AGENDA

GOLF ADVISORY BOARD

CITY OF PORT ORANGE

Meeting Date: Tuesday, February 5, 2019

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. Consideration of Minutes - December 4, 2018
3. Discussion on Cypress Head Golf Course Audit
4. Financial Reports and Evaluation Reports
5. Discussion on Golf Course general landscaping
6. Discussion on Resolution 92-32
7. Staff Comments
8. Items for Next Agenda

D. BOARD COMMENTS

E. NEXT MEETING DATE

F. 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 AN 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, CITYCLERK@PORT-ORANGE.ORG, AS FAR IN ADVANCE AS POSSIBLE, BUT PREFERABLY 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 7-1-1 or 1-800-955-8771. UPON REQUEST BY A QUALIFIED INDIVIDUAL WITH A DISABILITY, THIS DOCUMENT WILL BE MADE AVAILABLE IN AN ALTERNATE FORMAT. IF YOU NEED TO REQUEST THIS DOCUMENT IN AN ALTERNATE FORMAT, PLEASE CONTACT THE CITY CLERK WHOSE CONTACT INFORMATION IS PROVIDED ABOVE.

GOLF ADVISORY BOARD MEETING MINUTES
CITY OF PORT ORANGE
1000 CITY CENTER CIRCLE – CITY HALL
2ND FLOOR CONFERENCE ROOM
PORT ORANGE, FLORIDA
DECEMBER 4, 2018 AT 5:00 P.M.

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

Present:	John Cameron
	Richard Lee, Chairman
	Dennis Flesch
	Jane Taylor, Vice Chairman
	Lance Green
	Scott Stiltner, Council Member (arrived late)
Also Present:	Susan Lovallo, Parks & Recreation Director
	Shelby Field, Assistant City Clerk

B. ELECTION OF OFFICERS

Motion was made by Member Taylor to nominate Member Lee for Chairman, Seconded by Member Green. Member Lee accepted the nomination. Motion carried unanimously by voice vote.

Motion was made by Member Flesch to nominate Member Cameron for Vice Chairman, Seconded by Member Taylor. Member Cameron accepted the nomination. Motion carried unanimously by voice vote.

C. PUBLIC COMMENTS

There were none.

D. DISCUSSION/ACTION

2. Consideration of Minutes – August 7, 2018

Motion to approve the Minutes from August 7, 2018 was made by Member Taylor and Seconded by Member Cameron. Motion carried unanimously by voice vote.

3. Financial Reports and Evaluation Reports

Bob Duquette, General Manager for Kemper Sports, provided an overview of the financial and evaluation reports. Mr. Duquette stated the number of annual pass holders is continuing to decline. Chairman Lee asked if it was worthwhile to the few remaining legacy annual pass holders at this point and if it was financially beneficial. Susan Lovallo, Parks and Recreation Director, stated this issue can be brought back to the meeting in June, after ticket sales have finished for the year, in order to make a recommendation on the future of the passes going forward.

Mr. Duquette stated the Regional 2018 FHASAHF3 Region 2 Junior golf tournament they hosted recently went very well. Mr. Duquette informed the board that the reviews the golf course receives online are very good.

Mr. Duquette stated that the year-end numbers beat the budgeted numbers, even making money for the City itself. Ms. Lovallo wanted to make it clear the City was happy with this. She explained that the money made for the City by the golf course goes into the City debt. Member Cameron stated he believes the money made should remain with the golf course. Ms. Lovallo replied in order to change where the money goes City Council would have to discuss it.

Councilman Stiltner stated council would like to see the golf course stand on its own. He believes it's an asset to the city and provides greater property values.

4. Discussion on Golf Course general landscaping

Member Cameron appreciates the effort to control the weeds the golf course is taking and recommended they continue to stay on top of it.

Mr. Duquette stated they are now doing hand applications of weed killer on the more difficult spots to address the issues and hopefully stop them from coming back.

Councilman Stiltner asked if using reclaimed water affects the plant growth. Mr. Duquette responded it does, due to the mineral content in the water.

5. Discussion on Cypress Head Passes

There were no comments. Chairman Lee requested it continue to a future agenda.

6. Discussion on Section 50-81

Ms. Lovallo stated this is on the agenda for the board to review. Chairman Lee stated he does not believe the board needs to do anything with Section 50-81 at this time.

7. Discussion Resolution 92-32

Vice Chairman Taylor recommended the board review the resolution and send any changes they recommend to Ms. Lovallo to compile and bring to the next meeting.

8. 2019 Proposed Meeting Dates

Ms. Lovallo discussed the 2019 Proposed Meeting dates. She suggested moving it back to quarterly instead of the current schedule of the first Tuesday of every other month. The board would like to remain with the current schedule of every other month.

10. Staff Comments

There were none.

11. Items for Next Agenda

Course general landscaping
Discussion on Resolution 92-32

E. BOARD COMMENTS

Member Green asked Mr. Duquette if it was in the budget for next year to repair or grind down the cement cart paths. Mr. Duquette does not believe so at this time but will investigate getting a quote about it. Member Green believes this is an issue that needs to be addressed because they are a hazard in their current state. Ms. Lovallo stated the city will spray paint the hazardous spots in the meantime to recognize them.

Vice Chairman Taylor is worried about the restaurant and does not want to see Kevin Hannah, restaurant owner, go. The board agrees Mr. Hannah is doing well despite starting at a bad time and would like to see him stay and continue making changes.

Ms. Lovallo informed the board Mr. Hannah is currently working on advertising for the restaurant to bring in more business.

F. NEXT MEETING DATE- February 5, 2019

G. ADJOURNMENT – 6:10pm

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Chairman Richard Lee

AGREEMENT FOR GOLF COURSE MANAGEMENT SERVICES AT CYPRESS HEAD

FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

AGREEMENT FOR GOLF COURSE MANAGEMENT SERVICES AT CYPRESS HEAD
TABLE OF CONTENTS
SEPTEMBER 30, 2018

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, 2018, 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.

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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, 2018, 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, 2018, and the changes in its financial position and its cash flows for the year then ended in accordance 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 January 8, 2019, 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
January 8, 2019

AGREEMENT FOR GOLF COURSE MANAGEMENT SERVICES AT CYPRESS HEAD
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
SEPTEMBER 30, 2018

ASSETS

Current assets		
Cash and cash equivalents	$	145,875
Accounts receivable		107,885
Due from the City of Port Orange, Florida		6,386
Inventories		16,567
Prepaids and other current assets		31,570
Total current assets		308,283
Capital assets		
Building improvements		30,598
Machinery and equipment		5,550
Accumulated depreciation		(26,529)
Capital assets, net		9,619
Total Assets	$	317,902

LIABILITIES AND NET POSITION

Current liabilities		
Accounts payable and accrued liabilities	$	62,841
Unearned revenue		255,061
Total current liabilities		317,902
Net position		
Net investment in capital assets		9,619
Unrestricted		(9,619)
Total net position		-
Total Liabilities and Net Position	$	317,902

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, 2018

Operating Revenue	
Charges for Services:	
Green fees and membership charges	$ 660,178
Cart rentals and trail fees	449,348
Pro-shop sales and merchandise	83,916
Food and beverage sales	121,454
Surcharges	73,632
Total operating revenue	1,388,528
Operating Expenses	
Personell services	701,298
Cost of sales	101,002
Materials and supplies	114,225
Utilities	65,930
Maintenance and repairs	33,782
Depreciation	1,146
Management fees	75,067
Other expenses	159,642
Total operating expenses	1,252,092
Operating income to City of Port Orange, Florida before transfers	136,436
Transfers from (to) the City of Port Orange, Florida	
For loss from operations	28,440
For maintenance and usage of equipment	(128,061)
For debt service	-
For renewal and replacement surcharges	(36,815)
Total transfers from (to) the City of Port Orange, Florida	(136,436)
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, 2018

Cash flows from operating activities	
Cash received from customers	$ 1,359,427
Cash paid for personell services	(699,997)
Cash paid to suppliers	(564,068)
Net cash provided by operating activities	95,362
Cash flows from noncapital and related financing activities	
Net cash payments from (to) the City of Port Orange, Florida	(164,407)
Net (decrease) in cash and cash equivalents	(69,045)
Cash and cash equivalents, beginning of year	214,920
Cash and cash equivalents, end of year	$ 145,875
Reconciliation of operating income to net cash provided by operating activities	
Operating income	$ 136,436
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	1,146
Decrease (increase) in current assets:	
Accounts receivable	(9,228)
Inventories	4,815
Prepaids and other current assets	(4,506)
Increase (decrease) in current liabilities:	
Accounts payable and accrued liabilities	(13,428)
Unearned revenue	(19,873)
Net cash provided by operating activities	$ 95,362

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 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, 2018, 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. 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. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. 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 15-76.

(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.

(l) **Subsequent events—**The Course has evaluated events and transactions for potential recognition of disclosure in financial statements through January 8, 2019, 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, 2018, the carrying amount of the Golf Course's deposits was $145,456, 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. There was a subsequent addendum to the agreement during the year ended September 30, 2017, to increase the management fee by 15% beginning September 1, 2017 through March 31, 2018 due to temporary resumption of the Food and Beverage management services. 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. The current agreement will expire on September 30, 2020.

Management fees incurred for the year ended September 30, 2018, are as follows:

Golf Course management fee	$ 69,925
Food and beverage management fee	5,142
Incentive management fee	-
Total Management Fees	$ 75,067

(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, 2018, 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	$	128,061
Repayment of interfund capital loan		-
Golf Course operating expenses incurred by the City		4,259
Surcharge for restricted renewal and replacement reserve collected and paid to the City		36,815
Cash transfers to City		131,849

(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, 2018, the Golf Course contributed $1,760 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 2018 fiscal year was as follows:

	Balance September 30, 2017	Increases	Decreases	Balance September 30, 2018
Capital assets				
Building improvements	$ 30,598	$ -	$ -	$ 30,598
Machinery and equipment	5,550	-	-	5,550
Total capital assets	36,148	-	-	36,148
Accumulated depreciation				
Building improvements	(22,053)	(869)	-	(22,922)
Machinery and equipment	(3,330)	(277)	-	(3,607)
Total accumulated depreciation	(25,383)	(1,146)	-	(26,529)
Capital assets, net	$ 10,765	$ (1,146)	$ -	$ 9,619

Depreciation expense for the year ended September 30, 2018 was $1,146.

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, 2018, 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 January 8, 2019.

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. 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.

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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 January 8, 2019.

