Bonita Fairways Golf Club Inc.
26740 Sammoset Way, Bonita Springs, FL 34135

April 18, 2024

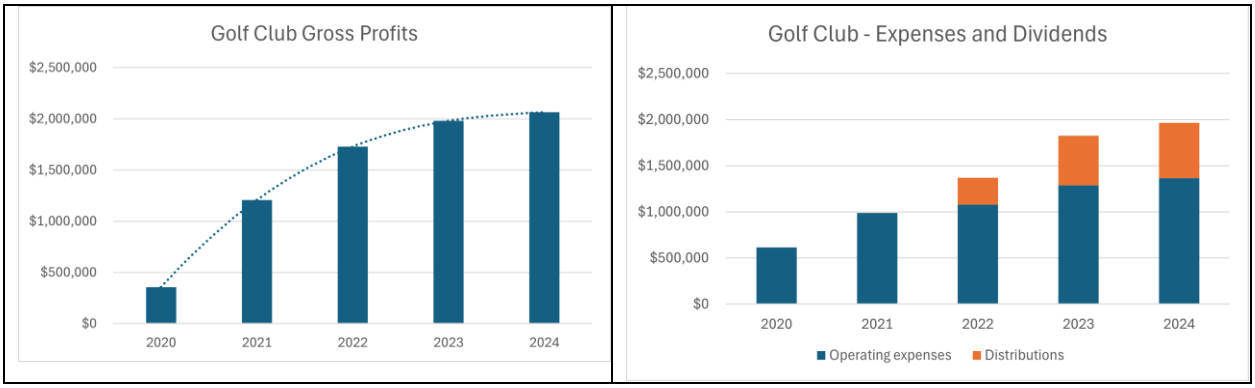
Bonita Fairways Golf Club Inc.
26740 Sammoset Way,
Bonita Springs, FL 34135

RE; 2023 Shareholders report
Dear Shareholder

Introduction:

Organizational History: Bonita Fairways Golf Club Inc. (Club) was created on March 12, 2020, by its sole shareholder Bonita Fairways Community Association Inc. (Master), In preparation for purchasing the course on 3/27/2020 from its prior owner Alagold Communities, LLC for $1,200,000. Three directors were elected by the Incorporator, Don Griffin, Ellie Wiedenmann, and Casey Coley. The Master Engaged Lifestyle Management Group of Florida, LLC, (Lifestyle) to manage the course on 3/27/2020 in a 5-year contract, with a 5-year renewal option. On 4/1/2020 the Master leases the Golf Course to the Club. Rent is set to match the payments on the loan, interest only years 1&2, then fully amortized amount of $118,176. On May 18, 2020, Denny Stewart replaces Don Griffin as a director for the Club. On May 19, 2020, the clubs board of directors meet for the first time and elect Denny Stewart President, Ellie Wiedenmann is Vice President, Casey Coley is a director. Shortly thereafter the board resigns due to an inability to secure reasonably priced Directors' and officers' insurance, since the corporation is too new with no financial reports. Don Griffin is reappointed as Director to have at least one director to sign for the corporation. Denny Steward and Charles Knowles are appointed by the Master to the Golf Club Committee to interface with Lifestyle Management.

Financial Statements See the summary balance sheet and summary income and expense data on the following pages.



As shown above, in the early years we grew rapidly as we improved the course and developed a regular following. We are now leveling off, and future growth will be slower, matching inflation.

Expenses and Dividends have also leveled off, forecasted to match inflation in the 2-3% range

