

Golf Course Fund

Parks & Land Use

Fund Purpose/ Summary

Fund Purpose

This Budget is comprised of three separate golf courses (Naga-Waukee, Wanaki, and Moor Downs) that are financed in a manner similar to private business enterprises. The Fund's purpose is to provide complete golfing facilities for the general public at an affordable rate, while not requiring a tax subsidy; to generate adequate income to continue to provide improvements to existing facilities; to develop, maintain, and operate the facilities consistent with industry's standards; and to continue to provide new improvements to the facilities, which will serve to enhance the recreational experience for the golfing public while maintaining a high level of usage at the facility.

Financial Summary	2006	2007	2007	2008	Change From 2007	
	Actual (b)	Adopted Budget	Estimate (c)	Budget	Adopted Budget	
					\$	%
Revenues						
General Government	\$0	\$0	\$0	\$0	\$0	N/A
Fine/Licenses	\$0	\$0	\$0	\$0	\$0	N/A
Charges for Services	\$3,084,965	\$3,348,000	\$3,310,000	\$3,420,000	\$72,000	2.2%
Interdepartmental	\$0	\$0	\$0	\$0	\$0	N/A
Other Revenue (b)	(\$51,585)	\$0	\$0	\$0	\$0	N/A
Appr. Fund Balance (c)	\$0	\$50,000	\$31,716	\$23,607	(\$26,393)	-52.8%
County Tax Levy	\$0	\$0	\$0	\$0	\$0	N/A
Total Revenue Sources	\$3,033,380	\$3,398,000	\$3,341,716	\$3,443,607	\$45,607	1.3%
Expenditures						
Personnel Costs	\$1,095,142	\$1,187,122	\$1,190,919	\$1,228,982	\$41,860	3.5%
Operating Expenses	\$1,029,234	\$1,174,773	\$1,132,871	\$1,130,725	(\$44,048)	-3.7%
Interdept. Charges	\$896,672	\$949,051	\$926,916	\$1,017,816	\$68,765	7.2%
Fixed Assets (Memo) (a)	\$6,660	\$15,000	\$15,000	\$92,500	\$77,500	516.7%
Total Expenditures (a)	\$3,021,048	\$3,310,946	\$3,250,706	\$3,377,523	\$66,577	2.0%
Operating Inc./ (Loss) (a)	\$12,332	\$87,054	\$91,010	\$66,084	(\$20,970)	-24.1%
Position Summary (FTE)						
Regular Positions	8.58	8.58	8.58	8.60	0.02	
Extra Help	22.21	22.21	22.21	21.90	(0.31)	
Overtime	0.77	0.77	0.77	0.77	0.00	
Total	31.56	31.56	31.56	31.27	(0.29)	

- (a) Total expenditures and net operating income/(loss) exclude capitalized Fixed Asset purchases to conform with financial accounting standards. Fixed Asset purchases will be made from cash generated by operating revenues, and are included in the Department's Fixed Asset request. Cash flow from operations in 2006 totaled \$276,275. In 2007 and 2008, operations are anticipated to generate positive cash flows of \$302,807 and \$271,530 respectively.
- (b) The 2006 negative amount for other revenues is due to a write-down of \$51,585 in equipment.
- (c) The 2007 Estimate use of Fund Balance is below the 2007 Adopted Budget due to a decrease in the cost for the purchase of golf carts. In 2008, Golf Course Fund Balance is used to partially offset the phase in impact of increasing End User Technology Fund (EUTF) charges for Wanaki and Moor Downs golf courses.

Major Departmental Strategic Outcomes and Objectives for 2008**County-Wide Key Strategic Outcomes: Cost effective services delivered with competence and skill**

Objective: Provide affordable golfing opportunities to the general public, and establish and implement a business plan for the courses that provides for cost-effective investments within golf course facilities.

Key Outcome Indicator: Earnings before interest, taxes, depreciation, and amortization (EBITDA). The National Golf Foundation provides comparisons of other public golf courses within the upper Midwest. A comparison of other public courses provides an indicator for the general financial health of the golf courses, as well as an indicator of systems financial direction and effectiveness of planning.

