

Golf Course Financials

Goals of the financial review

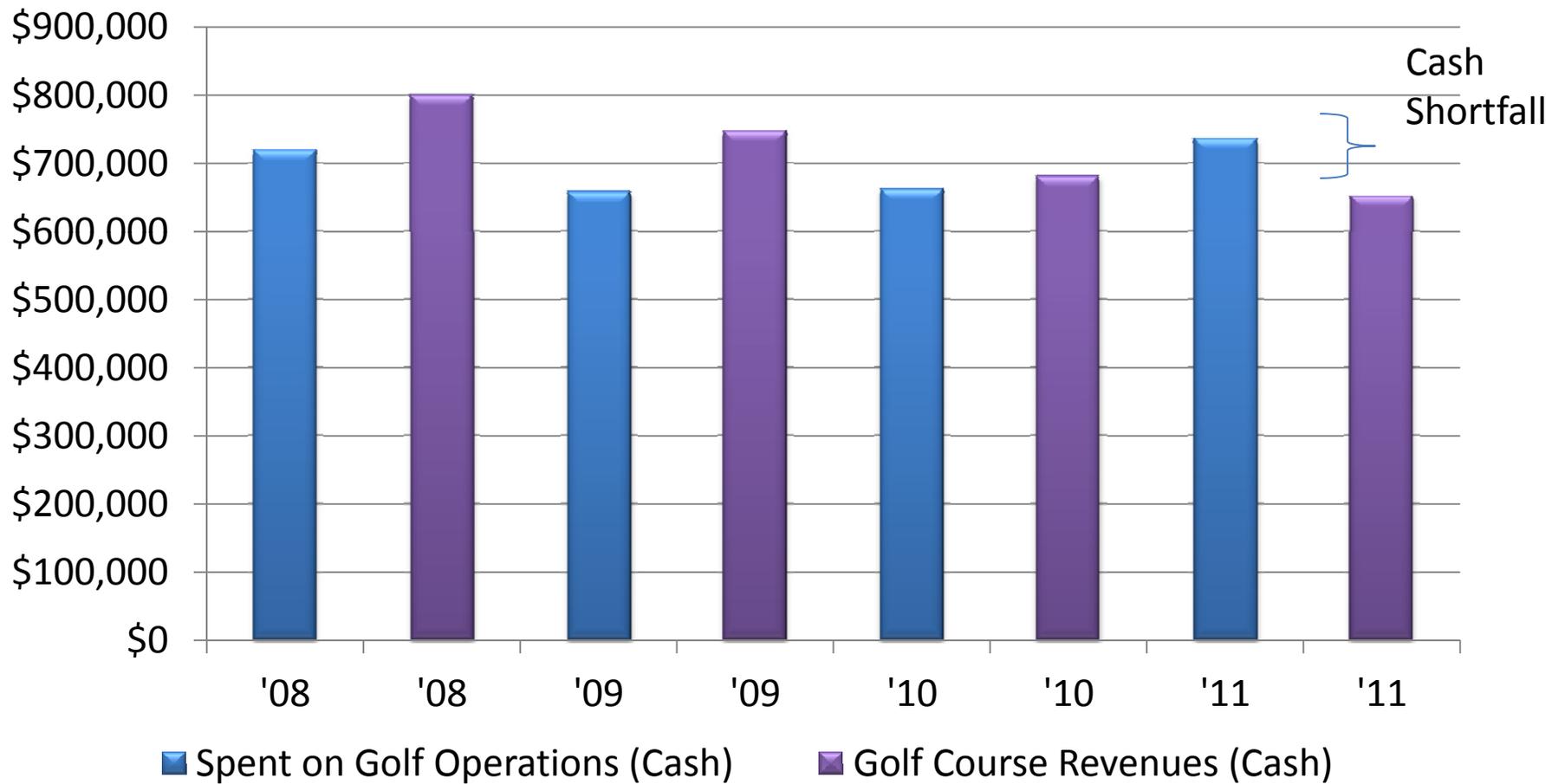
- Understand actual financial results
- Share what we found
- Look for ways to improve