Bonita Fairways Golf Club Inc.
26740 Sammoset Way, Bonita Springs, FL 34135

Bonita Fairways Golf Club, Inc
History Summary

	Actual				Budget
Income / Expense	2020	2021	2022	2023	2024
INCOME	$368,122	$1,242,779	$1,777,474	$1,979,911	$2,114,188
Cost of Goods	$10,131	$35,100	$49,009	$38,370	$48,377
Gross Profit	$357,991	$1,207,679	$1,728,465	$1,979,911	$2,065,811
EXPENSES					
Total Department Expense	$463,010	$797,236	$957,228	$1,108,597	$1,208,119
Profit / Loss	($105,018)	$410,443	$771,237	$871,314	$857,692
Undistributed Expense	2020	2021	2022	2023	2024
HOA Landscape	$0	$0	$174,331	$125,374	$150,000
Equipment loan Payback	$0	$0	$0	$0	$0
Member Fees	$0	$0	$118,069	$414,996	$450,000
Depreciation Expense	$13,606	$9,039	$9,039	$9,039	$9,600
Insurance	$20,073	$26,763	$30,142	$32,065	$37,800
Interest Operations	$2,667	$3,970	$5,391	$0	$0
Management fee	$60,000	$73,325	$74,730	$77,091	$67,045
Taxes Personal property	$1,000	$3,871	($18,140)	$14,927	$6,000
Taxes Real Estate	$12,000	$24,405	$18,000	$19,914	$18,000
Interest Expense on Loans	$42,050	$50,881	$2,840	$24,910	$19,200
Total Undistributed	$151,395	$192,254	$414,402	$718,316	$757,645
Total Expense	$614,405	$989,490	$1,371,630	$1,826,913	$1,965,764
Net Income	($256,413)	$218,189	$356,835	$152,998	$100,047

Bonita Fairways Golf Club, Inc
History Summary

	Actual				Budget
Income / Expense	2020	2021	2022	2023	2024
HOA Landscape	$0	$0	$174,331	$125,374	$150,000
Member Fees	$0	$0	$118,069	$414,996	$450,000
Total distribution to owners			$292,400	$540,370	$600,000
Cumulative					$1,432,770
				Per Door	$2,256
				Per year	$752

After completing the capital improvements in 2020 and 2021. BFGC started distributing dividends in the form of members fees and taking responsibility for landscaping. Owner savings $2,256 / door over last three years, or $752 per door annually.

Bonita Fairways Golf Club Inc.
26740 Sammoset Way, Bonita Springs, FL 34135

Balance Sheet Fixed assets are $942,895 up from when we purchased in 2020, about $90,000 in depreciated equipment. Capital improvements seen in course fairways, greens and tee boxes, and new electronic irrigation system, Furniture Fixtures and Equipment (FF&E), Building improvement.

Income & Expense: Gross profit $1,980,000 up 6% over budget. Profit $871,000 up 3% over budget.

Undistributed: Mostly transferred to the Master, $125,000 in landscape fees, and $415,000 in member fees. A total of $540,000 distributed to the owners in the Master budget. This is a 45% return on investment ($540,000 / $1,200,000 purchase price)

Operating History: Control passes to the Club in April 2020. There are zero dollars in the checkbook. The master approved a $300,000 line of credit, which is used to cover expenses during the off season. The course itself is in poor condition suffering from many years of deferred maintenance from the prior owner. The pro shop is also worn.

Second Loan: In 2021 the Golf Club developed a plan to replace all the fairway's greens and tee boxes over two years. To accomplish this in one year and save money and disruption, members approved a $150,000 loan at 4% amortized over 10 years. This allowed all the work to be completed in one year.

Auditors Report. We have engaged Davis and Associates, CPA to audit the 2023 financial records. This is the third full year of operations, and it is the policy of the Golf Club to conduct audits every three years.

Management Discussion and Analysis: Financially the Golf Club is performing extremely well. On a simple level, profit to the Master of $540,000 on gross Profit of $1,980,000 is 27%, and if you add in the $153,000 in total net income $693,000 or 35% profits. The return on investment is 45% based on $1,200,000 purchase price. This outperforms most corporations.

Our Bonita Fairways Golf Club won the coveted "2023 Official Community's Choice Award" for golf courses in Collier/Lee County for the second straight year. 2022 and now 2023! The other finalists in the Golf Course category were Bonita Bay Club and San Carlos Golf Club. This accomplishment could not have been achieved without the strong commitment from the entire golf club team. Jimmy Lynn, our Management Company, Travis Snyder, Pro Shop Manager, staff from the cafe, pro shop, cart attendants and Alfredo's grounds and landscaping crew.

The club is right on track following the adopted Business Plan that was put in place when the Golf Course was purchased by the community 4 years ago. The mission statement was and still is: "Bonita Fairways Golf Club is to become a popular course with visitors and residents in SW Florida creating a loyal following with quality facilities and services, improve course quality, show exceptional attitude providing an amazing golf experience."