Performance Measure:

	Frost Belt Median 2005	2006 Actual	2007 Target	2007 Estimate	2008 Target
All three courses net operating income - EBITDA	\$158,820	\$276,275	\$300,000	\$300,000	\$300,000

Naga-Waukee Golf Course**County-Wide Key Strategic Outcomes: Cost effective services delivered with competence and skill.****Program Description**

Provides a well-maintained 18-hole golf course and support facilities without Tax Levy funds.

	2006 Actual	2007 Budget (b)(c)	2007 Estimate (b)(c)	2008 Budget	Budget Change
Staffing (FTE)	15.31	15.31	15.31	15.02	(0.29)
Charges for Services	\$1,588,524	\$1,693,000	\$1,685,000	\$1,735,000	\$42,000
Other Revenue	\$0	\$0	\$0	\$0	\$0
Appr. Fund Balance (b)	\$0	\$31,000	\$18,400	\$0	(\$31,000)
County Tax Levy	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$1,588,524	\$1,724,000	\$1,703,400	\$1,735,000	\$11,000
Personnel Costs	\$516,402	\$582,007	\$583,894	\$600,016	\$18,009
Operating Expenses	\$472,834	\$578,841	\$549,198	\$539,224	(\$39,617)
Interdept. Charges (c)	\$348,298	\$373,931	\$368,516	\$401,852	\$27,921
Fixed Assets (Memo) (a)	\$0	\$0	\$0	\$65,000	\$65,000
Total Expenditures (a)(b)	\$1,337,534	\$1,534,779	\$1,501,608	\$1,541,092	\$6,313
Operating Inc./ (Loss) (a)	\$250,990	\$189,221	\$201,792	\$193,908	\$4,687

- (a) Total expenditures and net operating income/(loss) exclude capitalized Fixed Asset purchases to conform with financial accounting standards. Fixed Asset purchases will be made from cash generated by operating revenues, and are included in the Department's Fixed Asset request. Cash flow from operations in 2006 totaled \$344,795. In 2007 and 2008, operations are anticipated to generate positive cash flows of \$294,069 and \$280,929 respectively.
- (b) The 2007 Estimate use of Fund Balance is below the 2007 Adopted Budget due to a decrease in the cost for the purchase of golf carts.
- (c) County-wide indirect costs are restated in the 2007 Budget and Estimate for comparison purposes to the 2008 Budget. These costs reflect the Golf Courses' new distribution method of allocating County-wide indirect costs based on each courses proportional share of total expenses.

Naga-Waukee Golf Course (cont.)



Program Highlights

Budgeted Charges for Services revenue increases \$42,000, recognizing a leveling off of play at 80,500 9-hole rounds per year. Greens fees will be adjusted as necessary to maintain market position, however, fee increases between two and three percent are anticipated.

Total expenditures increase \$6,313 or less than half of one percent. Personnel costs increase \$18,000, which includes merit increases and continuation of benefits for staff; the transfer in of 0.02 FTE or \$2,300 worth of the Enterprise Operations Manager costs from the Ice Arena Fund to better reflect the actual allocation of time; and a reduction of 0.31 FTE or \$5,700 worth of temporary extra help to reflect historical usage.

Operating expenses decrease \$39,617. Decreases include \$36,000 in small equipment related to the 2007 budgeted replacement of golf carts. Golf Course Fund Balance of \$31,000 was also budgeted on a one-time basis in 2007 to fund these replacement expenses.

Additional Operating expense decreases include \$3,600 for building repair and maintenance, and \$4,700 in depreciation expenses, which decrease from \$91,727 to \$87,021 in 2008. Operating decreases are partially offset by increases of \$1,800 for landscaping and supply costs, \$1,600 associated with credit card processing, and \$1,400 in cashing software maintenance costs reflecting the redistribution of software costs between the three golf courses based on each courses' proportional share of gross revenues.

Interdepartmental charges increase \$27,921, and include an increase of \$20,930 in End User Technology Fund (EUTF) charges to reflect a new cost allocation method recommended by Internal Audit, based on utilization of information technology resources. The Department plans to work with IT business analysts to determine if a more cost-effective outsource solution is a viable option. Additional cost increases include \$4,820 in Parks' management services costs, \$3,200 for insurance, and \$2,900 in fuel charges.

