(42,238)	82%	(37,518)	93%	NET INCOME	(115,923)	(115,726)	100%	(107,005)	108%	(409,261)	(415,463)

The Golf Club at Cypress Head
Marketing
For the Three Months Ending December 31, 2016

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	
					PAYROLL							
3,563	3,371	106%	3,578	100%	Gross Payroll - Salaried	10,281	10,113	102%	10,236	100%	40,452	40,441
3,563	3,371	106%	3,578	100%	S/T Wages	10,281	10,113	102%	10,236	100%	40,452	40,441
256	258	99%	268	96%	Payroll Tax - FICA	738	774	95%	739	100%	3,096	2,899
0	5	0%	0	0%	Payroll Tax - UC	0	15	0%	0	0%	206	163
57	70	81%	98	58%	Payroll Tax - WC	189	210	90%	215	88%	868	769
423	408	104%	537	79%	Benefits	1,256	1,224	103%	1,235	102%	4,981	4,600
736	741	99%	902	82%	S/T Adders	2,183	2,223	98%	2,190	100%	9,151	8,431
4,299	4,112	105%	4,480	96%	TOTAL PAYROLL	12,464	12,336	101%	12,426	100%	49,603	48,872
					OPERATING EXPENSES							
575	2,028	28%	1,778	32%	Advertising & Promotion	3,808	4,536	84%	4,036	94%	16,247	19,003
0	1,500	0%	0	0%	Miscellaneous	900	4,616	19%	11,616	8%	11,616	900
0	100	0%	116	0%	Travel - Other	112	300	37%	232	48%	1,200	283
0	0	0%	0	0%	Website Expenses	0	0	0%	900	0%	4,000	2,100
575	3,628	16%	1,893	30%	TOTAL OPERATING EXPENSES	4,820	9,452	51%	16,784	29%	33,063	22,287
(4,874)	(7,740)	63%	(6,374)	76%	EBITDA	(17,285)	(21,788)	79%	(29,210)	59%	(82,666)	(71,158)
(4,874)	(7,740)	63%	(6,374)	76%	NET INCOME	(17,285)	(21,788)	79%	(29,210)	59%	(82,666)	(71,158)

The Golf Club at Cypress Head

For the Three Months Ending December 31, 2016

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	
					REVENUES							
95,092	92,965	102%	97,965	97%	Green Fees & Cart Fees	270,264	277,464	97%	212,201	127%	1,116,089	1,135,330
4,869	4,454	109%	4,454	109%	Merchandise	15,633	14,015	112%	11,516	136%	57,514	58,436
825	720	115%	720	115%	Other Pro Shop	1,754	1,697	103%	1,247	141%	11,540	15,012
2,776	2,773	100%	3,173	87%	Range	8,352	7,730	108%	6,230	134%	34,679	36,272
0	0	0%	0	0%	Food and Beverage	0	0	0%	0	0%	0	137
3,149	3,481	90%	3,481	90%	Other Operating Revenues	9,441	10,074	94%	7,393	128%	39,852	39,855
106,710	104,393	102%	109,794	97%	TOTAL REVENUE	305,444	310,980	98%	238,586	128%	1,259,674	1,285,042
					COST OF SALES							
2,789	3,118	89%	4,004	70%	Merchandise	9,095	9,811	93%	10,081	90%	40,260	35,203
2,789	3,118	89%	4,004	70%	TOTAL COGS	9,095	9,811	93%	10,081	90%	40,260	35,203
57.3%	70.0%	81.8%	89.9%	63.7%	COGS - Merchandise %	58.2%	70.0%	83.1%	87.5%	66.5%	70.0%	720.5%
					PAYROLL							
32,688	29,287	112%	30,861	106%	Course and Grounds	91,418	87,303	105%	91,009	100%	351,366	339,967
6,431	8,267	78%	7,204	89%	Carts, Range, Starters, Etc.	20,221	24,596	82%	17,253	117%	92,546	84,060
2,931	4,676	63%	5,508	53%	Pro Shop	11,087	13,881	80%	15,856	70%	55,398	48,440
10,733	10,667	101%	11,746	91%	General and Administrative	32,145	32,001	100%	31,545	102%	129,158	127,963
4,299	4,112	105%	4,480	96%	Marketing	12,464	12,336	101%	12,426	100%	49,603	48,872
57,081	57,009	100%	59,800	95%	TOTAL PAYROLL	167,335	170,117	98%	168,088	100%	678,071	649,301
					OPERATING EXPENSES							
16,767	15,653	107%	16,165	104%	Course and Grounds	57,105	57,898	99%	52,378	109%	212,591	252,356
6,328	6,942	91%	8,368	76%	Carts, Range, Starters, Etc.	20,701	21,876	95%	22,872	91%	85,302	78,537
1,339	275	487%	0	0%	Pro Shop	1,064	1,399	76%	574	185%	9,015	10,597
0	0	0%	0	0%	Food and Beverage	0	0	0%	185	0%	0	137
18,139	25,363	72%	19,678	92%	General and Administrative	66,181	65,101	102%	55,522	119%	205,607	208,483
575	3,628	16%	1,893	30%	Marketing	4,820	9,452	51%	16,784	29%	33,063	22,287
43,149	51,861	83%	46,104	94%	TOTAL OPERATING EXPENSES	149,871	155,726	96%	148,315	101%	545,578	572,396
103,019	111,988	92%	109,908	94%	TOTAL EXPENSES	326,300	335,654	97%	326,484	100%	1,263,909	1,256,900
3,690	(7,595)	-49%	(114)	-3234%	EBITDA	(20,856)	(24,674)	85%	(87,897)	24%	(4,235)	28,142