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
January 8, 2019

James Moore
Certified Public Accountants and Consultants

January 8, 2019

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, 2018, and have issued our report thereon dated January 8, 2019. 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 June 5, 2018, our responsibility, as described by professional standards, is to form and express an opinion 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 January 8, 2019.

Planned Scope and Timing of the Audit

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

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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, 2018. 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 January 8, 2019.

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

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 noted management took action to recognize certain old gift certificates as revenue in response to our prior year recommendation. However, we recommend management produce a systematic and rational method to also recognize gift cards and credit memos as revenue if left unused after a reasonable amount of time has passed.

Management Response: Completed partial recognition of old gift certificates in FY2018.

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 is working with the City to establish a process where the data is backed up to the cloud.

CURRENT YEAR COMMENTS

Cypress Pass Rate

The rate for a non-resident cypress pass was set at $2,118 for the year ended September 30, 2019, which exceeds the maximum rate established by the City of Port Orange Resolution No. 15-76 of $2,100. However, the Golf Course did not sell any such passes, and as such, there was no financial statement impact. We recommend management resolve this issue to comply with all applicable requirements set by the City.

Management Response: Management will revise rate structure to be proposed to council for approval in FY2019.

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

The Golf Club at Cypress Head
Course Cash Flow Report
December 31, 2018

	December	*YTD*
EBITDA	**($1,126.26)**	**($6,899.02)**
Management Fee Expense	**(5,943.66)**	**(17,830.98)**
Depreciation & Amortization	**(95.53)**	**(286.59)**
Net Income	**(7,165.45)**	**(25,016.59)**
Working Capital Changes		
Inventory	**1,517.64**	**(2,730.01)**
Receivables	**514.03**	**107,576.21**
Payables	**(12,755.58)**	**(16,600.71)**
Due to from the City	**(135.42)**	**762.09**
Prepaids	**(2,761.28)**	**6,404.16**
Accrued Liabilities	**3,650.10**	**(5,755.64)**
Other Liabilities	**(13,297.47)**	**(80,701.05)**
Depreciation & Amortization	**95.53**	**286.59**
Operating Cash Flow	**(30,337.90)**	**(15,774.95)**
Investing Cash Flows		
Financing Cash Flow		
Net Cash Flows	**(30,337.90)**	**(15,774.95)**
Beginning Cash	**160,437.90**	**145,874.95**
Net Cash Flows	**(30,337.90)**	**(15,774.95)**
Ending Cash	**130,100.00**	**130,100.00**

The Golf Club at Cypress Head

For the Three Months Ending December 31, 2018

	12/31/18	09/30/18	12/31/17
ASSETS			
CURRENT ASSETS:			
Cash			
Cash - Depository	99,022	113,142	144,788
Cash - Payroll	29,728	31,383	35,937
Cash - Manual Checks	850	850	850
Cash - Housebank & Other	500	500	700
Total Cash	130,100	145,875	182,275
Accounts Receivable			
A/R Member	309	107,885	990
Total Accounts Recievable	309	107,885	990
Other Current Assets			
Inventory - Merchandise	19,297	16,567	17,312
Inventory - Food & Beverage	0	0	8,701
Prepaid Insurance	16,544	20,601	16,756
Prepaid Exp - Other	8,623	10,969	2,283
Total Other Current Assets	44,463	48,137	45,052
TOTAL CURRENT ASSETS	174,872	301,897	228,316
PROPERTY, PLANT AND EQUIPMENT:			
Buildings & Improvements	30,598	30,598	30,598
Machinery & Equipment	5,550	5,550	5,550
Property Plant and Equipment	36,148	36,148	36,148
Accumulated Depreciation	(26,816)	(26,529)	(25,844)
TOTAL PROPERTY, PLANT AND EQUIPMENT	9,332	9,619	10,304
OTHER ASSETS:			
Deposits (in ST section of chart)	0	0	3,000
TOTAL OTHER ASSETS	0	0	3,000
TOTAL ASSETS	184,204	311,516	241,621

The Golf Club at Cypress Head

For the Three Months Ending December 31, 2018

	12/31/18	09/30/18	12/31/17
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accts Pay - Trade	12,863	29,464	14,783
Accts Pay - Other	22,817	22,055	22,149
Accrued Expenses	1,116	480	486
Accrued Payroll	21,217	29,420	19,846
Accrued Taxes	5,287	3,477	6,890
Deferred Revenue	174,362	255,063	202,477
TOTAL CURRENT LIBILITIES	237,663	339,958	266,630
TOTAL LIABILITIES	237,663	339,958	266,630
STOCKHOLDER'S EQUITY			
Retained Earnings	(53,459)	(28,442)	(25,010)
Net Retained Earnings	(53,459)	(28,442)	(25,010)
Stockholders Equity	(53,459)	(28,442)	(25,010)
TOTAL STOCKHOLDER'S EQUITY	(53,459)	(28,442)	(25,010)
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	184,204	311,516	241,621

The Golf Club at Cypress Head
Course Cash Flow Report
For the Year Ended December 31, 2018

	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	(7,009)	1,237	(1,126)	0	0	0	0	0	0	0	0	0	(6,899)
Management Fee Expense	(5,944)	(5,944)	(5,944)	0	0	0	0	0	0	0	0	0	(17,831)
Depreciation & Amortization	(96)	(96)	(96)	0	0	0	0	0	0	0	0	0	(287)
Net Income	(13,049)	(4,803)	(7,165)	0	0	0	0	0	0	0	0	0	(25,017)
Working Capital Changes													
Inventory	(1,972)	(2,275)	1,518	0	0	0	0	0	0	0	0	0	(2,730)
Receivables	103,675	3,387	514	0	0	0	0	0	0	0	0	0	107,576
Prepaid Expenses	4,583	4,583	(2,761)	0	0	0	0	0	0	0	0	0	6,404
Payables	(3,400)	(445)	(12,756)	0	0	0	0	0	0	0	0	0	(16,601)
Due to from the City	909	(12)	(135)	0	0	0	0	0	0	0	0	0	762
Accrued Expenses	6,055	(15,461)	3,650	0	0	0	0	0	0	0	0	0	(5,756)
Deferred Revenues	(62,311)	(5,093)	(13,297)	0	0	0	0	0	0	0	0	0	(80,701)
Depreciation & Amortization	96	96	96	0	0	0	0	0	0	0	0	0	287
Operating Cash Flow	34,586	(20,023)	(30,338)	0	0	0	0	0	0	0	0	0	(15,775)
Investing Activities													
Financing Activites													
Net Cash Flows	34,586	(20,023)	(30,338)	0	0	0	0	0	0	0	0	0	(15,775)
Beginning Cash	145,875	180,461	160,438	130,100	128,561	128,561	128,561	128,561	128,561	128,561	128,561	128,561	1,645,361
Net Cash Flows	34,586	(20,023)	(30,338)	0	0	0	0	0	0	0	0	0	(15,775)
Ending Cash	180,461	160,438	130,100	130,100	128,561	128,561	128,561	128,561	128,561	128,561	128,561	128,561	1,629,586

The Golf Club at Cypress Head
Summary of All Units
For the Three Months Ending December 31, 2018