Bonita Fairways Golf Club Inc.
26740 Sammoset Way, Bonita Springs, FL 34135

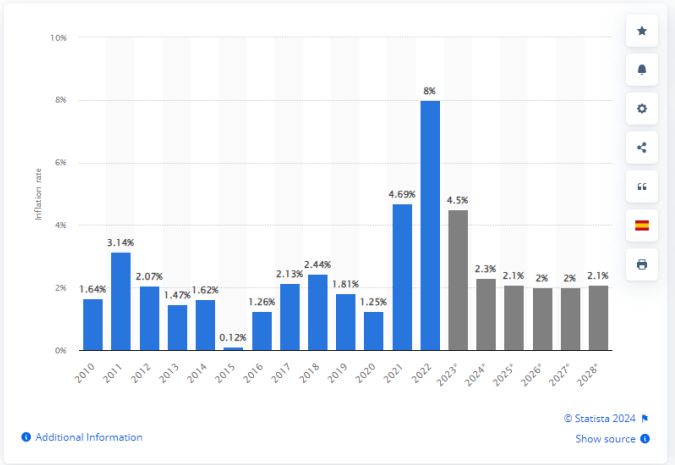
SWOT Analysis- Original

SWOT's ANALYSIS	
STRENGTHS	**WEAKNESSES**
Ideal Location Short time to play 2-3 hours Middle age to Sr. Players Cater to the female player Lower Cost to play Still a challenging course	Startup will be hard No Financials to review FF&E not inspected Course is in average condition Will need Capital Improvement Gordan Lewis base is poor
OPPORTUNITIES	**THREATS**
Enlarge Cafe - full menu Interface with school programs Interface with Clubhouse Corporate Outings Give players good experience Create a Vision Communicate with the customer Discount for owners Multiple Play Discounts Off Season package	More private courses go public Improvements are too costly Cash flow is weak Economic downturn Hurricane damage Pestilence Water Supply is curtailed by SFWMD

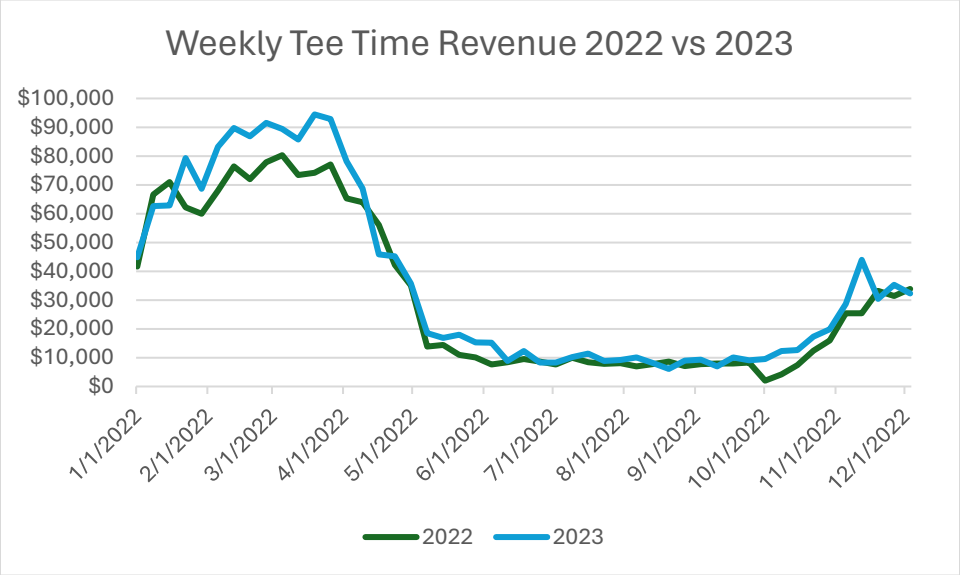
- **Strengths** – Still the same
- **Weaknesses-** Startup very successful, solid financials, FF&E fully upgraded, Capital projects completed. No significant weaknesses
- **Opportunities**-Mostly completed, add a new pro shop, convert existing to larger restaurant is being considered.
- **Threats-** Private course goes public, cash flow reduces due to weather, economic downturn, hurricane damage, Water supply curtailed SFWMD.

Feedback on social media is very positive.

Bonita Fairways Golf Club Inc.
26740 Sammoset Way, Bonita Springs, FL 34135



Market Conditions: The course began full operations in April 2020, and quickly was impacted by Covid 19. Fortunately, outdoor sports were not heavily impacted and play continued to improve. Golf is somewhat price sensitive, so we constantly monitor play level at the rates established by Golf Course Management. The last quarter of 2023 and 1st quarter 2024 had colder and or rainy days which reduced play. It did not significantly hurt the plans but was lower than budgeted. Management continues to make Bonita Fairways the most enjoyable golfing experience for the lowest competitive price. Discussion about potential recession is always worrying, however all economic indicators point to a strong economic forecast. Inflation forecast for the next several years is in the low 2-3% range



This chart tracks weekly revenue just from tee time fees on a weekly basis 2022 and 2023.