The Golf Club at Cypress Head

For the Three Months Ending December 31, 2016

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	
3,690	(7,595)	-49%	(114)	-3234%	EBITDA	(20,856)	(24,674)	85%	(87,897)	24%	(4,235)	28,142
(5,713)	(5,827)	98%	(5,713)	100%	MANAGEMENT FEES	(17,139)	(17,481)	98%	(18,795)	91%	(69,924)	(68,554)
					OTHER INCOME (EXPENSE)							
(154)	(381)	40%	(381)	40%	Depreciation & Amortization	(459)	(1,143)	40%	(1,143)	40%	(4,572)	(10,463)
(154)	(381)	40%	(381)	40%	TOTAL OTHER INCOME (EXPENSE)	(459)	(1,143)	40%	(1,143)	40%	(4,572)	(10,463)
(2,176)	(13,803)	16%	(6,208)	35%	NET INCOME	(38,454)	(43,298)	89%	(107,836)	36%	(78,731)	(50,875)
2,778	2,880	96%	3,080	90%	Paid Rounds	8,578	8,683	99%	6,783	126%	38,696	36,673
795	503	158%	873	91%	Annual Pass Rounds	2,205	1,445	153%	1,715	129%	5,051	9,147
260	231	113%	251	104%	Other Rounds	685	627	109%	467	147%	2,812	2,655
3,833	3,614	106%	4,204	91%	Total Rounds	11,468	10,755	107%	8,965	128%	46,559	48,475
38	36	106%	36	108%	Revenue/Paid Rounds	36	36	99%	35	101%	33	420
28	29	96%	26	107%	Revenue/Total Rounds	27	29	92%	27	100%	27	316

TRIAL BALANCE SUMMARY FOR 2016

The Golf Club at Cypress Head

General Ledger

Ranges: **From:** **To:**
Date: 12/1/2016 12/31/2016
Account: First Last

Sorted By: Account
Include: Posting, Unit
Print Currency In: Functional (Z-US$)