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							
51,208	55,854	92%	56,882	90%	Green Fees	157,686	161,468	98%	162,536	97%	714,205	657,258
30,669	38,734	79%	34,945	88%	Cart Fee	98,612	114,818	86%	104,178	95%	479,252	443,782
180	20	900%	100	180%	Handicap Fee	210	60	350%	120	175%	4,280	4,259
210	250	84%	0	0%	Lessons	775	555	140%	305	254%	4,861	7,851
130	240	54%	240	54%	Rental Clubs	630	690	91%	690	91%	3,200	3,400
5,585	5,000	112%	4,858	115%	Retail	15,775	17,300	91%	16,950	93%	66,700	67,731
2,150	3,500	61%	3,271	66%	Range	7,137	9,600	74%	8,845	81%	41,000	33,178
0	0	0%	11,334	0%	Food & Beverage	0	0	0%	35,844	0%	0	27,474
0	0	0%	5,183	0%	Beer	0	0	0%	16,103	0%	0	18,224
0	0	0%	3,669	0%	Liquor	0	0	0%	10,483	0%	0	9,241
0	0	0%	919	0%	Wine	0	0	0%	2,166	0%	0	1,730
0	0	0%	0	0%	F&B Other	0	0	0%	191	0%	0	0
2,515	3,000	84%	3,023	83%	City Surcharge R & R	8,295	9,300	89%	9,170	90%	39,300	35,940
0	0	0%	0	0%	Miscellaneous G&A	472	0	0%	0	0%	0	472
92,647	106,598	87%	124,425	74%	Total Revenues	289,593	313,791	92%	367,581	79%	1,352,798	1,310,540
					COST OF GOODS SOLD							
3,306	3,000	110%	3,168	104%	COGS - Merchandise	9,633	10,380	93%	10,415	92%	40,020	40,491
0	0	0%	5,705	0%	COGS - Food & Beverage	0	0	0%	13,861	0%	0	15,698
0	0	0%	2,676	0%	COGS - Beer	0	0	0%	7,104	0%	0	10,564
0	0	0%	1,108	0%	COGS - Liquor	0	0	0%	2,589	0%	0	4,049
0	0	0%	432	0%	COGS - Wine	0	0	0%	812	0%	0	895
3,306	3,000	110%	13,088	25%	Total COGS	9,633	10,380	93%	34,781	28%	40,020	71,697
89,342	103,598	86%	111,336	80%	**GROSS MARGIN**	279,960	303,411	92%	332,800	84%	1,312,778	1,238,843
59.18%	60.00%	98.64%	65.20%	90.77%	COGS - Merchandise %	61.06%	60.00%	101.77%	61.44%	99.38%	60.00%	711.00%
0.00%	0.00%	0.00%	50.33%	0.00%	COGS - Food & Beverage %	0.00%	0.00%	0.00%	38.67%	0.00%	0.00%	156.34%
0.00%	0.00%	0.00%	51.64%	0.00%	COGS - Beer %	0.00%	0.00%	0.00%	44.12%	0.00%	0.00%	153.45%
0.00%	0.00%	0.00%	30.20%	0.00%	COGS - Liquor %	0.00%	0.00%	0.00%	24.70%	0.00%	0.00%	87.73%
0.00%	0.00%	0.00%	46.97%	0.00%	COGS - Wine %	0.00%	0.00%	0.00%	37.50%	0.00%	0.00%	113.55%
0.00%	0.00%	0.00%	47.01%	0.00%	COGS - All Food & Bev	0.00%	0.00%	0.00%	37.72%	0.00%	0.00%	143.55%
					PAYROLL							
18,781	18,882	99%	16,459	114%	Gross Payroll - Salaried	55,909	56,509	99%	47,873	117%	227,198	222,714
0	0	0%	5,110	0%	Gross Kitchen Payroll - Salaried	0	0	0%	16,923	0%	0	16,333
23,326	34,448	68%	24,417	96%	Gross Payroll - Hourly	72,370	102,167	71%	79,675	91%	405,532	292,012
0	0	0%	6,617	0%	Gross Kitchen Payroll - Hourly	0	0	0%	20,007	0%	0	14,543
42,107	53,330	79%	52,604	80%	S/T Wages	128,278	158,676	81%	164,478	78%	632,730	545,601
3,020	4,080	74%	3,887	78%	Payroll Tax - FICA	9,240	12,139	76%	12,022	77%	48,404	38,910
66	169	39%	200	33%	Payroll Tax - UC	242	563	43%	842	29%	5,240	2,913
676	995	68%	941	72%	Payroll Tax - WC	2,366	2,959	80%	3,296	72%	12,146	9,704
5,673	5,597	101%	5,985	95%	Benefits	16,474	16,790	98%	17,437	94%	68,264	62,696
9,435	10,840	87%	11,013	86%	S/T Adders	28,322	32,451	87%	33,596	84%	134,054	114,224
51,542	64,170	80%	63,617	81%	**TOTAL PAYROLL**	156,600	191,127	82%	198,073	79%	766,784	659,825
					OPERATING EXPENSES							
0	0	0%	29	0%	Bar Supplies	0	0	0%	76	0%	0	68
227	575	40%	576	39%	Cart Supplies	362	605	60%	608	59%	2,005	1,238
368	1,100	33%	1,174	31%	Chemicals	664	2,350	28%	2,461	27%	5,350	3,053
17	0	0%	0	0%	Course Accessories	806	180	448%	188	428%	1,805	3,367
0	0	0%	976	0%	Dining Room Supplies	0	0	0%	1,669	0%	0	2,358
2,076	900	231%	920	226%	Fertilizer	5,821	5,900	99%	3,346	174%	32,900	24,300
0	0	0%	0	0%	Flowers/Decor	0	0	0%	0	0%	750	59
461	1,200	38%	0	0%	Fuel	3,971	3,900	102%	2,822	141%	14,400	11,767
0	500	0%	522	0%	Fungicides	0	800	0%	850	0%	4,450	601
0	1,300	0%	1,299	0%	Herbicides	1,550	3,900	40%	3,910	40%	23,200	17,796
0	80	0%	79	0%	Insecticides	529	1,080	49%	1,044	51%	19,805	13,922
471	400	118%	408	116%	Janitorial Supplies	1,200	1,200	100%	1,293	93%	5,300	5,679
0	0	0%	220	0%	Kitchen Supplies	0	0	0%	377	0%	0	598
0	0	0%	592	0%	Laundry/Linens	0	0	0%	867	0%	0	598
0	0	0%	0	0%	Laundry/Uniforms	200	780	26%	1,212	17%	1,780	702
198	250	79%	262	76%	Office Supplies	1,136	2,140	53%	2,546	45%	5,177	4,210
0	0	0%	0	0%	Range Balls	1,325	1,300	102%	1,325	100%	2,900	2,650
0	200	0%	207	0%	Range Equipment	172	285	61%	294	59%	1,085	1,241
0	0	0%	0	0%	Range Expenses	0	0	0%	0	0%	0	439
1,079	0	0%	0	0%	Sand/Topdress	1,079	1,600	67%	1,011	107%	14,300	7,200
749	0	0%	0	0%	Seeds/Trees	4,315	4,400	98%	0	0%	4,400	7,495
31	150	21%	41	76%	Small Tools	91	300	30%	74	123%	1,050	306
0	0	0%	0	0%	Staff/Volunteer Uniforms	0	0	0%	0	0%	850	0
0	100	0%	0	0%	Supplies	0	300	0%	0	0%	1,075	1,634
0	80	0%	0	0%	Tournament Expense	48	240	20%	(278)	-17%	960	517
262	80	328%	79	332%	Alarm System	1,141	360	317%	368	310%	1,490	2,548

The Golf Club at Cypress Head
Summary of All Units
For the Three Months Ending December 31, 2018

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	
0	0	0%	0	0%	Carpet Cleaning	0	0	0%	0	0%	550	0
0	100	0%	212	0%	Cart Repairs	141	300	47%	451	31%	1,200	329
0	150	0%	151	0%	Computer Service	0	450	0%	454	0%	2,400	773
812	812	100%	812	100%	Contract Cleaning	2,436	2,436	100%	2,489	98%	9,744	9,744
20	0	0%	0	0%	Guest Relations	20	60	33%	64	31%	60	20
150	0	0%	0	0%	Handicap Expense	150	0	0%	0	0%	4,225	4,306
0	0	0%	0	0%	Indoor Plant Maint	0	0	0%	0	0%	100	0
1,063	1,100	97%	1,172	91%	Irrigation	1,131	1,530	74%	1,587	71%	6,680	6,626
0	75	0%	0	0%	Lesson Expense	0	150	0%	0	0%	450	286
0	0	0%	125	0%	Pest Control	0	0	0%	375	0%	0	0
1,059	1,800	59%	1,994	53%	Repair & Maint - Equipment	3,915	5,300	74%	5,265	74%	22,950	20,118
78	300	26%	105	74%	Repair & Maint - Building	1,032	900	115%	682	151%	3,700	3,969
6,225	5,136	121%	5,356	116%	Cart Lease	17,825	15,407	116%	16,067	111%	61,627	66,026
5,356	6,445	83%	5,316	101%	Equipment Lease	16,916	19,334	87%	16,408	103%	77,335	65,211
176	175	101%	168	105%	Off-Site Storage	528	525	101%	504	105%	2,100	2,100
1,141	1,200	95%	1,194	96%	Utilities - Electric	3,405	3,530	96%	3,550	96%	14,030	13,955
0	0	0%	584	0%	Utilities - Gas	0	0	0%	2,444	0%	0	1,946
3,871	3,300	117%	3,223	120%	Utilities - Other	11,024	9,300	119%	9,314	118%	40,860	41,365
304	250	122%	250	122%	Utilities - Telephone/Fax	863	750	115%	304	284%	3,000	3,369
212	250	85%	220	96%	Utilities - Water	692	750	92%	684	101%	2,800	2,641
983	1,500	66%	1,023	96%	Advertising & Promotion	4,162	5,600	74%	4,966	84%	24,000	17,218
315	475	66%	498	63%	Bank Charges	2,775	1,425	195%	1,448	192%	4,525	6,769
(46)	0	0%	(221)	21%	Cash Short/(Over)	(229)	0	0%	(589)	39%	0	(1,869)
150	200	75%	200	75%	Cell Phone	500	600	83%	550	91%	2,400	2,292
2,515	3,000	84%	3,023	83%	City Surcharge R & R	8,295	9,300	89%	9,170	90%	39,300	35,940
0	0	0%	0	0%	Copier/Photocopies	0	175	0%	0	0%	175	0
1,980	2,400	82%	2,472	80%	Credit Card Discounts	5,321	8,400	63%	8,607	62%	29,300	23,065
(28)	0	0%	0	0%	Donations	(90)	0	0%	0	0%	300	760
58	50	116%	50	116%	Dues & Subscriptions	208	200	104%	200	104%	1,160	747
0	0	0%	0	0%	Education & Training	0	0	0%	0	0%	200	45
458	1,000	46%	955	48%	Employee Relations	458	1,050	44%	988	46%	1,945	814
29	30	97%	0	0%	Employee Testing	87	90	97%	93	93%	360	116
4,320	4,471	97%	4,341	100%	Insurance Expense	12,961	13,413	97%	13,024	100%	53,652	51,928
500	40	1250%	0	0%	Member Relations	500	120	417%	0	0%	480	500
0	30	0%	0	0%	Messenger Service - Fedex	0	90	0%	117	0%	360	159
0	0	0%	0	0%	Miscellaneous	20	0	0%	(57)	-36%	0	20
0	0	0%	0	0%	O/S - Accounting	8,000	10,000	80%	10,000	80%	12,360	13,000
0	700	0%	720	0%	O/S - Legal	0	700	0%	720	0%	780	0
0	0	0%	0	0%	O/S - Other	0	0	0%	0	0%	7,900	6,550
953	950	100%	966	99%	Payroll Processing Fee	1,600	1,950	82%	1,942	82%	6,450	5,597
108	150	72%	138	79%	Postage/Shipping	353	390	91%	369	96%	1,340	1,408
(30)	0	0%	(30)	100%	Tax/Licenses/Fees	(90)	0	0%	(90)	100%	0	(285)
0	0	0%	0	0%	Theft Loss	0	0	0%	82	0%	0	0
57	0	0%	98	59%	Travel - Meals	166	0	0%	205	81%	0	1,999
197	1,150	17%	60	328%	Travel - Other	775	3,450	22%	719	108%	13,800	7,526
0	0	0%	0	0%	Website Expenses	0	0	0%	0	0%	0	2,100
0	0	0%	0	0%	Employee Meals	0	0	0%	50	0%	0	119
38,925	44,153	88%	42,560	91%	TOTAL OPERATING EXPENSES	130,259	149,295	87%	139,222	94%	599,630	533,649
(1,126)	(4,726)	24%	5,159	-22%	EBITDA	(6,899)	(37,010)	19%	(4,495)	153%	(53,636)	45,369
5,944	5,884	101%	6,684	89%	Management Fee	17,831	17,652	101%	20,052	89%	70,608	72,846
5,944	5,884	101%	6,684	89%	Management Fees	17,831	17,652	101%	20,052	89%	70,608	72,846
23	23	101%	37	63%	Deprec - Mach & Equip	69	69	101%	111	63%	276	236
72	72	101%	117	62%	Deprec - Buildings	217	216	101%	350	62%	864	736
96	95	101%	154	62%	S/T DEPR. & AMORT	287	285	101%	461	62%	1,140	972
(7,165)	(10,705)	67%	(1,678)	427%	NET INCOME	(25,017)	(54,947)	46%	(25,008)	100%	(125,384)	(28,449)