It is a visual view of the seasonal nature of a golf course in Florida. It explains the need for the $400,000 line of credit to cover expenses during the off season.

Plans: To date the plan has been working very well When purchased the Golf Committee drafted a business plan that has been working very well including:

Bonita Fairways Golf Club Inc.
26740 Sammoset Way, Bonita Springs, FL 34135

MARKETING PLAN

Implement and refine the Marketing & Advertising Plan to increase visibility through a variety of methods and communications. All marketing will drive people to the Bonita Fairways golf web page for information on pricing and specials. Every communication and promotion are intended to inform, seek repeated participation, and provide reasons to patronize.

Target Audience

- Short term:
  - New players and new daily green fee-paying players.
  - Existing Players encouraged to play more often
  - Youth
- Mid to Long Term: New Demographics
  - Youth
  - Women
  - Seniors
  - New Residents
  - Beginners

Initial Membership Drive- Promotions should focus on the following themes and messages:

- Affordability and pricing structure that differentiates our product by time of day.

Golf Show

- Promotions
- Membership
- Tournaments
- Juniors
- Who we are

Themes & **Messages**

- BFGC pricing advantages and scheduling features
- Affordability for youth and Junior Golf Promotions
- Non-Member youth 9–14-year-old play for free on Saturdays or Sundays this summer
- Club Events
- Special offers and promotions for green fees, memberships, merchandise, and food and
- beverage
- Corporate/Charity tournaments
- The value of the BFGC experience for the price
- Commitment to service (web page and demonstration in the clubhouse)
- Promote course/clubhouse improvements

Marketing Channels

- Effective, dynamic golf webpage
- Radio spots, print/hot spot ads, on-line, social media, and email blasts
- Local media spots: Invitational Tournaments
- Posters at all community centers and libraries promoting the golf course
- Window posters at clubhouses regarding special retail promotions
- Improved social media plan

Bonita Fairways Golf Club Inc.
26740 Sammoset Way, Bonita Springs, FL 34135

MISSION

The mission of Bonita Fairways Golf Course is to become a popular course with visitors to, and residents of, the SW Florida area.

Be the popular course for residents and visitors to SW Florida

Provide great golf for a reasonable price

Create a loyal following with quality facilities and services

Strive to be self-sustaining

Improve the course quality with capital improvements

Fund improvements from increased revenues and cost management

Show exceptional attitude- Amazing Golf Experience

Acknowledgement:

We did not get here by accident. It was the dedicated efforts of many of the owners to secure the purchase of the golf course, to select the excellent management company that has converter a rundown worn out property into the dazzling golf course that it is today.

Bonita Fairways is in a unique position to now have an asset that generates significant dividends to pay for its own continued growth and expansion, with the continued goal to make it a very desirable place to live at the most affordable costs in the area.

TRUSTEES AT THE TIME

Allen Bouley- Carousel Cove

Dawn Kenney- Rosewood A&B

Ken Greenleaf- Bermuda Links

Dave Gage- The Gardens

Don Griffin- Natura

De Murphy- Natura

Thanks - Lawyers

- **Steven Falk** – association council who steered us through the ROFR vote
- **Daniel Weidenbruch** – Transaction attorney negotiated the purchase contract- SAVED US $300,000
- **Robert Menzies-** Trial Attorney defeated all their claims and won the case for us

Bonita Fairways Golf Club Inc.
26740 Sammoset Way, Bonita Springs, FL 34135

Thanks – Support

- **Gulf Breeze - Dierdre Woods** – Our CAM that helped with a lot of administrative detail

- **Casey Coley** – Developing and running the education meetings

Thanks-Our Neighborhood Boards and their presidents

- who educated their communities and developed the trust needed to vote in favor of the purchase.