Inactive	Account	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
	10020-5950-900	Cash - Course Depository NEW	$99,969.70	$129,707.13	$169,720.77	($40,013.64)	$59,956.06
	10100-5950-900	Cash - Course Other	$850.00	$0.00	$0.00	$0.00	$850.00
	10120-5950-900	Cash - New Payroll	$0.00	$43,681.70	$43,681.70	$0.00	$0.00
	10180-5950-900	Cash - Pro Shop Bank	$500.00	$0.00	$0.00	$0.00	$500.00
	11160-5950-900	A/R Member	$2,699.69	$4,768.11	$7,127.88	($2,359.77)	$339.92
	12000-5950-900	Inventory - Merchandise	$20,868.70	$5,180.69	$2,789.13	$2,391.56	$23,260.26
	13020-5950-900	Prepaid Insurance	$10,572.71	$8,041.00	$3,858.39	$4,182.61	$14,755.32
	13040-5950-900	Prepaid Exp - Other	$5,886.56	$48,000.00	$48,952.59	($952.59)	$4,933.97
	20100-5950-900	Machinery & Equipment	$5,550.40	$0.00	$0.00	$0.00	$5,550.40
	20160-5950-900	Buildings and Improvements	$30,597.54	$0.00	$0.00	$0.00	$30,597.54
	22040-5950-900	Accum. Deprec - Mach & Equip	($3,125.96)	$0.00	$36.87	($36.87)	($3,162.83)
	22080-5950-900	Accum. Deprec - Buildings	($21,415.71)	$0.00	$116.74	($116.74)	($21,532.45)
	30000-5950-900	Accts Pay - Trade	($58,768.70)	$205,747.74	$171,482.99	$34,264.75	($24,503.95)
	30040-5950-900	Accts Pay - Other	$109,766.18	$10,489.82	$10,366.93	$122.89	$109,889.07
	31000-5950-900	Accrued Expenses	($2,564.17)	$2,564.17	$4,669.30	($2,105.13)	($4,669.30)
	31020-5950-900	Accrued Payroll	($10,951.79)	$4,787.71	$9,868.64	($5,080.93)	($16,032.72)
	31080-5950-900	Accrued Tips Payable	($42.00)	$100.00	$120.00	($20.00)	($62.00)
	31220-5950-900	Accrued Sales Tax	$1,992.87	$18.06	$5,830.28	($5,812.22)	($3,819.35)
	31400-5950-900	Accrued City Surcharge	$0.00	$3,148.53	$3,148.53	$0.00	$0.00
	32000-5950-900	Deferred Rev - Rainchecks	($2,280.78)	$705.27	$225.31	$479.96	($1,800.82)
	32020-5950-900	Deferred Rev - Outing Deposits	($460.00)	$3,301.22	$5,757.67	($2,456.45)	($2,916.45)
	32040-5950-900	Deferred Rev - Legacy GF Passes	($49,641.47)	$4,964.15	$0.00	$4,964.15	($44,677.32)
	32050-5950-900	Deferred Revenue - Cypress GF Passes	($46,968.34)	$4,846.73	$1,499.00	$3,347.73	($43,620.61)
	32060-5950-900	Deferred Rev - Gift Certificates	($4,639.14)	$4,500.00	$0.00	$4,500.00	($139.14)
	32070-5950-900	Deferred Rev - Gift Cards	($18,767.70)	$686.92	$5,673.28	($4,986.36)	($23,754.06)
	32100-5950-900	Deferred Rev - Credit Books	($14,881.72)	$1,160.21	$1,536.15	($375.94)	($15,257.66)
	32120-5950-900	Deferred Rev - Trail Fee Pass	($90,040.67)	$10,489.74	$2,701.22	$7,788.52	($82,252.15)