Background

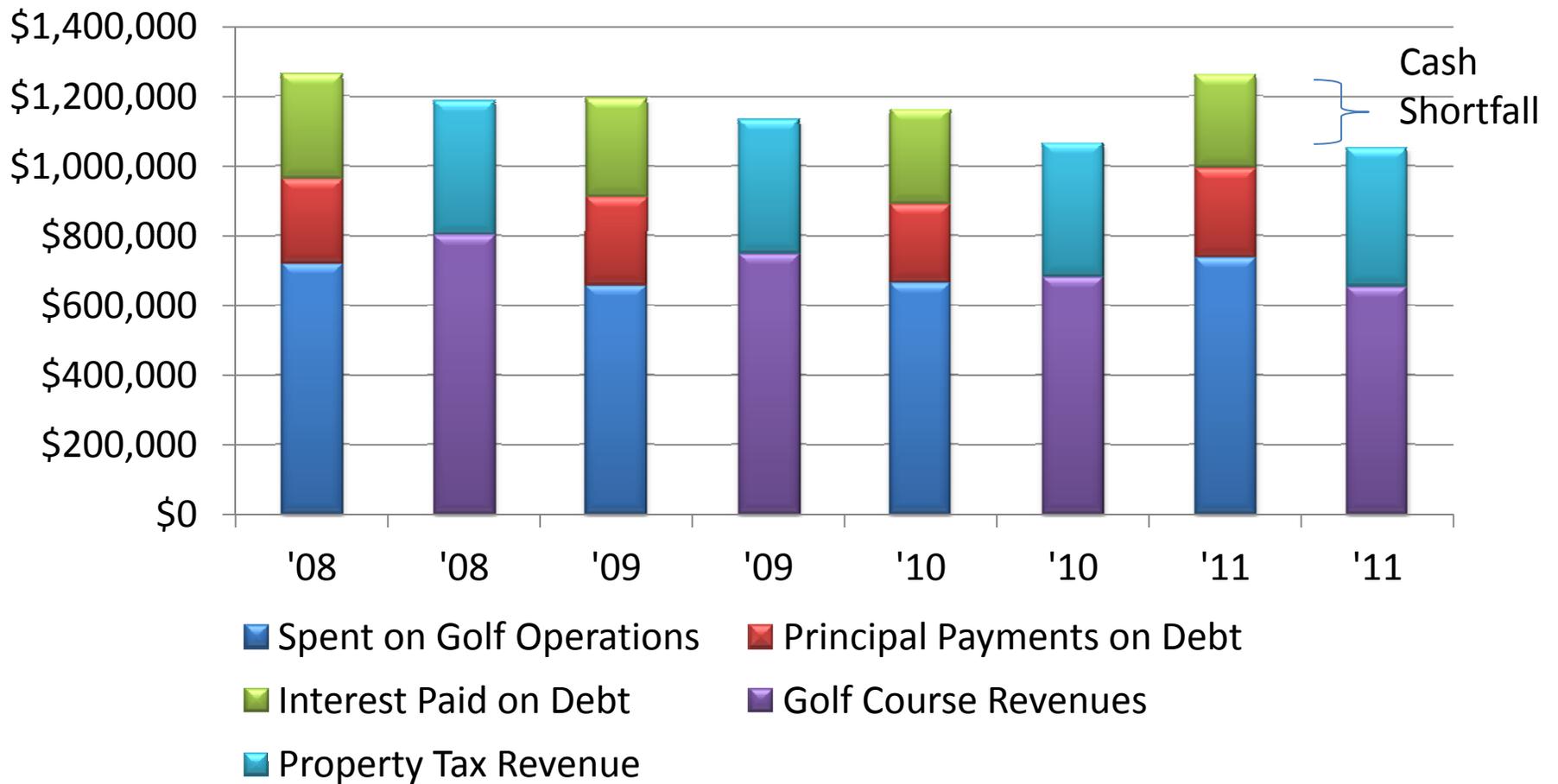
We examined the audited City financial statements from 2004 through 2011

- We looked at the details and asked questions of the City's finance director.
- We looked at three statements: 1) Net Assets; 2) Revenues, Expenses, and Changes; 3) Cash Flows
- We also looked at analyses prepared by citizens Rob Crawley and Paul Sorensen.

Golf Course Cash Flow Analysis



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Golf Course Cash Flow

	2008	2009	2010	2011
Collected	\$800,282	\$747,211	\$679,970	\$653,011
Spent on Operations	(\$719,954)	(\$656,690)	(\$662,893)	(\$735,881)
Cash Earned/(Lost)	\$80,328	\$90,521	\$17,077	(\$82,870)