- Carousel Cove – Casey Coley
- Rosewood A – Bob Lustro
- Rosewood B – Tony Massaro
- Bermuda Links – Al Diago
- The Gardens - Lynnette lobo
- Natura – David Schack

Bonita Fairways Golf Club Inc.
26740 Sammoset Way, Bonita Springs, FL 34135

Thanks-Our Transition Committee

- In a very short period of time reviewed and selected the company to manage the golf course for us

- Denny Stewart
- Charlie Knowles
- Mike Kenney
- Lisa Lynch
- Don Griffin

Thanks -Our Legal Committee

- Reviewed the Contract with the Golf Management company in preparation for final review by Steven Falk

- Don Griffin
- Lisa Lynch

- With additional support from
- Izzy Farber
- John Russo

Bonita Fairways Golf Club Inc.
26740 Sammoset Way, Bonita Springs, FL 34135

Bonita Fairways Golf Club, Ibc	
Balance Sheet Summary 2023	
ASSETS	Amount
Checking / Savings	$55,049
Accounts Receivable	$295
Other Assets	$122,807
Fixed Assets	$942,895
Other Assets	$12,324
TOTAL ASSETS	$1,133,370
LIABILITIES	Amount
Accounts Payable	$80,239
Loan Payable	$514,521
Other Current Liabilities	$74,013
Total Liabilities	$668,773
EQUITY	Amount
Retained Earnings	$311,600
Net Income	$152,997
Total Equity	$464,597
TOTAL LIABILITY & EQUITY	$1,133,370

Note on Loan Payable: As of 12/31/2023, the Line of credit was at $400,000, having drawn down the cash to support off-season expenses. We pay the loan off in season, and current balance is $50,000, soon to be repaid. The $114,521 is the balance of the $150,000 loan taken out in 2021 to allow the work on the fairways, greens, and tees to be done in one year.

Bonita Fairways Golf Club Inc.
26740 Sammoset Way, Bonita Springs, FL 34135

Bonita Fairways Golf Clun 2023			
Income / Expense	Actual	Budget	Variance
INCOME	$1,979,911	$1,912,967	3%
Cost of Goods	$38,370	$41,441	-7%
Gross Profit	$1,979,911	$1,871,526	6%
EXPENSES	Actual	Budget	Variance
Payroll	$580,936	$565,009	3%
Cart Lease	$65,411	$69,196	-5%
Credit Card Fees	$69,406	$64,905	7%
Electric	$15,755	$22,950	-31%
Electric Pump House	$35,641	$19,200	86%
Chemicals	$79,254	$36,000	120%
Fertilizer	$33,356	$36,000	-7%
Marketing	$34,083	$30,000	14%
Repairs & Maint Equip	$5,513	$11,300	-51%
Repairs & Maint Course	$19,037	$15,840	20%
Sand & Seed	$9,027	$13,800	-35%
Operating Supplies	$12,008	$8,375	43%
Sanitation Disposal	$8,711	$9,880	-12%
Lake Management	$19,104	$9,775	95%
Water & sewer	$5,060	$11,400	-56%
other	$116,295	$103,357	13%
Total Dept Expense	$1,108,597	$1,026,987	8%
Profit / Loss	$871,314	$844,539	3%
Undistributed Expense	Actual	Budget	Variance
HOA Landscape	$125,374	$120,000	4%
MEMBER FEES	$414,996	$415,000	0%
DEPRECIATION EXPENSE	$9,039	$9,600	-6%
INSURANCE	$32,065	$34,668	-8%
MANAGEMENT FEE	$77,091	$65,092	18%
TAXES PERSONAL PROPERTY	$14,927	$4,000	273%
TAXES REAL ESTATE	$19,914	$18,000	11%
INTEREST EXPENSE ON LOAN	$24,910	$8,893	180%
Total Undistributed	$718,316	$675,253	6%
Net Income	$152,998	$169,286	-10%

Bonita Fairways Golf Club Inc.
26740 Sammoset Way, Bonita Springs, FL 34135

- **Bonita Fairways is in a unique position to now have an asset that generates significant dividends to pay for its own continued growth and expansion, with the continued goal to make it a very desirable place to live at the most affordable costs in the area.**
- **Additionally, it provides significant dividends to the Master, keeping fees stable with continuing upgrades.**

IMPACT ON THE MASTER:

Distributions	$292,400	$540,370	$600,000
Spent on	2022	2023	2024
Golf Club Loan $1,200,000	$118,000	$118,000	$118,000
Landscaping	$174,331	$125,374	$150,000
Insurance increases		$25,000	$50,000
Admin, Pest control Sherriff		$50,000	$50,000
Pool Resurfacing		$80,000	
New Gate entry system		$40,000	
Pickleball courts $40-$16K		$24,000	
Bocce courts		$40,000	
Sidewalk retaining wall			$70,000
Total	$292,331	$502,374	$438,000
Surplus	$69	$37,996	$162,000

- **Dividends from the Golf Club helped fund many improvements to the master, that otherwise would not have been done or caused an increase in fees.**