The Golf Club at Cypress Head

For the Three Months Ending December 31, 2018

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							
81,877	94,588	87%	91,828	89%	Green Fees & Cart Fees	256,298	276,286	93%	266,714	96%	1,193,457	1,101,040
5,585	5,000	112%	4,858	115%	Merchandise	15,775	17,300	91%	16,950	93%	66,700	67,731
520	510	102%	340	153%	Other Pro Shop	1,615	1,305	124%	1,115	145%	12,341	15,510
2,150	3,500	61%	3,271	66%	Range	7,137	9,600	74%	8,845	81%	41,000	33,178
0	0	0%	21,105	0%	Food and Beverage	0	0	0%	64,786	0%	0	56,668
2,515	3,000	84%	3,023	83%	Other Operating Revenues	8,295	9,300	89%	9,170	90%	39,300	35,940
0	0	0%	0	0%	Other G&A Income	472	0	0%	0	0%	0	472
92,647	106,598	87%	124,425	74%	TOTAL REVENUE	289,593	313,791	92%	367,581	79%	1,352,798	1,310,540
					COST OF SALES							
3,306	3,000	110%	3,168	104%	Merchandise	9,633	10,380	93%	10,415	92%	40,020	40,491
0	0	0%	9,921	0%	Food & Beverage	0	0	0%	24,366	0%	0	31,206
3,306	3,000	110%	13,088	25%	TOTAL COGS	9,633	10,380	93%	34,781	28%	40,020	71,697
59.2%	60.0%	98.6%	65.2%	90.8%	COGS - Merchandise %	61.1%	60.0%	101.8%	61.4%	99.4%	60.0%	711.0%
0.0%	0.0%	0.0%	47.0%	0.0%	COGS - Food %	0.0%	0.0%	0.0%	37.7%	0.0%	0.0%	143.5%
					PAYROLL							
23,558	34,376	69%	23,795	99%	Course and Grounds	72,991	102,255	71%	74,395	98%	410,798	285,009
7,109	8,089	88%	7,284	98%	Carts, Range, Starters, Etc.	21,774	24,033	91%	23,476	93%	95,625	84,457
4,412	5,153	86%	2,453	180%	Pro Shop	12,972	15,292	85%	9,529	136%	60,916	60,440
0	0	0%	14,056	0%	Food and Beverage	0	0	0%	43,885	0%	0	38,082
11,723	12,322	95%	11,346	103%	General and Administrative	35,734	36,856	97%	33,802	106%	148,394	140,688
4,740	4,230	112%	4,683	101%	Marketing	13,130	12,691	103%	12,986	101%	51,051	51,149
51,542	64,170	80%	63,617	81%	TOTAL PAYROLL	156,600	191,127	82%	198,073	79%	766,784	659,825
					OPERATING EXPENSES							
14,673	16,405	89%	14,055	104%	Course and Grounds	47,140	55,494	85%	43,299	109%	260,225	211,897
7,387	7,011	105%	7,342	101%	Carts, Range, Starters, Etc.	22,566	20,797	109%	21,642	104%	80,417	82,961
238	255	94%	0	0%	Pro Shop	317	780	41%	(189)	-167%	6,900	6,865
0	0	0%	3,503	0%	Food and Beverage	0	0	0%	9,069	0%	0	8,814
15,645	18,883	83%	16,636	94%	General and Administrative	56,075	66,324	85%	60,491	93%	226,888	203,794
983	1,600	61%	1,023	96%	Marketing	4,162	5,900	71%	4,909	85%	25,200	19,318
38,925	44,153	88%	42,560	91%	TOTAL OPERATING EXPENSES	130,259	149,295	87%	139,222	94%	599,630	533,649
93,773	111,323	84%	119,265	79%	TOTAL EXPENSES	296,492	350,801	85%	372,076	80%	1,406,434	1,265,171
(1,126)	(4,726)	24%	5,159	-22%	EBITDA	(6,899)	(37,010)	19%	(4,495)	153%	(53,636)	45,369

The Golf Club at Cypress Head

For the Three Months Ending December 31, 2018

MTD Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY		YTD Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	
(1,126)	(4,726)	24%	5,159	-22%	EBITDA	(6,899)	(37,010)	19%	(4,495)	153%	(53,636)	45,369
(5,944)	(5,884)	101%	(6,684)	89%	MANAGEMENT FEES	(17,831)	(17,652)	101%	(20,052)	89%	(70,608)	(72,846)
					OTHER INCOME (EXPENSE)							
(96)	(95)	101%	(154)	62%	Depreciation & Amortization	(287)	(285)	101%	(461)	62%	(1,140)	(972)
(96)	(95)	101%	(154)	62%	TOTAL OTHER INCOME (EXPENSE)	(287)	(285)	101%	(461)	62%	(1,140)	(972)
(7,165)	(10,705)	67%	(1,678)	427%	NET INCOME	(25,017)	(54,947)	46%	(25,008)	100%	(125,384)	(28,449)
2,495	3,032	82%	2,794	89%	Paid Rounds	8,307	8,861	94%	8,688	96%	38,434	35,202
358	803	45%	635	56%	Annual Pass Rounds	1,174	2,227	53%	1,727	68%	8,541	6,346
212	142	149%	256	83%	Other Rounds	627	381	165%	687	91%	1,594	2,530
3,065	3,977	77%	3,685	83%	Total Rounds	10,108	11,469	88%	11,102	91%	48,569	44,078
37	35	106%	45	83%	Revenue/Paid Rounds	35	35	98%	42	82%	35	441
30	27	113%	34	90%	Revenue/Total Rounds	29	27	105%	33	87%	28	350

The Golf Club at Cypress Head
Comparative Income Statement
For the Three Months Ending December 31, 2018

	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	91,828	266,714	1,111,456	24%	81,877	256,298	1,193,457	21%
Merchandise	4,858	16,950	68,906	25%	5,585	15,775	66,700	24%
Other Pro Shop	340	1,115	15,010	7%	520	1,615	12,341	13%
Range	3,271	8,845	34,886	25%	2,150	7,137	41,000	17%
Food and Beverage	21,105	64,786	121,455	53%	0	0	0	
Other Operating Revenues	3,023	9,170	36,815	25%	2,515	8,295	39,300	21%
Other G&A Income	0	0	0		0	472	0	
TOTAL REVENUE	124,425	367,581	1,388,528	26%	92,647	289,593	1,352,798	21%
COST OF SALES								
Merchandise	3,168	10,415	41,273	25%	3,306	9,633	40,020	24%
Food & Beverage	9,921	24,366	55,573	44%	0	0	0	
TOTAL COGS	13,088	34,781	96,846	36%	3,306	9,633	40,020	24%
COGS - Merchandise %	65.2%	61.4%	59.9%	102.6%	59.2%	61.1%	60.0%	101.8%
COGS - Food %	47.0%	37.7%	45.8%	82.3%				
PAYROLL								
Course and Grounds	23,795	74,395	286,413	26%	23,558	72,991	410,798	18%
Carts, Range, Starters, Etc.	7,284	23,476	86,159	27%	7,109	21,774	95,625	23%
Pro Shop	2,453	9,529	56,997	17%	4,412	12,972	60,916	21%
Food and Beverage	14,056	43,885	81,967	54%	0	0	0	
General and Administrative	11,346	33,802	138,756	24%	11,723	35,734	148,394	24%
Marketing	4,683	12,986	51,006	25%	4,740	13,130	51,051	26%
TOTAL PAYROLL	63,617	198,073	701,298	28%	51,542	156,600	766,784	20%
OPERATING EXPENSES								
Course and Grounds	14,055	43,299	208,057	21%	14,673	47,140	260,225	18%
Carts, Range, Starters, Etc.	7,342	21,642	82,037	26%	7,387	22,566	80,417	28%
Pro Shop	0	(189)	6,359	-3%	238	317	6,900	5%
Food and Beverage	3,503	9,069	17,884	51%	0	0	0	
General and Administrative	16,636	60,491	208,210	29%	15,645	56,075	226,888	25%
Marketing	1,023	4,909	20,064	24%	983	4,162	25,200	17%
TOTAL OPERATING EXPENSES	42,560	139,222	542,612	26%	38,925	130,259	599,630	22%
TOTAL EXPENSES	119,265	372,076	1,340,755	28%	93,773	296,492	1,406,434	21%
OTHER INCOME (EXPENSE)								
MANAGEMENT FEES	(6,684)	(20,052)	(75,067)	27%	(5,944)	(17,831)	(70,608)	25%
Depreciation & Amortization	(154)	(461)	(1,146)	40%	(96)	(287)	(1,140)	25%
TOTAL OTHER INCOME (EXPENSE)	(6,838)	(20,513)	(76,213)	27%	(6,039)	(18,118)	(71,748)	25%
NET INCOME	(1,678)	(25,008)	(28,441)	88%	(7,165)	(25,017)	(125,384)	20%
Paid Rounds	2,794	8,688	35,583	17%	2,495	8,307	38,434	22%
Annual Pass Rounds	635	1,727	6,899	16%	358	1,174	8,541	14%
Other Rounds	256	687	2,590	17%	212	627	1,594	39%
Total Rounds	3,685	11,102	45,072	16%	3,065	10,108	48,569	21%
Revenue/Paid Rounds	45	42	39.02	106%	37	35	35	99%
Revenue/Total Rounds	34	33	30.81	106%	30	29	28	103%