	32220-5950-900	Deferred Rev - Founders Pass	($984.83)	$98.48	$0.00	$98.48	($886.35)
	49020-5950-900	Retained Earnings - Current	$1.12	$0.00	$0.00	$0.00	$1.12
	50000-5950-100	Green Fees - Annual Pass	($19,304.05)	$0.00	$9,909.36	($9,909.36)	($29,213.41)
	50040-5950-100	Green Fees - Member	($77,666.52)	$0.00	$45,178.34	($45,178.34)	($122,844.86)
	50070-5950-100	Green Fees - (surcharge)	($6,292.83)	$3,148.53	$6,297.06	($3,148.53)	($9,441.36)
	50500-5950-200	Cart Fee 18	($53,900.84)	$0.00	$27,716.52	($27,716.52)	($81,617.36)
	50520-5950-200	Cart Fee - Annual Trail	($18,008.14)	$0.00	$9,139.13	($9,139.13)	($27,147.27)
	52090-5950-600	Handicap Fee	($40.00)	$0.00	$280.00	($280.00)	($320.00)
	52150-5950-600	Lessons	($579.05)	$0.00	$345.00	($345.00)	($924.05)
	52280-5950-600	Rental Clubs	($310.00)	$0.00	$200.00	($200.00)	($510.00)
	52310-5950-600	Retail	($10,763.86)	$0.00	$4,868.68	($4,868.68)	($15,632.54)
	53050-5950-220	Range Pass Revenue	($5,576.08)	$0.00	$2,775.82	($2,775.82)	($8,351.90)
	56120-5950-100	City Surcharge R & R	($6,292.83)	$0.00	$3,148.53	($3,148.53)	($9,441.36)
	60000-5950-600	COGS - Merchandise - Accessories	$6,305.63	$2,789.13	$0.00	$2,789.13	$9,094.76
	70000-5950-100	Gross Payroll - Salaried	$17,991.50	$9,953.43	$878.24	$9,075.19	$27,066.69
	70000-5950-900	Gross Payroll - Salaried	$16,276.84	$10,981.89	$2,843.50	$8,138.39	$24,415.23
	70000-5950-950	Gross Payroll - Salaried	$6,718.55	$3,865.56	$302.64	$3,562.92	$10,281.47
	70010-5950-100	Gross Payroll - Hourly	$29,831.07	$18,637.80	$1,351.90	$17,285.90	$47,116.97
	70010-5950-200	Gross Payroll - Hourly	$12,318.27	$6,437.75	$620.24	$5,817.51	$18,135.78
	70010-5950-600	Gross Payroll - Hourly	$7,364.28	$3,024.65	$354.59	$2,670.06	$10,034.34
	71000-5950-100	Payroll Tax - FICA	$3,416.30	$2,012.84	$158.34	$1,854.50	$5,270.80
	71000-5950-200	Payroll Tax - FICA	$993.41	$502.53	$47.37	$455.16	$1,448.57
	71000-5950-600	Payroll Tax - FICA	$584.21	$231.38	$27.13	$204.25	$788.46
	71000-5950-900	Payroll Tax - FICA	$1,361.92	$753.50	$65.52	$687.98	$2,049.90
	71000-5950-950	Payroll Tax - FICA	$481.71	$277.72	$21.57	$256.15	$737.86
	71010-5950-100	Payroll Tax - UC	$359.47	$145.33	$0.00	$145.33	$504.80
	71010-5950-200	Payroll Tax - UC	$186.68	$56.27	$0.00	$56.27	$242.95
	71010-5950-600	Payroll Tax - UC	$58.80	$12.24	$0.00	$12.24	$71.04
	71020-5950-100	Payroll Tax - WC	$967.29	$406.99	$0.00	$406.99	$1,374.28
	71020-5950-200	Payroll Tax - WC	$283.85	$93.85	$0.00	$93.85	$377.70

