



“Susie Ormond” Meets “This Old Club” : Avoiding Handicaps in Major Capital Programs.

10.10.06



Financial Projections

- How much Clubs have spent on Capital projects
 - Past 10 years
 - Country Clubs
 - City Clubs
 - Tennis beach & Yacht Clubs



Types of Financing Plans

- Up Front Assessment
- Monthly Assessment
- Combination
- Capital Bond
- Profits from operations
- Initiation Fees
- Depreciation?



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Cash Flow

- Projections
 - Inflows
 - Outlays
 - Cash Reserves



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Levels of Bank Debt

- Currently
- 5 Years ago



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Types of Bank Debt

- Construction Loan/ Conventional Mortgage
- Unsecured debt
- Swaps
- Length
- Line of credit
- Rates
 - Libor
 - Prime



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What Banks Look for? TIPS!!!!

- Value of Land
- Minimum # of Members
- Working Capital Ratios
- Debt service coverage ratio
- Audited Financial Statements
- Tips



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Capital Revenues & Expenditures

- Initiation Fees
- Capital Assessments
- Sale of assets
- Expenditures
 - What can be capitalized
 - Soft Costs
 - Hard Costs
 - Interest expense



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Long-Range Plan for Plant and Facilities over a Five year Period

- Outline of Plan
- Prioritized Capital Requirements Versus Resources – for next five fiscal years
- Components of Capital Expenditures
- Detailed Schedules of Historical and Projected Future Capital Expenditures Including Life Expectancies
- Recommended Policy Changes For Future Capital Expenditures
- Drawings, Textual Descriptions and Cost Estimates of Major Capital Improvements

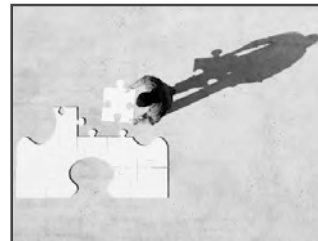
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Outline of A Plan

- Authorization for Planning
- Committee Membership
- Overview of ABC Golf and Country Club
- Purpose of Plan
- Description of Planning Process
- Planning Assumptions
- Recommended Management Process For Future Capital Requirements
- Implementation of The Plan
- Future Role of Planning Committee

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Prioritized Capital Requirements vs. Resources for Next 5 years (2006-2010)

- Part I - Prioritized Projected Capital Expenditures – Aggregate for Next Five Years (2006-2010)
- Part II - Existing Capital Resources Available and Resulting Shortfalls – Aggregate for Next Five Years (2006-2010)
- Part III - Recommended Course of Action to Meet Shortfalls, by Priority Ranking – Aggregate for Next Five Years (2006-2010)



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Components of Capital Expenditures

- Description of Major Capital Improvements by Year - by Priority
- Description of Minor Capital Improvements, by Year - by Priority
- Description of New Equipment by Year - by Priority
- Description of Equipment Replacements, by Year - by Priority
- Description of Major Maintenance, by Year - by Priority
- Description of Redecoration/Renovation, by Year - by Priority



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Detailed Schedules of Historical or Projected Future Capital Expenditures

- Equipment Replacements -
- Major Maintenance -
- Redecoration/Renovation -



Recommended Policy for Future Capital Expenditures

- Recommended Policy for Competitive Bidding on Capital Expenditures
- Recommended Policy for Utilization of Experts in Planning and Execution of Major Capital Projects
- Recommended Policy for Identifying Capital versus Operating Expenditures
- Recommended Policy to Assure Members' Equity is Increased in Proportion to the Costs of Major Capital Improvements when and if They Enhance the
- Long- Term Value of the Club's Facilities



Drawings, Textual Descriptions and Cost Estimates of Major Capital Improvements

- Summary of Independent Experts' Report on Need to Replace or Overhaul
- Irrigation System
- Summary of Actions Taken in Response to Irrigation Problems
- Textual Descriptions and Cost Estimates of Major Capital Improvements
- Drawing Reflecting the Major Capital Improvement Proposed for the Men's Grill / Pro-Shop



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Thank you!