TRIAL BALANCE SUMMARY FOR 2018

The Golf Club at Cypress Head

General Ledger

Ranges: From: To:
Date: 12/1/2018 12/31/2018
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	$128,772.35	$91,744.04	$121,494.03	($29,749.99)	$99,022.36
	10050-5950-900	Cash - Course Payroll BMO	$30,315.55	$38,520.84	$39,108.75	($587.91)	$29,727.64
	10100-5950-900	Cash - Course Other	$850.00	$0.00	$0.00	$0.00	$850.00
	10180-5950-900	Cash - Pro Shop Bank	$500.00	$0.00	$0.00	$0.00	$500.00
	11000-5950-900	A/R Trade	$0.00	$750.00	$750.00	$0.00	$0.00
	11160-5950-900	A/R Member	$823.02	$11,086.99	$11,601.02	($514.03)	$308.99
	12000-5950-900	Inventory - Merchandise	$20,814.39	$1,825.04	$3,342.68	($1,517.64)	$19,296.75
	13020-5950-900	Prepaid Insurance	$11,959.98	$8,904.00	$4,320.44	$4,583.56	$16,543.54
	13040-5950-900	Prepaid Exp - Other	$10,444.85	$9,063.66	$10,885.94	($1,822.28)	$8,622.57
	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	($3,653.42)	$0.00	$23.12	($23.12)	($3,676.54)
	22080-5950-900	Accum. Deprec - Buildings	($23,066.85)	$0.00	$72.41	($72.41)	($23,139.26)
	30000-5950-900	Accts Pay - Trade	($25,618.49)	$102,115.50	$89,359.92	$12,755.58	($12,862.91)
	30040-5950-900	Accts Pay - Other	($22,952.73)	$11,932.43	$11,797.01	$135.42	($22,817.31)
	31000-5950-900	Accrued Expenses	$0.00	$0.00	$1,116.42	($1,116.42)	($1,116.42)
	31020-5950-900	Accrued Payroll	($18,129.97)	$7,871.31	$10,900.81	($3,029.50)	($21,159.47)
	31080-5950-900	Accrued Tips Payable	($58.00)	$232.00	$232.00	$0.00	($58.00)
	31220-5950-900	Accrued Sales Tax	($5,782.39)	$5,782.39	$5,286.57	$495.82	($5,286.57)
	31400-5950-900	Accrued City Surcharge	$0.00	$2,515.44	$2,515.44	$0.00	$0.00
	32000-5950-900	Deferred Rev - Rainchecks	($2,741.85)	$3,428.46	$2,593.54	$834.92	($1,906.93)
	32020-5950-900	Deferred Rev - Outing Deposits	($8,636.58)	$8,518.01	$1,860.00	$6,658.01	($1,978.57)
	32040-5950-900	Deferred Rev - Legacy GF Passes	($37,298.08)	$3,729.81	$0.00	$3,729.81	($33,568.27)
	32050-5950-900	Deferred Revenue - Cypress GF Passes	($24,678.85)	$2,467.88	$0.00	$2,467.88	($22,210.97)
	32060-5950-900	Deferred Rev - Gift Certificates	($125.14)	$0.00	$0.00	$0.00	($125.14)
	32070-5950-900	Deferred Rev - Gift Cards	($23,514.37)	$680.47	$5,177.52	($4,497.05)	($28,011.42)
	32100-5950-900	Deferred Rev - Credit Books	($13,649.49)	$547.97	$365.58	$182.39	($13,467.10)
	32120-5950-900	Deferred Rev - Trail Fee Pass	($75,950.00)	$16,030.00	$12,215.00	$3,815.00	($72,135.00)
	32220-5950-900	Deferred Rev - Founders Pass	($1,065.08)	$106.51	$0.00	$106.51	($958.57)
	49020-5950-900	Retained Earnings - Current	$28,442.07	$0.00	$0.00	$0.00	$28,442.07
	50000-5950-100	Green Fees - Annual Pass	($12,608.40)	$0.00	$6,304.20	($6,304.20)	($18,912.60)
	50040-5950-100	Green Fees - Member	($88,089.72)	$0.00	$42,388.43	($42,388.43)	($130,478.15)
	50070-5950-100	Green Fees - (surcharge)	($5,779.59)	$2,515.44	$5,030.88	($2,515.44)	($8,295.03)
	50500-5950-200	Cart Fee 18	($52,753.76)	$0.00	$22,653.54	($22,653.54)	($75,407.30)
	50520-5950-200	Cart Fee - Annual Trail	($15,190.00)	$8,015.00	$16,030.00	($8,015.00)	($23,205.00)
	52090-5950-600	Handicap Fee	($30.00)	$0.00	$180.00	($180.00)	($210.00)
	52150-5950-600	Lessons	($565.00)	$0.00	$210.00	($210.00)	($775.00)
	52280-5950-600	Rental Clubs	($500.00)	$0.00	$130.00	($130.00)	($630.00)
	52310-5950-600	Retail	($10,190.20)	$300.00	$5,885.29	($5,585.29)	($15,775.49)
	53050-5950-220	Range Pass Revenue	($4,987.64)	$0.00	$2,149.78	($2,149.78)	($7,137.42)
	56120-5950-100	City Surcharge R & R	($5,779.59)	$0.00	$2,515.44	($2,515.44)	($8,295.03)
	59010-5950-900	Miscellaneous G&A	($472.00)	$0.00	$0.00	$0.00	($472.00)
	60000-5950-600	COGS - Merchandise - Accessories	$6,327.07	$3,305.59	$0.00	$3,305.59	$9,632.66
	70000-5950-100	Gross Payroll - Salaried	$14,244.51	$8,173.08	$1,167.58	$7,005.50	$21,250.01
	70000-5950-900	Gross Payroll - Salaried	$16,123.47	$9,252.63	$1,312.09	$7,940.54	$24,064.01
	70000-5950-950	Gross Payroll - Salaried	$6,760.03	$4,338.87	$504.40	$3,834.47	$10,594.50
	70010-5950-100	Gross Payroll - Hourly	$26,253.58	$14,511.15	$2,461.87	$12,049.28	$38,302.86
	70010-5950-200	Gross Payroll - Hourly	$13,239.11	$7,471.56	$1,043.49	$6,428.07	$19,667.18
	70010-5950-600	Gross Payroll - Hourly	$7,776.47	$4,662.53	$625.18	$4,037.35	$11,813.82
	70010-5950-900	Gross Payroll - Hourly	$1,774.20	$1,009.12	$197.33	$811.79	$2,585.99
	71000-5950-100	Payroll Tax - FICA	$2,862.56	$1,617.60	$277.65	$1,339.95	$4,202.51
	71000-5950-200	Payroll Tax - FICA	$1,066.28	$583.19	$79.83	$503.36	$1,569.64
	71000-5950-600	Payroll Tax - FICA	$604.89	$362.03	$47.83	$314.20	$919.09
	71000-5950-900	Payroll Tax - FICA	$1,202.01	$701.47	$115.47	$586.00	$1,788.01
	71000-5950-950	Payroll Tax - FICA	$483.66	$315.19	$38.59	$276.60	$760.26
	71010-5950-100	Payroll Tax - UC	$35.35	$24.73	$0.00	$24.73	$60.08
	71010-5950-200	Payroll Tax - UC	$123.60	$41.07	$0.00	$41.07	$164.67

TRIAL BALANCE SUMMARY FOR 2018

The Golf Club at Cypress Head

Inactive	Account	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
	71010-5950-600	Payroll Tax - UC	$15.05	$0.00	$0.00	$0.00	$15.05
	71010-5950-900	Payroll Tax - UC	$2.60	$0.00	$0.00	$0.00	$2.60
	71020-5950-100	Payroll Tax - WC	$780.14	$311.49	$0.00	$311.49	$1,091.63
	71020-5950-200	Payroll Tax - WC	$260.28	$104.02	$0.00	$104.02	$364.30
	71020-5950-600	Payroll Tax - WC	$163.83	$60.04	$0.00	$60.04	$223.87
	71020-5950-900	Payroll Tax - WC	$353.10	$142.61	$0.00	$142.61	$495.71
	71020-5950-950	Payroll Tax - WC	$132.10	$57.94	$0.00	$57.94	$190.04
	71030-5950-100	Benefits	$5,256.40	$5,090.61	$2,263.24	$2,827.37	$8,083.77
	71030-5950-200	Benefits	($24.90)	$73.75	$40.94	$32.81	$7.91
	71030-5950-900	Benefits	$4,555.94	$3,438.21	$1,196.43	$2,241.78	$6,797.72
	71030-5950-950	Benefits	$1,013.66	$945.37	$373.96	$571.41	$1,585.07
	80110-5950-200	Cart Supplies	$134.16	$227.45	$0.00	$227.45	$361.61
	80120-5950-100	Chemicals	$296.00	$368.00	$0.00	$368.00	$664.00
	80170-5950-100	Course Accessories	$789.29	$16.70	$0.00	$16.70	$805.99
	80230-5950-100	Fertilizer	$3,745.07	$2,076.00	$0.00	$2,076.00	$5,821.07
	80270-5950-100	Fuel	$3,510.04	$460.92	$0.00	$460.92	$3,970.96
	80320-5950-100	Herbicides	$1,549.87	$0.00	$0.00	$0.00	$1,549.87
	80370-5950-100	Insecticides	$528.63	$0.00	$0.00	$0.00	$528.63
	80380-5950-900	Janitorial Supplies	$729.47	$470.82	$0.00	$470.82	$1,200.29
	80420-5950-900	Laundry/Uniforms	$200.11	$0.00	$0.00	$0.00	$200.11
	80520-5950-600	Office Supplies	$30.16	$67.00	$0.00	$67.00	$97.16
	80520-5950-900	Office Supplies	$907.62	$131.33	$0.00	$131.33	$1,038.95
	80610-5950-220	Range Balls	$1,325.00	$0.00	$0.00	$0.00	$1,325.00
	80620-5950-220	Range Equipment	$172.44	$0.00	$0.00	$0.00	$172.44
	80690-5950-100	Sand/Topdress	$0.00	$1,078.57	$0.00	$1,078.57	$1,078.57
	80710-5950-100	Seeds/Trees	$3,566.00	$749.00	$0.00	$749.00	$4,315.00
	80730-5950-100	Small Tools	$59.96	$31.10	$0.00	$31.10	$91.06
	80810-5950-600	Tournament Expense	$48.02	$0.00	$0.00	$0.00	$48.02
	81010-5950-900	Alarm System	$878.61	$262.28	$0.00	$262.28	$1,140.89
	81090-5950-200	Cart Repairs	$140.50	$0.00	$0.00	$0.00	$140.50
	81140-5950-900	Contract Cleaning	$1,624.00	$812.00	$0.00	$812.00	$2,436.00
	81200-5950-900	Guest Relations	$0.00	$20.00	$0.00	$20.00	$20.00
	81220-5950-600	Handicap Expense	$0.00	$149.50	$0.00	$149.50	$149.50
	81250-5950-100	Irrigation	$68.12	$1,063.11	$0.00	$1,063.11	$1,131.23
	81350-5950-100	Repair & Maint - Equipment	$2,648.85	$981.97	$13.00	$968.97	$3,617.82
	81350-5950-220	Repair & Maint - Equipment	$20.86	$0.00	$0.00	$0.00	$20.86
	81350-5950-900	Repair & Maint - Equipment	$186.37	$90.00	$0.00	$90.00	$276.37
	81360-5950-600	Repair & Maint - Building	$0.00	$21.96	$0.00	$21.96	$21.96
	81360-5950-900	Repair & Maint - Building	$953.97	$56.40	$0.00	$56.40	$1,010.37
	82000-5950-200	Cart Lease	$11,600.17	$6,224.50	$0.00	$6,224.50	$17,824.67
	82020-5950-100	Equipment Lease	$11,560.17	$5,355.67	$0.00	$5,355.67	$16,915.84
	82060-5950-900	Off-Site Storage	$352.00	$176.00	$0.00	$176.00	$528.00
	83000-5950-100	Utlities - Electric	$479.04	$205.61	$0.00	$205.61	$684.65
	83000-5950-200	Utilities - Electric	$1,785.79	$935.00	$0.00	$935.00	$2,720.79
	83020-5950-100	Utlities - Other	$2,990.29	$1,919.87	$0.00	$1,919.87	$4,910.16
	83020-5950-900	Utilities - Other	$4,162.92	$1,950.75	$0.00	$1,950.75	$6,113.67
	83030-5950-100	Utlities - Telephone/Fax	$137.92	$137.86	$0.00	$137.86	$275.78
	83030-5950-900	Utilities - Telephone/Fax	$420.58	$166.42	$0.00	$166.42	$587.00
	83050-5950-100	Utlities - Water	$479.65	$212.24	$0.00	$212.24	$691.89
	84040-5950-950	Adv/Promo - Mktg/Bus Dev	$3,179.72	$982.77	$0.00	$982.77	$4,162.49
	85020-5950-900	Bank Charges	$2,459.66	$314.87	$0.00	$314.87	$2,774.53
	85050-5950-900	Cash Short/(Over)	($183.51)	$12.10	$57.65	($45.55)	($229.06)
	85060-5950-900	Cell Phone	$350.00	$150.00	$0.00	$150.00	$500.00
	85070-5950-900	City Surcharge R & R	$5,779.59	$2,515.44	$0.00	$2,515.44	$8,295.03
	85120-5950-900	Credit Card Discounts	$3,340.96	$1,979.72	$0.00	$1,979.72	$5,320.68
	85140-5950-900	Donations	($62.00)	$0.00	$28.00	($28.00)	($90.00)
	85150-5950-900	Dues & Subscriptions	$150.00	$57.83	$0.00	$57.83	$207.83
	85190-5950-900	Employee Relations	$0.00	$947.96	$490.00	$457.96	$457.96
	85200-5950-100	Employee Testing	$58.00	$29.00	$0.00	$29.00	$87.00
	85280-5950-900	Insurance Expense	$8,640.88	$4,320.44	$0.00	$4,320.44	$12,961.32
	85320-5950-900	Member Relations	$0.00	$500.00	$0.00	$500.00	$500.00
	85340-5950-900	Miscellaneous	$20.09	$0.00	$0.00	$0.00	$20.09
	85390-5950-900	O/S - Accounting	$8,000.00	$0.00	$0.00	$0.00	$8,000.00