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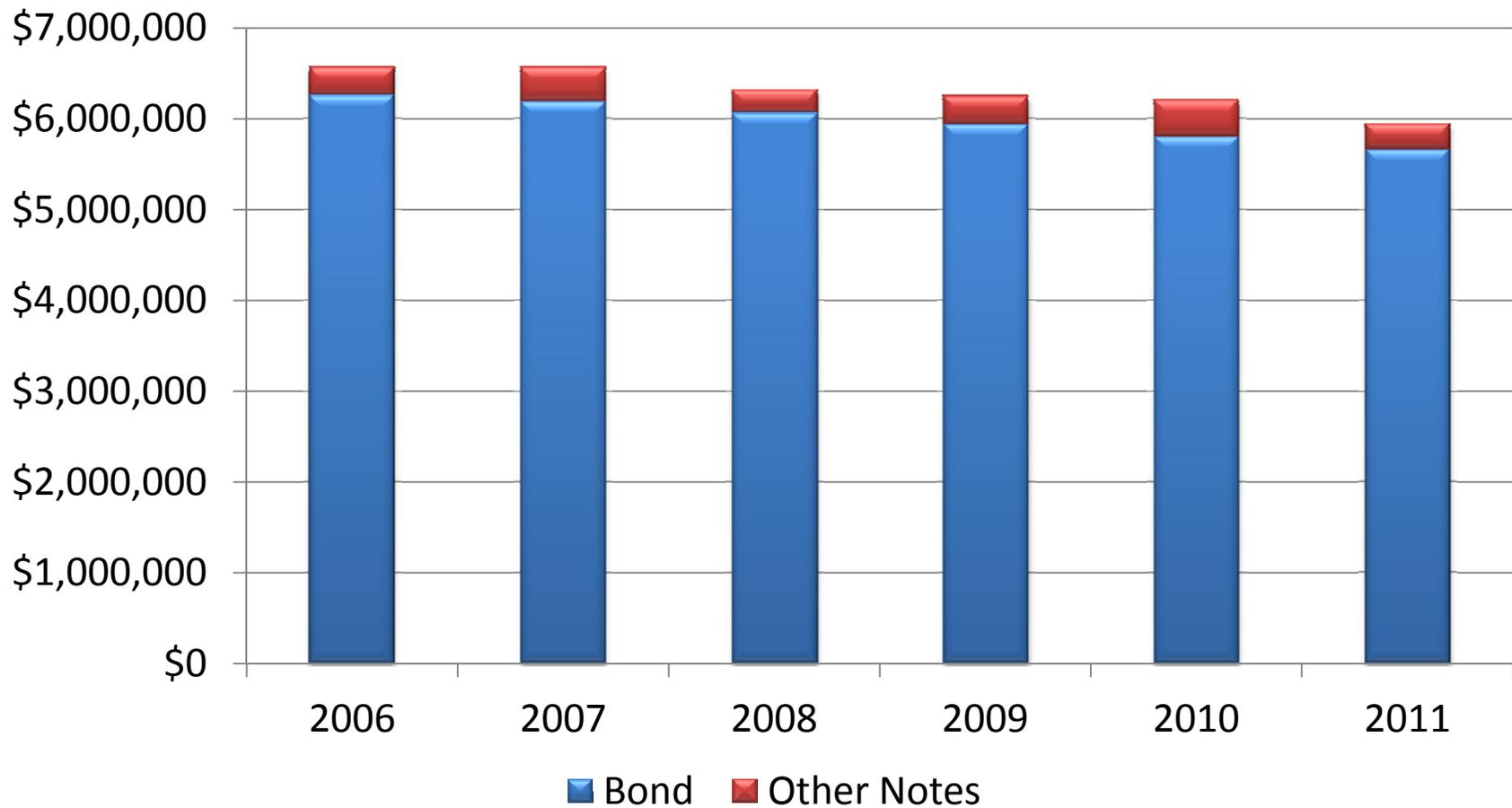
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Net Cash (Lost)	(\$74,850)	(\$63,462)	(\$94,287)	(\$208,840)

How have we paid for the short fall?

- We cover the short fall from the City's General Fund.
- Since the beginning, the golf course shortfall totals \$1.8M of which about \$700,000 was for the reconfiguration of the course to create building lots to sell in an effort to pay down the debt. No lots have yet sold.

Golf Course Debt



Golf Course Debt

	2008	2009	2010	2011
Bond	\$6,060,000	\$5,930,000	\$5,795,000	\$5,655,000
Equipment Leases	\$259,816	\$313,972	\$406,357	\$289,554
Total Debt	\$6,319,816	\$6,243,972	\$6,201,357	\$5,944,554

Some Conclusions

- The golf course has performed better financially in previous years.
- There is potential for better financial performance.
- As the debt is paid down/off, the tax subsidy for the course may be reduced/eliminated.
- The possibility of selling the course with any reasonable outcome for the City is unlikely in the near term.

Framework for Increasing Golf Course Revenue

Deliverable Expectations

- Attainable goals
- What we can do

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Marketing Plan

Develop a marketing calendar

- Sell our #1 product first
- Develop and schedule unified campaigns
- Customer Touch Points (interactions)
- List all interactions with customer
- Market at each touch point
- Advertising

Direct Sales

New Opportunities for Revenue

- Tournaments
- Corporate Tee times
- Company Events
- Family Parties
- Weddings, receptions

Relationship Marketing

- Corporate alliance
- Networking

Community Support

- Personal Support
- Product Promotion
- Goodwill