Fixed Asset expenditures include \$45,000 for cart storage garage and patio repairs, and \$20,000 for cart path and tee improvements.



Activity

	2006 Actual	2007 Budget	2007 Estimate	2008 Budget	Budget Change
9 Hole Rounds	76,317	82,500	80,500	80,500	(2,000)
Golf Car Rentals	23,945	21,000	22,400	22,400	1,400
ID Cards Paying	2,161	2,000	2,000	2,000	0
9 Hole Play	20,505	21,970	21,800	21,800	(170)
18 Hole Play	27,906	30,265	29,350	29,350	(915)

Public Mid-Range Frost Belt Courses

	National Golf Foundation Median 2005	2006 Data
Gross Revenue	\$1.1 Million	\$1.8 Million
Gross Revenue/Round	\$35	\$37
Rounds Played	31,000	48,400
# of Full Time Employees	6.2	4.0

Naga-Waukee Golf Course Revenue

	2006 Actual	2007 Budget	2007 Estimate	2008 Budget
Green Fees	\$906,120	\$1,060,000	\$1,000,000	\$1,048,400
Carts	\$306,800	\$295,000	\$320,000	\$320,000
ID Cards	\$38,625	\$38,000	\$40,000	\$40,000
Food	\$166,100	\$155,000	\$170,000	\$170,800
Merchandise	\$111,800	\$115,000	\$115,000	\$115,000
Misc.	\$59,000	\$30,000	\$40,000	\$40,800
Total	\$1,588,445	\$1,693,000	\$1,685,000	\$1,735,000

Wanaki Golf Course

County-Wide Key Strategic Outcomes: Cost effective services delivered with competence and skill

Program Description

Provides a well-maintained 18-hole golf course and support facilities without Tax Levy funds.

	2006 Actual	2007 Budget (b)(c)	2007 Estimate (b)(c)	2008 Budget	Budget Change
Staffing (FTE)	13.78	13.78	13.78	13.78	0.00
Charges for Services	\$1,178,512	\$1,250,000	\$1,240,000	\$1,280,000	\$30,000
Interdepartmental	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$0	\$0	\$0	\$0	\$0
Appr. Fund Balance (b)	\$0	\$15,600	\$9,916	\$15,351	(\$249)
County Tax Levy	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$1,178,512	\$1,265,600	\$1,249,916	\$1,295,351	\$29,751
Personnel Costs	\$474,446	\$498,920	\$495,150	\$518,203	\$19,283
Operating Expenses	\$472,278	\$484,850	\$483,560	\$496,135	\$11,285
Interdept. Charges (c)	\$290,669	\$311,560	\$295,275	\$328,133	\$16,573
Fixed Assets (Memo) (a)	\$6,660	\$0	\$0	\$22,500	\$22,500
Total Expenditures (a)(b)	\$1,237,393	\$1,295,330	\$1,273,985	\$1,342,471	\$47,141
Operating Inc./ (Loss) (a)	(\$58,881)	(\$29,730)	(\$24,069)	(\$47,120)	(\$17,390)

- (a) Total expenditures and net operating income/(loss) exclude capitalized Fixed Asset purchases to conform with financial accounting standards. Fixed Asset purchases will be made from cash generated by operating revenues, and are included in the Department's Fixed Asset request. Cash flow from operations in 2006 totaled \$39,574. In 2007 and 2008, operations are anticipated to generate positive cash flows of \$73,773 and \$50,536 respectively.
- (b) The 2007 Estimate use of Fund Balance is below the 2007 Adopted Budget due to a decrease in the cost for the purchase of golf carts. In 2008, Golf Course Fund Balance is used to partially offset the phase in impact of increasing EUTF charges.
- (c) County-wide indirect costs are restated in the 2007 Budget and Estimate for comparison purposes to the 2008 Budget. These costs reflect the Golf Courses' new distribution method of allocating County-wide indirect costs based on each courses proportional share of total expenses.