TRIAL BALANCE SUMMARY FOR 2016

The Golf Club at Cypress Head

Inactive	Account	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
	71020-5950-600	Payroll Tax - WC	$148.86	$44.06	$0.00	$44.06	$192.92
	71020-5950-900	Payroll Tax - WC	$459.82	$157.67	$0.00	$157.67	$617.49
	71020-5950-950	Payroll Tax - WC	$132.68	$56.72	$0.00	$56.72	$189.40
	71030-5950-100	Benefits	$6,164.17	$6,125.85	$2,205.70	$3,920.15	$10,084.32
	71030-5950-200	Benefits	$7.37	$44.46	$35.93	$8.53	$15.90
	71030-5950-900	Benefits	$3,313.78	$3,195.16	$1,446.64	$1,748.52	$5,062.30
	71030-5950-950	Benefits	$832.45	$616.68	$193.60	$423.08	$1,255.53
	80110-5950-200	Cart Supplies	$456.42	$0.00	$0.00	$0.00	$456.42
	80170-5950-100	Course Accessories	$2,395.37	$496.44	$0.00	$496.44	$2,891.81
	80230-5950-100	Fertilizer	$6,090.74	$2,781.77	$0.00	$2,781.77	$8,872.51
	80270-5950-100	Fuel	$1,235.24	$1,354.24	$0.00	$1,354.24	$2,589.48
	80280-5950-100	Fungicides	$1,071.00	$0.00	$0.00	$0.00	$1,071.00
	80320-5950-100	Herbicides	$3,087.60	$648.75	$0.00	$648.75	$3,736.35
	80370-5950-100	Insecticides	$3,755.25	$1,572.00	$0.00	$1,572.00	$5,327.25
	80380-5950-900	Janitorial Supplies	$358.69	$187.06	$0.00	$187.06	$545.75
	80420-5950-900	Laundry/Uniforms	$48.67	$160.12	$0.00	$160.12	$208.79
	80520-5950-600	Office Supplies	$0.00	$461.01	$0.00	$461.01	$461.01
	80520-5950-900	Office Supplies	$302.00	$93.42	$0.00	$93.42	$395.42
	80610-5950-220	Range Balls	$1,455.00	$0.00	$0.00	$0.00	$1,455.00
	80620-5950-220	Range Equipment	$206.59	$132.00	$0.00	$132.00	$338.59
	80690-5950-100	Sand/Topdress	$999.17	$925.52	$0.00	$925.52	$1,924.69
	80710-5950-100	Seeds/Trees	$4,400.00	$0.00	$0.00	$0.00	$4,400.00
	80730-5950-100	Small Tools	$364.73	$245.95	$0.00	$245.95	$610.68
	80780-5950-600	Supplies	$0.00	$877.50	$0.00	$877.50	$877.50
	80810-5950-600	Tournament Expense	($424.97)	$0.00	$0.00	$0.00	($424.97)
	81010-5950-900	Alarm System	$732.50	$411.25	$0.00	$411.25	$1,143.75
	81130-5950-900	Computer Service	$380.96	$190.46	$0.00	$190.46	$571.42
	81200-5950-900	Guest Relations	$0.00	$31.94	$0.00	$31.94	$31.94
	81220-5950-600	Handicap Expense	$150.00	$0.00	$0.00	$0.00	$150.00
	81250-5950-100	Irrigation	$52.07	$400.00	$0.00	$400.00	$452.07
	81350-5950-100	Repair & Maint - Equipment	$3,096.60	$1,092.45	$0.00	$1,092.45	$4,189.05
	81350-5950-900	Repair & Maint - Equipment	$1,926.68	$51.26	$0.00	$51.26	$1,977.94
	81360-5950-900	Repair & Maint - Building	$225.00	$439.35	$0.00	$439.35	$664.35
	82000-5950-200	Cart Lease	$10,711.34	$5,355.67	$0.00	$5,355.67	$16,067.01
	82020-5950-100	Equipment Lease	$9,772.50	$4,886.25	$0.00	$4,886.25	$14,658.75
	82060-5950-900	Off-Site Storage	$336.00	$168.00	$0.00	$168.00	$504.00
	83000-5950-100	Utlities - Electric	$477.56	$214.59	$0.00	$214.59	$692.15
	83000-5950-200	Utilities - Electric	$1,543.36	$840.79	$0.00	$840.79	$2,384.15
	83020-5950-100	Utlities - Other	$2,745.14	$1,687.68	$0.00	$1,687.68	$4,432.82
	83020-5950-900	Utilities - Other	$4,786.11	$2,175.75	$0.00	$2,175.75	$6,961.86
	83030-5950-100	Utlities - Telephone/Fax	$198.72	$99.37	$0.00	$99.37	$298.09
	83030-5950-900	Utilities - Telephone/Fax	$551.47	$425.06	$274.00	$151.06	$702.53
	83050-5950-100	Utlities - Water	$479.66	$275.29	$0.00	$275.29	$754.95
	84030-5950-950	Adv/Promo - Local/Regional Print	$700.00	$0.00	$0.00	$0.00	$700.00
	84040-5950-950	Adv/Promo - Mktg/Bus Dev	$2,532.70	$575.35	$0.00	$575.35	$3,108.05
	85020-5950-900	Bank Charges	$916.08	$1,519.67	$1,000.17	$519.50	$1,435.58
	85050-5950-900	Cash Short/(Over)	$964.56	$231.61	$813.48	($581.87)	$382.69
	85060-5950-900	Cell Phone	$450.00	$200.00	$0.00	$200.00	$650.00
	85070-5950-900	City Surcharge R & R	$6,292.83	$3,148.53	$0.00	$3,148.53	$9,441.36
	85110-5950-900	Copier/Photocopies	$59.94	$0.00	$42.22	($42.22)	$17.72
	85120-5950-900	Credit Card Discounts	$5,838.77	$1,742.08	$0.00	$1,742.08	$7,580.85
	85140-5950-900	Donations	($266.95)	$0.00	$0.00	$0.00	($266.95)
	85190-5950-900	Employee Relations	$322.12	$632.81	$0.00	$632.81	$954.93
	85200-5950-100	Employee Testing	$116.00	$87.00	$0.00	$87.00	$203.00
	85280-5950-900	Insurance Expense	$7,716.78	$3,858.39	$0.00	$3,858.39	$11,575.17
	85320-5950-900	Member Relations	$37.50	$0.00	$0.00	$0.00	$37.50
	85330-5950-900	Messenger Service - Fedex	$104.18	$0.00	$0.00	$0.00	$104.18
	85340-5950-900	Miscellaneous	($35.64)	$0.00	$0.00	$0.00	($35.64)
	85340-5950-950	Miscellaneous	$900.00	$0.00	$0.00	$0.00	$900.00
	85390-5950-900	O/S - Accounting	$12,000.00	$0.00	$0.00	$0.00	$12,000.00
	85430-5950-900	O/S - Other	$0.00	$350.00	$0.00	$350.00	$350.00
	85480-5950-900	Payroll Processing Fee	$1,588.64	$3,581.43	$1,290.00	$2,291.43	$3,880.07
	85490-5950-900	Postage/Shipping	$61.38	$81.00	$0.00	$81.00	$142.38

