

BAY POINT GOLF CLUB

KEY ASSUMPTIONS AND BUDGET SUMMARY

SUMMARY 2021 PLAN

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|-----------------------------|------------------|
| Total Revenues | \$2,620,238 |
| Total COS | \$243,761 |
| Total Expenses | \$1,768,520 |
| Net Operating Income | \$607,957 |
| Management Fees | \$108,000 |
| Debt Service | \$250,000 |
| Equipment Leases | \$190,000 |
| Net Margin | \$59,958 |

KEY BUDGET ASSUMPTIONS

REVENUES

Golf Revenue

- ★ 39,515 total rounds in 2021. This will be 3,772 or 10% more than 2020 trend. Better marketing and optimal tee sheet utilization will lead to this increase in rounds. With a better product than our closest competitors we will capitalize on our product and expand both our local and tourist play. The addition of a new cart fleet will also lead to a higher inventory of available tee times.
- ★ Overall yield for rounds of golf is projected at \$42.89. This is a \$2.96 increase over 2020. As we capitalize on competitors adjusting and/or closing facilities this will provide an opportunity to slowly increase our APR. Higher service levels and optimal tee sheet utilization will be key factors in the modest increase.
- ★ Pro Shop sales are budgeted at \$213,030 which is a \$18,715 increase over 2020. Increase in rounds with quality cost controls and training will lead to an increase in pro shop sales and profit.
- ★ Driving range revenue will increase by \$883 as the club is projected to play more rounds in 2021.
- ★ Overall golf operation revenues are projected at \$2,060,823 in 2021. This is \$290,014 above 2020 totals. This is the result of all of the above assumptions but centered on the increase in yield per round and total number of rounds sold in 2021.
- ★ Although year one does not anticipate major growth in member dues, there will be a renewed focus on all member programs. We will create member experiences that will entice many more residents reasons to join the club. We see this as a very important component in the operation building lots of momentum in 2021.



REVENUES

Food and Beverage

- ★ Total food and beverage revenue for 2021 is projected at \$276,605. By taking over Bar 72, we will be able to re-brand and change the entire food and beverage operation. With a complete overhaul of staff levels, product, menus, and atmosphere; we believe we can make this operation profitable.
- ★ Total COS% in food in beverage will be 34%. With new systems in place to monitor inventory, cost controls, and product selection we will be able to keep our overall COS% in line.
- ★ Food and beverage will return a net income of 10%. Although it is very important this department stands on its own financially, it is almost more important that the members and residents gain confidence in Bar 72 again and what it is. In year one of taking over Bar 72 we believe we have a fantastic opportunity to grow revenues and make food and beverage a profitable operation at Bay Point.

EXPENSES

Golf Operations

- ★ The largest expense in the golf department is payroll. We have allocated the proper amount of people to provide outstanding service in the golf shop, outside service areas, and practice facility.
- ★ We will provide quality range balls at all times which will be a value add for the membership and a draw for our guest play.
- ★ We plan to source a new fleet of golf carts and put in place as soon as possible. For comparison purposes to other budgets we have seen for Bay Point, we placed the expense for the lease below net income.

Membership

- ★ Membership sales and events will be a new and important department for Bay Point. We will hire a skilled and qualified candidate to fill this new position. This person will also be the liaison to members and will focus on member activities, as well as be our member ambassador.
- ★ Membership Director has a low salary but will be highly incentivized on new sales.

Food and Beverage

- ★ Labor costs make up roughly \$120,000 of the \$153,000 total expenses in food and beverage. This is enough labor to provide the proper service needed. The key to making sure food and beverage costs are in check is having proper controls regarding labor and cost of goods sold; which we will have in place.



- ★ Other planned expenses include linens, supplies, decorations, entertainment, equipment rental and uniforms.

Golf Course Maintenance

- ★ From an asset perspective the golf course is very important. The major items that are so important and we have in place is the proper amount of labor, chemicals and fertilizer. These items along with proper equipment will go a long way insuring we will provide a fantastic product.
- ★ In sorting out the golf course maintenance equipment we have included a new lease package that will be needed. For comparison purposes to other budgets we have seen for Bay Point, we placed the equipment lease expense below net income.

General and Administrative

- ★ In this department you will find some major items like advertising and marketing, property and employee insurances, payroll, repairs for clubhouse building and equipment, utilities, property taxes.
- ★ A real focus will be put on advertising and marketing all we have to offer. We feel this will make a large impact on driving revenues and will get a very profitable return on investment.
- ★ We estimated \$70,000 in property insurance.
- ★ We recognized from prior budgeting the number of \$40,000 for property taxes.

ATTACHED PAGES REFLECT 2021 SUMMARY AND DETAIL BUDGET