TRIAL BALANCE SUMMARY FOR 2018

The Golf Club at Cypress Head

Inactive	Account	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
	85480-5950-900	Payroll Processing Fee	$647.02	$953.00	$0.00	$953.00	$1,600.02
	85490-5950-900	Postage/Shipping	$245.12	$147.56	$39.20	$108.36	$353.48
	85610-5950-900	Tax/Licenses/Fees	($60.00)	$0.00	$30.00	($30.00)	($90.00)
	85710-5950-900	Travel - Meals	$108.68	$57.24	$0.00	$57.24	$165.92
	85720-5950-900	Travel - Other	$577.81	$197.30	$0.00	$197.30	$775.11
	90000-5950-900	Management Fee	$11,887.32	$5,943.66	$0.00	$5,943.66	$17,830.98
	98020-5950-900	Deprec - Mach & Equip	$46.24	$23.12	$0.00	$23.12	$69.36
	98040-5950-900	Deprec - Buildings	$144.82	$72.41	$0.00	$72.41	$217.23
	RCMWD-5950-100	Rounds - Complimentary - Weekday	13,235.00	109.00	0.00	109.00	13,344.00
	REMWD-5950-100	Rounds - Employee - Weekday	19,195.00	103.00	0.00	103.00	19,298.00
	RMBWD-5950-100	Rounds - Member - Weekday	72,514.00	358.00	0.00	358.00	72,872.00
	RPKWD-5950-100	Rounds - Peak - Weekday	380,440.00	2,495.00	0.00	2,495.00	382,935.00
	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:	**133**	**$0.00**	**$450,899.49**	**$450,899.49**	**$0.00**	**$0.00**

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January 20th, 2019

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 2018 at Cypress Head Golf Club. These numbers reflect only the Golf portion for the month and year to date.

FINANCIAL SUMMARY FOR GOLF MONTH ENDING December 2018									
	Current				Year to Date				
Revenue	Actual	Budget	Variance vs. Budget		Actual	Budget	Prior Year	Variance vs. Budget	
Green Fees	$ 51,208	$ 55,854	$ (4,646)		$ 157,686	$ 161,468	$ 162,536	$ (3,782)	
Cart Fees	$ 30,669	$ 38,734	$ (8,065)		$ 98,612	$ 114,818	$ 104,178	$ (16,206)	
Range	$ 2,150	$ 3,500	$ (1,350)		$ 7,137	$ 9,600	$ 8,845	$ (2,463)	
Pro- Shop Revenues	$ 6,105	$ 5,510	$ 595		$ 17,390	$ 18,545	$ 17,945	$ (1,155)	
City Surcharge R/R	$ 2,515	$ 3,000	$ (485)		$ 8,295	$ 9,300	$ 9,170	$ (1,005)	
Total Revenue	**$ 92,647**	**$ 106,598**	**$ (13,951)**		**$ 289,120**	**$ 313,731**	**$ 302,674**	**$ (24,611)**	
Cost of Sales	$ 3,306	$ 3,000	$ 306		$ 9,633	$ 10,380	$ 10,415	$ (747)	
Merchandise	$ 3,306	$ 3,000	$ 306	59%	$ 9,633	$ 10,380	$ 10,415	$ (747)	62%
Gross Margin	**$ 89,341**	**$ 103,598**	**$ (14,257)**		**$ 279,487**	**$ 303,351**	**$ 292,259**	**$ (23,864)**	
Total Payroll	$ 51,542	$ 64,170	$ (12,628)		$ 156,600	$ 191,127	$ 154,188	$ (34,527)	
Total Operating Expenses	$ 38,925	$ 44,153	$ (5,228)		$ 130,259	$ 149,295	$ 130,153	$ (19,036)	
Net Operating Income	**$ (1,126)**	**$ (4,726)**	$ 3,600		**$ (6,899)**	**$ (37,010)**	**$ 8,040**	$ 30,111	
Other Expenses	**$ 6,040**	**$ 5,979**	**$ 61**		**$ 18,118**	**$ 17,937**	**$ 20,513**	**$ 181**	
Management Fee	$ 5,944	$ 5,884	$ 60		$ 17,831	$ 17,652	$ 20,052	$ 179	
Interest Expense	$ -	$ -	$ -		$ -	$ -	$ -	$ -	
Depreciation	$ 96	$ 95	$ 1		$ 287	$ 285	$ 461	$ 2	
Net Cash From Ops	**$ (7,166)**	**$ (10,705)**	**$ 3,539**		**$ (25,017)**	**$ (54,947)**	**$ (12,473)**	**$ 29,930**	
Rounds									
Total Rounds	**3,065**	**3,977**	**(912)**		**10,108**	**11,469**	**11,102**	**(1,361)**	
Paid Rounds	**2,495**	**3,032**	**(537)**		**8,307**	**8,861**	**8,688**	**(554)**	
Avg. GF/CF Total rounds	**$26.71**	**$23.78**	**$ 2.93**		**$25.36**	**$24.09**	**$24.02**	**$ 1.27**	
Avg. GF/CF Paid rounds	**$32.82**	**$31.20**	**$ 1.62**		**$30.85**	**$31.18**	**$30.70**	**$ (0.33)**	
Avg. Merchandise/round	**$1.99**	**$1.39**	**$ 0.61**		**$1.72**	**$1.62**	**$1.62**	**$ 0.10**	

Overview:

- Overall golf revenues for December finished lower than the projected budget for the month. Range revenue was slightly lower than budgeted and the pro shop revenues were slightly higher than budgeted.

- Total payroll for the month was lower than the projected budgeted amount, for a savings of $12,628. This was as a result of controlling labor costs during days when rounds were reduced.

- Our operating expenses finished lower than the budgeted amount. The reason for the difference in expenses was due to the timing of invoices for products budgeted that will come due in January.

- The month of December is the third month in our fiscal year 2018-2019. YTD revenues were lower than projected with range & Pro Shop revenues being lower than budgeted. The payroll and operating expenses are both lower than the projected budgeted amounts.

Food & Beverage:

Our entire team continues to support Flagsticks restaurant and we continue to build a strong relationship with Kevin Hannah, the owner. Our Sales Director, Reggie Hunter continues to work with Kevin to promote the facility to all our guests by e-mail blasts, promotional advertising, along with posts on Facebook and Instagram.

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R&R Projects:

- There were no projects for the month of December 2018.

Tee Sheet Activity:

- There were 3,065 total rounds for the month which included 2,495 paid rounds, 358 Annual with Cypress Pass member rounds and 212 other rounds. The round type for the month included 2,365 eighteen hole rounds and 622 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 2018 and YTD rounds mix:

Type	Actual	Budget	Month- P.Y.	Y.T.D	P.Y-Y.T.D
Paid	**2495**	**3032**	**2794**	**8307**	**8668**
Annual	358	803	635	1174	1727
Other rounds	212	142	256	627	687
Total Rounds	**3065**	**3977**	**3685**	**10108**	**11102**

Departmental Summaries:

Course & Grounds/Range

- The maintenance team continues to follow their agronomic plan.
- Fertilizers were applied to the putting surfaces and tees. Herbicides were applied to the putting surfaces, tees, roughs and fairways. Applications of a pre-emergent to prevent weed germination were applied. The greens were spiked, rolled and top dressed as per our agronomic plan.
- The maintenance team is continuing with ongoing maintenance projects around the golf course including verticutting of the greens as well as repairing several sand bunkers and teeing areas.

Golf Shop/Carts

- New merchandise continues to arrive and is regularly updated to enhance the professional nature of the golf shop and help promote merchandise sales. Vendors include Antigua, Footjoy, Titleist, Callaway, Bridgestone, Nancy Lopez, Ahead merchandise and St Andrews products. There was $6385.00 in gift card sales purchased for the month with $6,105 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 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.

- The MGA and the WGA are continuing their league play. We also host a weekly Homeowner's Nine & Dine event where the players enjoy nine holes of golf and return to the clubhouse for their dinner and cocktails.

- Range lights will be operational on Friday & Saturday evenings to promote the practice facility for after work availability.

Marketing and Sales:

- Ms. Reggie Hunter, our Director of Sales & Marketing, is booking tournament events for the 2019 season.