TRIAL BALANCE SUMMARY FOR 2016

The Golf Club at Cypress Head

Inactive	Account	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
	85610-5950-900	Tax/Licenses/Fees	($90.00)	$0.00	$0.00	$0.00	($90.00)
	85710-5950-900	Travel - Meals	$84.47	$43.20	$0.00	$43.20	$127.67
	85720-5950-900	Travel - Other	$2,349.03	$1,836.75	$0.00	$1,836.75	$4,185.78
	85720-5950-950	Travel - Other	$112.32	$0.00	$0.00	$0.00	$112.32
	90000-5950-900	Management Fee	$11,425.70	$5,712.85	$0.00	$5,712.85	$17,138.55
	98020-5950-900	Deprec - Mach & Equip	$73.74	$36.87	$0.00	$36.87	$110.61
	98040-5950-900	Deprec - Buildings	$231.48	$116.74	$0.00	$116.74	$348.22
	RCMWD-5950-100	Rounds - Complimentary - Weekday	10,403.00	141.00	0.00	141.00	10,544.00
	REMWD-5950-100	Rounds - Employee - Weekday	16,728.00	119.00	0.00	119.00	16,847.00
	RMBWD-5950-100	Rounds - Member - Weekday	58,114.00	795.00	0.00	795.00	58,909.00
	RPKWD-5950-100	Rounds - Peak - Weekday	307,941.00	2,778.00	0.00	2,778.00	310,719.00
	RPKWE-5950-100	Rounds - Peak - Weekend	5,071.00	0.00	0.00	0.00	5,071.00

	Accounts	Beginning Balance	Debit	Credit	Net Change	Ending Balance
Grand Totals:	**132**	**$0.00**	**$622,994.59**	**$622,994.59**	**$0.00**	**$0.00**

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January 20th, 2017

Robin Fenwick
City of Port Orange
100 City Center Circle
Port Orange, FL 32129

Dear Ms. Fenwick,

The following is the financial and operational summary report for December 2016 at Cypress Head Golf Club.

FINANCIAL SUMMARY FOR MONTH ENDING December 2016									
	Current				Year to Date				
Revenue	Actual	Budget	Variance vs. Budget		Actual	Budget	Prior Year	Variance vs. Budget	
Green Fees	$ 58,236	$ 52,466	$ 5,770		$ 161,500	$ 156,140	$ 124,289	$ 5,360	
Cart Fees	$ 36,856	$ 40,499	$ (3,643)		$ 108,765	$ 121,324	$ 87,912	$ (12,559)	
Range	$ 2,776	$ 2,773	$ 3		$ 8,352	$ 7,730	$ 6,230	$ 622	
Pro- Shop Revenues	$ 5,694	$ 5,174	$ 520		$ 17,387	$ 15,712	$ 12,763	$ 1,675	
City Surcharge R/R	$ 3,149	$ 3,481	$ (332)		$ 9,441	$ 10,074	$ 7,393	$ (633)	
Total Revenue	**$ 106,711**	**$ 104,393**	**$ 2,318**		**$ 305,445**	**$ 310,980**	**$ 238,587**	**$ (5,535)**	
Cost of Sales	$ 2,789	$ 3,116	$ (327)		$ 9,095	$ 9,811	$ 10,081	$ (716)	
Merchandise	$ 2,789	$ 3,116	$ (327)	57%	$ 9,095	$ 9,811	$ 10,081	$ (716)	58%
Gross Margin	**$ 103,922**	**$ 101,277**	**$ 2,645**		**$ 296,350**	**$ 301,169**	**$ 228,506**	**$ (4,819)**	
Total Payroll	$ 57,081	$ 57,009	$ 72		$ 167,335	$ 170,117	$ 168,088	$ (2,782)	
Total Operating Expenses	$ 43,149	$ 51,861	$ (8,712)		$ 149,871	$ 155,726	$ 148,315	$ (5,855)	
Net Operating Income	$ 3,692	$ (7,593)	$ 11,285		$ (20,856)	$ (24,674)	$ (87,897)	$ 3,818	
Other Expenses	$ 6,019	$ 6,589	$ (570)		$ 17,903	$ 19,386	$ 20,700	$ (1,483)	
Management Fee	$ 5,713	$ 5,827	$ (114)		$ 17,139	$ 17,481	$ 18,795	$ (342)	
Interest Expense	$ 154	$ 381	$ (227)		$ 459	$ 1,143	$ 1,143	$ (684)	
Depreciation	$ 152	$ 381	$ 545		$ 305	$ 762	$ 762	$ (457)	
Net Cash From Ops	$ (2,327)	$ (14,182)	$ 11,855		$ (38,759)	$ (44,060)	$ (108,597)	$ 5,301	
Rounds									
Total Rounds	3,833	3,614	219		11,468	10,755	8,965	713	
Avg. Green Fee/Cart Fee	$24.81	$25.72	$ (0.91)		$23.57	$25.80	$23.67	$ (2.23)	
Avg. Merchandise/round	$1.49	$1.43	$ 0.05		$1.52	$1.46	$1.42	$ 0.06	