Program Highlights

Budgeted Charges for Services revenue increases \$30,000, recognizing play at 63,600 9-hole rounds per year. Greens fees will be adjusted as necessary to maintain market position, however, fee increases between two and three percent are anticipated. Golf Course Fund Balance of \$15,600 was budgeted on a one-time basis in 2007 to fund the replacement cost for the golf carts. In 2008, Golf Course Fund Balance is budgeted at \$15,351 to partially offset the increase in End User Technology Fund charges.

Total expenditures increase \$47,141. Personnel costs increase \$19,283, and include merit increases and continuation of benefits for existing staff.

Operating expenses increase \$11,285, including \$8,000 in pro shop and concession inventory costs, reflecting historical sales volume, \$6,400 for landscaping supplies, \$2,200 for building repair and associated replacement and maintenance of building windows, and \$2,000 for concession equipment repair and maintenance. Increases also include \$1,650 for utilities and \$1,000 associated with credit card processing. These increases are partially offset by a \$13,000 decrease in small equipment expenses related to the 2007 budgeted replacement of golf carts. Depreciation expenses are budgeted at \$97,560 in 2008.

Wanaki Golf Course (cont.)

Interdepartmental charges increase \$16,573, and include an increase of \$20,426 in EUTF charges to reflect a new cost allocation method recommended by Internal Audit, based on utilization of information technology resources. The Department plans to work with IT business analysts to determine if a more cost-effective outsource solution is a viable option. Additional cost increases include \$5,126 in Parks' management services costs and \$1,300 in Public Works facility maintenance charges. These Interdepartmental charge increases are also partially offset by \$10,418 decrease in Central Fleet charges.

Fixed Asset expenditures include \$6,500 to repair clubhouse bathroom flooring and \$16,000 for cart path and tee improvements.



Activity

	2006 Actual	2007 Budget	2007 Estimate	2008 Budget	Budget Change
9 Hole Rounds	60,554	63,500	62,000	63,600	100
Golf Car/Cart Rental	14,594	13,600	15,100	15,100	1,500
ID Cards Paying	1,520	1,700	1,400	1,400	(300)
9 Hole Play	28,394	31,850	28,000	28,600	(3,250)
18 Hole Play	16,080	15,825	17,000	17,500	1,675

Public Mid-Range Frost Belt Courses		
	National Golf Foundation Median	2006 Data
Gross Revenue	\$1.1 Million	\$1.3 Million
Gross Revenue/Round	\$35	\$29
Rounds Played	31,000	44,500
# of Full Time Employees	6.2	3.0

Wanaki Golf Course Revenue				
	2006 Actual	2007 Budget	2007 Estimate	2008 Budget
Green Fees	\$703,500	\$794,000	\$745,200	\$785,200
Carts	\$136,700	\$140,000	\$154,900	\$154,900
ID Cards	\$25,700	\$32,350	\$27,000	\$27,000
Food	\$160,100	\$138,600	\$161,300	\$161,300
Merchandise	\$137,700	\$125,000	\$137,600	\$137,600
Misc.	\$14,812	\$20,050	\$14,000	\$14,000
Total	\$1,178,512	\$1,250,000	\$1,240,000	\$1,280,000

Moor Downs Golf Course

County-Wide Key Strategic Outcomes: Cost effective services delivered with competence and skill

Program Description

Provides a well-maintained 9-hole golf course and support facilities without Tax Levy funds.

	2006 Actual (b)	2007 Budget (b)(d)	2007 Estimate (b)(d)	2008 Budget	Budget Change
Staffing (FTE)	2.47	2.47	2.47	2.47	0.00
Charges for Services	\$317,929	\$405,000	\$385,000	\$405,000	\$0
Other Revenue (b)	(\$51,585)	\$0	\$0	\$0	\$0
Appr. Fund Balance (c)	\$0	\$3,400	\$3,400	\$8,256	\$4,856
County Tax Levy	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$266,344	\$408,400	\$388,400	\$413,256	\$4,856
Personnel Costs	\$104,294	\$106,195	\$111,875	\$110,763	\$4,568
Operating Expenses	\$84,122	\$111,082	\$100,113	\$95,366	(\$15,716)
Interdept. Charges (d)	\$257,705	\$263,560	\$263,125	\$287,831	\$24,271
Fixed Assets (Memo) (a)	\$0	\$15,000	\$15,000	\$5,000	(\$10,000)
Total Expenditures (a)(c)	\$446,121	\$480,837	\$475,113	\$493,960	\$13,123

