



TO : Nick Mimms, City Manager

FROM : Johnna Morris, Director of Finance

RE : **Golf Course Financial Analysis**

DATE : February 6, 2017

Attached is the requested financial analysis of the Golf Course Fund for FY 2006-16. As the analysis shows, the last ten years have been challenging to say the least. Below are some highlighted points that you should be aware of in your review of the information.

- The fund has had a net loss all ten years and negative cash flow for all but three of the ten years; which only materialized because of the large transfers from General Fund and/or Solid Waste.
- For the last ten years the fund has operated using retained earnings and transfers. This should have been a short term strategy, but without profits the fund cannot survive unless there are supplements from the General Fund or other funding sources.
- In 2004, there was a debt issuance of \$3,170,000, of which \$2,981,976 was used to fund the reconstruction and improvements to the Golf Course after the hurricanes. The capital expenses in fiscal years 2006-2009 were additional expenses above the debt funds received.
- Since 2005 the annual debt service payment has been paid by General Fund, totaling \$2,096,994. It has been refunded twice and will mature in 2032.
- In addition to the debt service payment, General Fund and/or Solid Waste have made transfers to sustain the fund; \$828,020 from General and \$254,459.
- The difference displayed in the beginning and ending balances are due to restricted and non-restricted funds, i.e. accruals, encumbrances, etc.