- We hosted several high profile tournaments in December which helps to promote our community outreach.

- Cypress Head Golf Course was a drop off location for the Volusia County Toys for Tots foundation with great success.

- Ms. Hunter continues to assist Mr. Hannah in his marketing efforts to promote Flagsticks restaurant at Cypress Head.

- 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 approximately 11,012 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.

- We continue to increase the visibility of Cypress Head Golf Course on the various social media platforms such as Facebook, twitter and Instagram.

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Mindshare Reviews and Comments:

Report run: 1/8/2019 1:50 PM MST

Data current as of: 1/8/2019 1:49 PM MST

REPORT CRITERIA	
Date of Survey	12/1/18 - 12/31/18
Select level	Cypress Head Golf Club

Number of Surveys: 38

	#	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
Totals						8.9	9.5	8.2	7.7	9.1	76.3	8.9
Cypress Head Golf Club						8.9	9.5	8.2	7.7	9.1	76.3	8.9
Golf						8.9	9.5	8.2	7.7	9.1	76.3	8.9

- There were over 450 questionnaires mailed out to players during the month of December 2018. The overall rating for the golf course received a 8.9 with a recommended rating of 9.1 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.

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Corporate Support:

- Kemper Sports Center for Excellence – Ongoing resource. We have been participating in monthly webinars designed to share best practices used at Kemper properties throughout the country.

Insights:

- Our entire team is dedicated to serving the needs of our community and continues in providing the best in class service for all of our guests throughout the season.
- We will be starting a new series of Men's & Ladies golf clinics at the range under the lights in January to promote Cypress Head Golf Course and the game of golf.
- Cypress Head will serve as a drop off site for the POSD Chamber school supply drive which will benefit schools in Port Orange.

Respectfully Submitted,

Bob Duquette, PGA
General Manager
The Golf Club at Cypress Head

Matt Lindley
Regional Operating Executive
KemperSports Management

RESOLUTION NO. 92-32

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA, ESTABLISHING RULES AND REGULATIONS RELATING TO MUNICIPAL GOLF COURSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Port Orange has approved Ordinance No. 1991-27, which provides for the establishment of policies, rules and regulations governing the use of the municipal golf course; and

WHEREAS, Ordinance No. 1991-27 authorizes golf course rules and regulations to be established by resolution of the City Council; and

WHEREAS, the City of Port Orange Golf Course Committee and Parks and Recreation Director have reviewed and recommended approval of the golf course rules and regulations proposed in this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA:

Section 1. Pursuant to Section 14-41 of the Code of Ordinances, City of Port Orange, Florida, the rules and regulations set forth on Exhibit A, attached hereto and incorporated herein by reference, are established for use of the municipal golf course.

Section 2. This resolution shall become effective immediately upon adoption.

James E. Ward
MAYOR JAMES E. WARD

ATTEST:
Kenneth W. Parker
Kenneth W. Parker, City Manager

Adopted on the 23RD day of JUNE, 1992.

Reviewed and Approved: Maureen S. Sikora
City Attorney

Exhibit A

CITY OF PORT ORANGE

GOLF COURSE RULES AND REGULATIONS

As used in these Rules and Regulations, the term Operator refers to the person or legal entity responsible for the operation, management, maintenance and supervision of the municipal golf course pursuant to written agreement with the City of Port Orange. The Operator may designate officers, employees, representatives and agents to implement its responsibilities set forth in these Rules and Regulations.

GENERAL RULES

1. The golf course and its facilities shall be open on the days and during the hours as may be established from time to time by the Operator.

2. Plans or dates for dining room activities must be approved in advance by the Operator.

3. Performances by entertainers will be permitted on the property of the golf course only with the permission of the Operator.

4. Alcoholic beverages will be served, sold and consumed on the golf course premises only during hours permitted by law. Alcoholic beverages will be sold or served to persons permitted to purchase the same under the laws of the State of Florida.

5. Except as permitted by the Operator, no commercial advertisements shall be posted or circulated on the golf course nor shall business of any kind be solicited or transacted on the property of the golf course or upon golf course stationery.

6. Except as provided by the constitution and laws of the United States of America and the State of Florida or as permitted by the Operator, no petition shall be originated, solicited or posted within the clubhouse or on any other property of the golf course.

7. The golf course and its facilities shall not be used for functions of fund-raising efforts for the benefit of a political cause, except as permitted by City of Port Orange ordinances, rules and regulations.

8. Outside catering will not be provided by the golf course unless otherwise approved by the Operator.

9. Players and guests must not request special personal services

from the employees at the golf course who are not on duty.

10. Players and guests must not request staff to use the Operator's copying machine for personal purposes.

11. Dogs or pets are not permitted on the golf course premises, except as provided by federal, state and local laws and ordinances or under special circumstances when authorized by the Operator.

12. Any complaints, criticisms or suggestions of any kind relating to any of the operations of the golf course are requested in writing, signed and addressed to the Operator.

13. It is unbecoming for any player or guest to abuse any of the golf course employees, verbally or otherwise. All employees at the golf course are under the ultimate supervision of the Operator, and no player or guest shall reprimand or discipline any employee or send any employee off the premises of the golf course for any reason. Any employee not rendering courteous and prompt service should be reported to the Operator immediately.

14. The roster or list of players at the golf course shall be maintained in compliance with federal, state and local laws and ordinances.

15. Violation of any of these rules or destruction of golf course property will subject a person to disciplinary action in accordance with these rules and regulations. (See Disciplinary Action)

16. The City Council may, by resolution, amend or modify these rules and regulations.

17. All rules and regulations contained herein shall be subject to and controlled by the applicable provisions of the Charter and ordinances of the City of Port Orange.

18. Children eighteen (18) years of age and under and full-time students are eligible to purchase a junior membership.

19. Golf course property is not provided for hunting, fishing or sightseeing. Golf course property is for golf, dining and other municipal purposes.

IDENTIFICATION CARDS

1. A card indicating the type of privileges and the expiration date will be issued to an individual upon payment of the appropriate fees. Cards are not transferrable. Presentation of the card is required prior to use of the facilities of the

golf course.

2. It is the practice of the Operator not to mail cards. Each person's card will be secured in the golf course office until personal collection thereof can be made by the resident.

3. A card can be used only by the person or persons to whom it is issued.

4. In the event of a lost or stolen card, the Operator must be notified immediately. Should prompt notification of card loss or theft not be received, the individual shall be responsible for play on his or her card. For each new card replaced, a service charge will be imposed.

5. There will be no golf course charge privileges at the golf course.

DISCIPLINARY ACTION

1. The following activities shall constitute grounds for disciplinary action:

    a. Failing to meet eligibility for the privileges applied for.

    b. Submitting false information on the application.

    c. Permitting a card to be used by another person.

    d. Exhibiting unsatisfactory behavior, conduct or appearance.

    e. Failing to abide by these rules and regulations for use of the facilities of the golf course.

    f. Treating the personnel or employees at the golf course in an unacceptable manner.

2. Violations will be handled as follows:

    a. Minor Offense:

       A verbal warning will be given to the individual(s) and names and addresses will be taken for the permanent file.

    b. Intermediate Offense:

       The individual(s) will be requested to leave the facility. Names and addresses will be taken and the individual(s) will be suspended from the use of the facilities for a period of thirty (30) days upon the recommendation of the Operator of the golf course and approval of the City's Director of Parks and Recreation.

c. Major Offense:

All privileges concerning the use of any part of the golf course facilities will be revoked for a period of one (1) year upon written notice of such revocation from the City's Director of Parks and Recreation.

3. In any disciplinary case, the Operator of the golf course shall notify the City's Director of Parks and Recreation. An incident report fully describing the nature and the extent of each infraction shall be filed immediately following the infraction. An investigation of the charges shall precede the notification from the Director of Parks and Recreation.

LOSS OR DESTRUCTION OF PROPERTY OR INSTANCES OF PERSONAL INJURY

1. Each person, as a condition of admittance, and each guest, as a condition of access to the premises of the golf course, assumes sole responsibility for his or her personal property. The City or Operator shall not be responsible for any loss or damage to any private property used or stored on the premises of the golf course, whether in lockers or elsewhere.

2. The removal from the room in which it is placed, or from the golf course premises, of any property or furniture belonging to the City or Operator without proper authorization is not permitted. Each person at the golf course shall be liable for any property damage he or she causes.

3. Any person, guest or other person who, in any manner makes use of or accepts the use of any apparatus, appliance, facility, privilege or service whatsoever owned, leased or operated by the golf course, or who engages in any contest, game, function, exercise, competition or any other activity operated, organized, arranged, or sponsored by the golf course, either on or off the golf course premises, shall do so at his or her own risk. Anyone using the facilities at the golf course shall hold the Operator and the City of Port Orange, its officers, employees, representatives and agents, harmless from any and all loss, cost, claim, injury, death, damage or liability sustained or incurred by him or her, resulting therefrom, and/or from any act or omission of any officer, employee, representative or agent of the Operator and the City.

CHILDREN

Children under twelve (12) years of age are not permitted in the clubhouse unless accompanied and supervised by an adult. Children under the applicable drinking age are not permitted at the bar.

MAILING ADDRESS

Each pass holder shall be responsible for filing with the Operator in writing, preferably on a form provided, his or her mailing address and any changes thereto, to which the player wishes all notices and invoices of the golf course be sent. A pass holder shall be deemed to have received all mailings from the golf course ten (10) days after they have been mailed to the address on file with the Operator.

GOLF RULES

1. All players and guests must register in the pro shop before beginning play.

2. "Cutting-in" is not permitted at any time. All players must check in with the starter. Players are not permitted to start play from residences.

3. In order to maintain a first-class golf course, practice is not permitted on the golf course.

4. If a match fails to keep its place on the course and more than one (1) clear hole on the players ahead, it must allow the following match to play through.

5. All players who stop after playing nine (9) holes for any reason must occupy the next tee before the following players arrive at the tee or they will lose their position on the golf course.

6. All tournament play must be approved in advance by the Operator.

7. A pass holder may make no more than two (2) starting times on the golf course per day unless other arrangements have been made with the pro shop.

8. Golf rangers may be on duty to help regulate play and enforce golf cart regulations. The golf rangers have full authority on the golf course to enforce all rules and speed of play.