Operating Inc./ (Loss) (a)	(\$179,777)	(\$72,437)	(\$86,713)	(\$80,704)	(\$8,267)
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- (a) Total expenditures and net operating income/(loss) exclude capitalized Fixed Asset purchases to conform with financial accounting standards. Fixed Asset purchases will be made from cash generated by operating revenues, and are included in the Department's Fixed Asset request. Cash flow from operations in 2006 was a negative \$108,094. In 2007 and 2008, operations are anticipated to generate negative cash flows of \$65,335 and \$59,935 respectively.
- (b) The 2006 negative amount of other revenues is due to a write-down of \$51,585 in equipment.
- (c) The 2007 Estimate use of Fund Balance is below the 2007 Adopted Budget due to a decrease in the cost for the purchase of golf carts. In 2008, Golf Course Fund Balance is used to partially offset the phase in impact of increasing EUTF charges.
- (d) County-wide indirect costs are restated in the 2007 Budget and Estimate for comparison purposes to the 2008 Budget. These costs reflect the Golf Courses' new distribution method of allocating County-wide indirect costs based on each courses proportional share of total expenses.



Program Highlights

Budgeted Charges for Services revenue remains at 2007 levels, recognizing play at 24,700 9-hole rounds per year. Greens fees will be adjusted as necessary to maintain market position, however, fee increases between one and two percent are anticipated.

Total expenditures increase \$13,123. Personnel costs increase \$4,568 and include merit increases and continuation of benefits for existing staff.

Operating expenses decrease \$15,716, and include a decrease of \$6,400 in small equipment related to the 2007 budgeted replacement of golf carts. Golf Course Fund Balance of \$3,400 was also budgeted on a one-time basis in 2007 to fund these replacement expenses. The decrease in Operating expenses also includes a decrease of \$8,977 in depreciation expenses, which decreases from \$29,746 to \$20,769 in 2008. In addition, a decrease of \$1,200 in cashing software maintenance costs, reflecting the redistribution of software costs between the three golf courses based on each courses' proportional share of gross revenues.

 Moor Downs Golf Course (cont.)

Interdepartmental charges increase \$24,271, and include an increase of \$12,695 in EUTF charges to reflect a new cost allocation method recommended by Internal Audit, based on utilization of information technology resources. The Department plans to work with IT business analysts to determine if a more cost-effective outsource solution is a viable option. Additional cost increases include \$4,000 in grounds maintenance charges, \$3,500 in Public Works Central Fleet charges, \$3,040 in Parks' management services costs, and \$1,575 in Public Works Facility Maintenance charges.

Fixed Asset expenditures include \$5,000 to improve drainage on the number two and number four fairways.

**Activity**

	2006 Actual	2007 Budget	2007 Estimate	2008 Budget	Budget Change
9 Hole Rounds	20,567	24,700	23,630	24,700	0
Golf Car Rental	5,832	5,100	5,025	5,200	100
ID Cards paying	986	1,375	1,000	1,050	(325)
9 Hole Play	20,547	24,300	23,550	24,620	320
18 Hole Play	10	200	40	40	(160)

Public Mid-Range Frost Belt Courses		
	National Golf Foundation Median	2006 Data
Gross Revenue	\$1.1 Million	\$0.35 Million
Gross Revenue/Round	\$35	\$17
Rounds Played	31,000	20,567
# of Full Time Employees	6.2	1.0

Moor Downs Golf Course Revenue				
	2006 Actual	2007 Budget	2007 Estimate	2008 Budget
Green Fees	\$235,250	\$297,000	\$280,000	\$297,000
Carts	\$33,325	\$38,000	\$36,700	\$38,000
ID Cards	\$17,100	\$28,000	\$26,600	\$28,000
Food	\$18,100	\$24,000	\$23,700	\$24,000
Merchandise	\$7,500	\$9,000	\$9,000	\$9,000
Misc.	\$6,654	\$9,000	\$9,000	\$9,000
Total	\$317,929	\$405,000	\$385,000	\$405,000