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Overview:

- Overall revenues for December finished at $106,710 versus a budgeted amount of $104,393. The range revenue was equal to the budgeted amount for the month. The pro shop and merchandise sales exceeded budget by $520.00 as well.

- Total payroll for the month was equal to the budgeted amount projected and the staff completed the final stages of debris removal from Hurricane Matthew.

- The insurance estimates regarding losses for the property, tree removal, loss of income from days closed and extra labor hours for Hurricane debris removal is still being finalized and we expect to have totals in January of 2017.

- Our operating expenses were under budget due to the timing of certain budgeted items and payment for the invoice on the accounting audit.

- The month of December is the third month in our fiscal year with the revenues being slightly behind budget due to losses as a result of course closure in October. Total payroll YTD is under budget by $2,782.00 with total expenses being under budget as well by $5,855.00.

R&R Projects:

- Under the R & R program we purchased a new Hoshizaki Ice & water dispenser for the clubhouse during the month of December.

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Tee Sheet Activity:

- We had 3,833 total rounds for the month with 2,778 paid rounds, 795 Annual with Cypress Pass member rounds and 260 other rounds. The total rounds for the month included 2,558 eighteen hole rounds and 747 nine hole rounds.

- The Golf staff continues to monitor daily tee sheet activity and they are trained to recognize underutilization of the tee sheet and offer promotional prices through the website to increase the number of potential players.

December 2016 and YTD rounds mix:

Type	Actual	Budget	Month- P.Y.	Y.T.D	P.Y-Y.T.D
Paid	**2778**	**2880**	**3080**	**8578**	**6783**
Annual	795	503	873	2205	1715
Other rounds	260	231	251	685	467
Total Rounds	**3833**	**3614**	**4204**	**11468**	**8965**

Departmental Summaries:

Course & Grounds/Range

- With the clean-up from Matthew basically finished, the maintenance team is continuing to follow along with the agronomic plans set forth from last autumn. Our plans consisted of staying as aggressive as temperatures allow in regards to cultural practices such as verticutting and topdressing, use of plant growth regulators and fertilizers. Mowing, blowing, edging, and spot spraying has continued on schedule there again letting temperature and conditions dictate.

- Our superintendent, Jason Chennault, had a 3 day demonstration with a rough mower that will make a significant impact to the playability and bottom line for us and we are moving forward in the purchase of that machine.

- The range continues to be a benefit to all players improving their skills and we illuminate the range on Friday and Saturday evenings to allow for more extended usage of the facility. This helps to enhance the overall experience for all golfers using the practice area.

Golf Shop/Carts

- New merchandise continues to arrive in preparation for the upcoming winter season. During the month of December we promoted the 12 days of Christmas sale as well as a gift card promotion. Merchandise is regularly updated to enhance the professional nature of the golf shop and help promote merchandise sales. Vendors include Footjoy, Titleist, Callaway, Bridgestone, Page & Tuttle, Bermuda Sands, Ahead headwear and St Andrews products. We continue to hold specials promoting different manufacturers to compete with the large box stores locally. There was $6,914.00 in gift card sales purchased for the month as well as over $5,694.00 in pro-shop sales.