9. Each player must have his or her own set of golf clubs.

10. Appropriate golf attire is required for all players. (See Dress Code)

11. Ride/Walk Policy: Residents of Port Orange and their guests may walk at any time on weekdays from May 1 through November 30, or after 1:00 pm on weekdays from December 1 through April

30. No walking on weekends and holidays is permitted prior to 1:00 pm year-round. Non-residents must take a cart.

12. If lightning is in the immediate area, all play must cease.

13. All golf balls hit into the lakes which are not immediately retrieved by the players shall be deemed abandoned and shall become the sole property of the golf course. No person shall be allowed to take such balls from the lakes without express permission of the Operator. Only single ball retrievers are allowed on the golf course.

14. The City Council may, by resolution, establish rules governing access and starting times with respect to the golf course.

GOLF STARTING TIMES

1. The pro shop will assign the starting time depending on availability.

2. All pass or card holders may call the pro shop at the posted opening hour up to seven (7) days in advance to reserve a tee time. All other persons may only make bookings three (3) days in advance unless otherwise allowed by the Operator.

3. Groups other than foursomes may play at the discretion of the pro shop if space is available. Singles, twosomes and threesomes should not expect to play through foursomes and should not exert any pressure on the groups ahead.

4. Twosomes and singles will be grouped with other players, if available, and at starting times determined by the pro shop, if necessary.

5. Starting time changes must be approved by the pro shop.

6. Failure to check in and register ten (10) minutes prior to a reserved starting time may cause cancellation or setback.

7. Groups of five (5) or more players will not be allowed on the golf course at any time without permission of the pro shop.

8. Please notify the pro shop of any cancellation as soon as possible.

RAIN-CHECK POLICY

When rain causes termination of play:

1. A credit for that day's greens fees and golf cart fees will be prorated by the number of holes played.

2. It will be the sole responsibility of the player to apply for a rain-check from the pro shop on the day of play.

3. Rain-checks will be given based on the following policy: If it is raining when players check in there will be no credit given. No rain-checks will be issued on twilight fees. In all other cases, the following will apply:

   a. Less than 6 holes played - full 18 hole check issued.
   b. 7 to 15 holes played - 9 hole check issued.
   c. Over 15 holes played - no credit extended.

DRIVING RANGE

1. The driving range is open during normal operating hours as may be posted from time to time in the pro shop. At times to be posted in the pro shop, the driving range will be closed for general maintenance.

2. Range balls are for use on the driving range only. Range balls are not permitted to be used on the golf course.

3. Golf carts are not permitted on any tee or green area. Parking of golf carts is allowed in designated areas only.

4. Balls must be hit from designated areas only. No hitting is permitted from the rough or sides of the driving range.

5. Proper golf attire is required at all times on the driving range. (See Dress Code)

GOLF CART RULES

1. Golf carts shall not be used by a player or a guest on the property of the golf course without proper assignment and registration in the pro shop.

2. Each operator of a golf cart must be at least sixteen (16) years of age and have a valid driver's license.

3. Golf carts are not to be used off the golf course.

4. No more than two (2) adults and two (2) sets of golf clubs per golf cart are permitted unless specialized carts are available.

5. Obey all golf cart traffic signs.

6. Always use golf cart paths where provided, especially near trees and greens. Carts are required to remain on golf cart paths at all times on Par 3 holes.

7. Except on golf cart paths, do not drive a golf cart within thirty (30) feet of a green or a tee.

8. Never drive a golf cart through a hazard or onto or across private property adjoining the golf course.

9. Be careful to avoid soft areas on fairways, especially after rains. Use the roughs whenever possible.

10. Do not drive golf carts under low-hanging branches of trees.

11. Replace rakes on the golf carts.

12. Operation of a golf cart is at the risk of the player. Cost of repair to a golf cart which is damaged by a player will be charged to the player.

13. When the "carts on path only" or "90 degree rule" signs are posted they must be strictly followed.

14. "Course closed" or "hole closed" signs are to be adhered to without exception.

15. Golf carts shall be driven on the golf course only when the course is open for play.

16. Players using a golf cart will be held fully responsible for any and all damages, including damages to the golf cart, that are caused by misuse of the golf cart by the players or their guests, and the players shall reimburse the City and/or the Operator for any and all damages the golf course may sustain by reason of misuse.

17. Privately owned golf carts shall be permitted on the golf course with proper stickers affixed to the carts.

18. Violations of the golf cart rules may result in disciplinary action in accordance with these rules and regulations. (See Disciplinary Action)

HANDICAPS

1. Handicaps are computed under the supervision of the Operator in accordance with the current USGA Handicap System.

2. Accurate records are to be kept of scores turned in and recorded for all full rounds played. The Operator will determine if there are violations by players in turning in their scores.

3. Scorecards will be turned in at designated places in the clubhouse and entered into the system by players of the golf shop staff.

GOLF COURSE ETIQUETTE

1. Do not waste time. Anticipate the club or clubs you may need and go directly to your ball. Always be near your ball to play promptly when it is your turn. If a player is delayed in making his shot, it would be courteous for such player to indicate to another player to play, which should not be deemed playing out of turn.

2. The time required to hole out around the green is a chief cause of slow play. Study and clear the line of your putt while others are doing the same.

3. Be social but reserve your extended conversations for the nineteenth hole.

4. When approaching a green, drive your golf cart to the side or the rear of the green on the best direct path to the next tee. This can save about one-half hour per round. Never leave the golf cart in front of the green where you will have to go back to get it, while the following players wait for you to get out of the way.

5. When play of a hole is completed, leave the green promptly and proceed to the next tee without delay. Do the scoring for the completed hole while the others in your group are playing from the next tee.

6. If you are not holding your place on the course (See Golf Rules Number 4), allow the players behind to play through. Do the same if you stop to search for a lost ball.

7. Repair your ball marks on the green.

8. Carefully rake sand traps after use.

9. The golf rangers will report slow play and all breaches of golf etiquette to the pro shop.

DRESS CODE

1. Definitions: For the purpose of these rules, the following words shall mean:

   a. Player - any person utilizing the golf course for playing golf, practicing or spectating.

b. Tee shirt - any shirt not having a collar regardless of logo or embroidery.

c. Cutoffs - any pants not hemmed.

d. Tank top - any sleeveless shirt, whether sleeves are absent by design or removed by patron.

e. Halter top - any blouse secured by straps tied behind the neck and back which leaves the back exposed.

f. Athletic shorts - any shorts designed for specific sporting activities other than golf.

g. Fishnet tops - any shirt or blouse made of loosely woven see-through material.

2. The following clothing is deemed appropriate:

a. Men: Shirts with sleeves and slacks or bermuda shorts.

b. Women: Dresses, skirts, slacks, mid-length shorts and blouses.

c. Shoes: Golf shoes on the golf course. Tennis and other soft-sole shoes are subject to approval by the Operator.

3. The following clothing is not permitted:

a. Men: Tank tops, fishnet tops, cut-offs, sweat pants, bathing suits, tennis shorts, short shorts, or other athletic shorts.

b. Women: Halter tops, fishnet tops, tennis dresses, athletic shorts, cut-offs, or short shorts.

4. There are no exceptions to this dress code for players using the golf course or driving range. Persons exclusively using clubhouse facilities are not covered by this dress code.

5. Because of the diverse nature of womens' clothing, women will be given the benefit of the doubt unless obvious violations are present.

6. The Operator will be responsible for enforcement of this dress code. Improperly dressed players will be asked to change before playing.

ORDINANCE NO. 2019-4

AN ORDINANCE OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA, AMENDING SECTION 50-108, CODE OF ORDINANCES, TO REDUCE THE NUMBER OF MEMBERS ON THE GOLF ADVISORY BOARD AND REMOVE THE CITY COUNCILMEMBER POSITION ON THE GOLF ADVISORY BOARD; AMEDNING SECTION 50-109, CODE OF ORDINANCES, TO PROVIDE FOR INITIAL APPOINTMENT TERMS; AMENDING SECTION 50-111, CODE OF ORDINANCES, TO REDUCE THE NUMBER OF BOARD MEMBERS NECESSARY TO FORM A QUORUM; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA:

Section 1. Section 50-108 of the Code of Ordinances, City of Port Orange, Florida, is hereby amended to read as follows:

Sec. 50-108. - Composition and qualifications of members.

(a) The golf course advisory board shall consist of ~~seven (7)~~ five (5) members appointed by the city council consisting of ~~a single council member and~~ at least one member from each of the following organizations: Cypress Head Master Homeowners' Association, Cypress Head Men's Golf Association and Cypress Head Women's Golf Association. However, In the event that no member(s) from the organizations mentioned above apply for a position to serve on the board, the seat may be filled by appointment of an otherwise qualified candidate by city council.

(b) Members of the board shall have knowledge of golf course operations. They should be guided by a sincere interest in developing and promoting the operation of the municipal golf course for the city and in accomplishing the purposes and goals set forth herein.

(c) Appointments shall be made on the basis of experience or interest in the areas of finance, insurance, golf course management, engineering, architecture, golf course maintenance, and construction.

Section 2. Section 50-109 of the Code of Ordinances, City of Port Orange, Florida, is hereby amended to read as follows:

Sec. 50-109. - Appointments and terms.

The initial appointments to the board shall be as follows:

~~(a) Two (2) members shall be appointed for a term expiring April 1, 2017.~~

~~(b)~~(a) Two (2) members shall be appointed for a term expiring April 1, ~~2018~~ 2019.

~~(c)~~(b) Three (3) members shall be appointed for a term expiring April 1, ~~2019~~ 2020.

Thereafter all appointments shall be made for a term of three (3) years. All terms shall expire on April 1 in the year of their given expiration. A board member may be reappointed for any number of consecutive terms.

Section 3. Section 50-111 of the Code of ordinances, City of Port Orange, Florida is hereby amended to read as follows:

Sec. 50-111. - Organization and procedures.

(a) – (d) *[Remain unchanged.]*

(e) *Quorum; rules of order*. The presence of ~~four (4)~~ three (3) or more members shall constitute a quorum of the board necessary to take action or conduct business. The board shall adopt Robert's Rules of Order (latest edition) or such other written rules and procedures as may be desirable and necessary to promote and effectuate the purposes, objectives and business of the board in an orderly, timely and productive manner.

(f) *[Remains unchanged.]*

Section 4. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

Section 5. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provision of this ordinance are declared severable.

Section 6. This Ordinance shall become effective upon adoption.

CITY OF PORT ORANGE 1867 FLORIDA

MAYOR DONALD O. BURNETTE

ATTEST:

Robin L. Fenwick, CMC, City Clerk

Passed on first reading this 8 day of January, 2019.

Passed and adopted on second reading and final reading on the 22 day of January, 2019.

Reviewed and approved:
Matthew J. Jones, Deputy City Attorney

CA5186