



El Paso Golf Club Inc.
2860 County Road 600 North
El Paso, IL 61738-1743
Telephone: 309-527-5225 Fax: 309-527-5010
golfclub@fairpoint.net

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General Financial Update Information for the 2019 Annual Stockholder's Meeting:

- For that last several years we have managed a \$1.5 million dollar budget to within about \$10,000 each year, which is very commendable. However, we have no room for error.
 - Dues and fees have had only small increases over the years.
 - Our membership remains strong and we are still very competitive in the golf arena as far as cost, plus it's an outstanding value for the cost.
 - At the same time, we have been able to purchase a new roof, rough mower, greens mowers, rake, etc., without borrowing money.
 - Over the last 14 years, we have been able to pay down over \$1 million of a \$1.3 million dollar mortgage loan.
 - Unfortunately, in past years, we sometimes have had to borrow from the next year's dues to pay our current bills.
 - For 2018, the rounds of golf and sales in the restaurant were both down about 5%. As a result, we had to borrow \$50,000 for 90 days to complete the year.
- Moving forward, it was determined we needed cash flow for general operations, as well as money for needed projects to maintain the course as it is today. After researching potential options, the decision was made to refinance our current loan.
 - Current loan Info:
 - Current loan balance is ~\$330,000, with a current monthly payment of \$7,871.
 - ~3-4 years to payoff remaining balance.
 - Current loan rate will be adjusted in 2019.
 - Refinance loan info:
 - Refinance for \$500,000 for 10 years, at a rate of 5.85%.
 - Monthly payment will be \$5,600 (~\$2,200 a month lower than current)
 - The difference in loan payments will provide us with an additional annual cash flow of approximately \$26,400.
 - The cash out will cover costs for needed projects, repayment of short term loan to cover balance of 2018, and provide us with a potential surplus at the end of 2019 to avoid additional loans.

Thank you for your continued support of our fine golf club!!!! Looking forward to great year in 2019.

See you in February.