- We continue to follow all regular maintenance procedures regarding the cart fleet which includes registering monthly totals for battery amperage and mileage as well as proper watering of all batteries to protect all warranties associated with the new fleet. In addition to the monthly process our carts are inspected daily for any damage which may have occurred during normal play. We continue to be committed to providing quality carts for the enjoyment of all our players.

- The staff at Cypress Head Golf Course continues to offer lesson packages for beginners as well as advanced players. We hosted a Holiday Junior golf clinic during school vacation which was well attended.

- The MGA and WGA leagues continue to play on a weekly basis and the number of players has increased as more of our northern friends return to their homes here in Port Orange and Volusia County. We have also added a weekly Homeowner's nine & dine event where the players enjoy nine holes of golf followed by dinner at the Tavern. These groups have been well attended and they continue to enjoy the camaraderie of playing here at Cypress Head.

Marketing and Sales:

- Ms. Reggie Hunter, our Director of Sales & Marketing, is actively involved with the community and is focusing on booking new & previous clients for tournament events in 2017.

- Cypress Head a WGA VIP golf tournament which included over 80 players from adjoining golf courses from Volusia County. We received many positive comments regarding the condition and playability of the course.

- In December we hosted a charity event for a local Spruce Creek high school student called Cannonballs for Kayne. Cypress Head Golf Club pledged $1.00 per round played during a weekend in December which collected over $600.00 for his medical expenses. Cypress Head Golf Club is committed to being an active partner in our community.

- Cypress Head was a collection site again this year for the Toys for Tots program. Through the generosity of our community, we were able to donate over 200 toys to this worthy cause.

- We are continuing our involvement with Daytona CVB, Golf Pac, and Tee-Times USA along with other National wholesaler and Golf Now to maximize utilization of our tee sheet.

- We continue to maintain our database of emails with over 9,900 unique e-mail addresses. The golf staff continues to register player profiles including residency, phone numbers and proper classifications of all players. This process will allow us an opportunity to offer promotions to our database to experience all that Cypress Head has to offer.

- Ms. Hunter continues to cultivate her relationships in the community by her continued involvement in the POSD Chamber, POSD Ambassadors program, Daytona Beach Chamber, SEV Chamber and the POSD Rotary club.

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Mindshare Reviews and Comments:

Report run: 1/23/2017 12:14 PM MST
Data current as of: 1/23/2017 12:14 PM MST

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REPORT CRITERIA	
Date of Survey	12/1/16 - 12/31/16
Select level:	Cypress Head

Number of Surveys: 25

	#	Zip Code	Date Golfed	Date of Survey	Tee Time	Overall Rating	Service Rating	Course Rating	Food Rating	Recommend Rating	NPS	Overall Rating w/o F&B	Comments
Totals						9.2	9.5	8.6	8.7	9.2	76.0	9.1	
Cypress Head						9.2	9.5	8.6	8.7	9.2	76.0	9.1	
Golf						9.2	9.5	8.6	8.7	9.2	76.0	9.1	

- There were over 650 questionnaires mailed out to players during the month with an overall rating for the golf course receiving a 9.2. We also received a recommended rating of 9.2 and our service rating is at 9.5.

- We continue to assist all players by helping them to enjoy their experience here at Cypress Head. There were some reviews that had constructive ideas to help us improve in some areas which we will evaluate as a team. The comments returned by the players in this avenue are useful tools in helping our maintenance and golf staff team improve. We also review all negative comments and they are discussed by our team and if required we will contact the individual to help us better understand their concerns. Players also have access to a suggestion box which is located at the clubhouse near the Men's and Ladies bulletin boards.

Corporate Support:

- Kemper Sports Center for Excellence – Ongoing resource.

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Summary:

- Our entire team including golf staff, outside services and maintenance are prepared for the upcoming winter season. There is a price increase scheduled for January and we will continue to offer the best in class customer service and course conditions.

- The Cypress Passes will continue to be offered for sale and promoted by all staff members and advertising avenues available. There will also be multiple marketing promotions offered during the upcoming month designed to increase use of the lighted driving range, merchandise sales and specials including and involving the Tavern restaurant.

Respectfully Submitted,

Bob Duquette, PGA

General Manager
The Golf Club at Cypress Head.