



THE SUNRISE CITY

FORT PIERCE
FINANCE DEPARTMENT
Florida

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.

**Financial Analysis of Golf Course Fund
FY 2006-2016**

	2005/06	2006/07	2007/08	2008/09	2009/10
Beginning Available Resources <i>(Restated for Restricted/Unrestricted Resources)</i>	\$ 575,474	\$ 518,065	\$ 505,297	\$ 183,164	\$ (67,845)
Operating Revenue	\$ 1,650,011	\$ 1,657,628	\$ 1,814,583	\$ 1,532,450	\$ 1,470,163
Operating Expenses	1,622,929	1,777,562	1,753,041	1,932,259	1,855,946
Operating Income (loss)	27,082	(119,934)	61,542	(399,808)	(385,783)
Non Operating Revenue	28,857	21,234	20,093	291,912 *	259,930 *
Non Operating Expenses	0	0	37,031	0	52,173
Capital	320,023	109,082	521,423	367,687	5,638
Non Operating Income (loss)	(291,167)	(87,849)	(538,361)	(75,775)	202,120
Net Income (loss)	\$ (264,084)	\$ (207,783)	\$ (476,818)	\$ (475,583)	\$ (183,664)
Net Income (loss)	\$ (264,084)	\$ (207,783)	\$ (476,818)	\$ (475,583)	\$ (183,664)
Depreciation	173,127	159,681	150,495	167,276	166,447
Net Cash Flow	(90,957)	(48,102)	(326,324)	(308,307)	(17,216)
Unrestricted Resources Available	\$ 484,517	\$ 469,963	\$ 178,973	\$ (125,143)	\$ (85,061)
Interest	(147,855) **	(147,855) **	(147,075) **	(145,320) **	(143,208) **
Principal	0 **	0 **	(60,000) **	(65,000) **	(65,000) **
Transfers	0		0	(290,989)	(259,841)
Expenses Paid by General or Other	(147,855)	(147,855)	(207,075)	(501,309)	(468,049)

* Transfer from General

** Debt Service Paid by General

*** Transfer from Solid Waste

x Transfer from General - \$103,390

Transfer from Solid Waste - \$100,000

Financial Analysis of Golf Course Fund

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Beginning Available Resources <i>(Restated for Restricted/Unrestricted Resources)</i>	\$ (79,929)	\$ 20,750	\$ (9,805)	\$ (136,137)	\$ (53,971)	\$ (125,735)
Operating Revenue	\$ 1,354,009	\$ 1,439,569	\$ 1,418,505	\$ 1,417,093	\$ 1,373,744	1,235,869
Operating Expenses	1,600,743	1,610,303	1,658,892	1,587,373	1,572,905	1,484,543
Operating Income (loss)	(246,734)	(170,734)	(240,387)	(170,280)	(199,161)	(248,675)
Non Operating Revenue	203,584 ^x	484	233	154,520 ^{***}	223	173,989 [*]
Non Operating Expenses	2,522	0	28,000	28,957	29,170	28,058
Capital	2,423	17,877	45,714	16,925	8,917	19,324
Non Operating Income (loss)	198,639	(17,393)	(73,481)	108,638	(37,865)	126,607
Net Income (loss)	\$ (48,095)	\$ (188,127)	\$ (313,869)	\$ (61,642)	\$ (237,026)	\$ (122,068)
Net Income (loss)	\$ (48,095)	\$ (188,127)	\$ (313,869)	\$ (61,642)	\$ (237,026)	\$ (122,068)
Depreciation	153,351	143,845	144,155	140,314	135,666	136,115
Net Cash Flow	105,256	(44,282)	(169,714)	78,672	(101,360)	14,047
Unrestricted Resources Available	\$ 25,327	\$ (23,532)	\$ (179,519)	\$ (57,465)	\$ (155,331)	\$ (111,688)
Interest	(140,851) ^{**}	(138,233) ^{**}	(135,426) ^{**}	(132,520) ^{**}	(129,370) ^{**}	(81,281) ^{**}
Principal	(65,000) ^{**}	(70,000) ^{**}	(75,000) ^{**}	(75,000) ^{**}	(80,000) ^{**}	(53,000) ^{**}
Transfers	(203,390)	0	0	(154,459)	0	(173,800)
Expenses Paid by General or Other	(409,241)	(208,233)	(210,426)	(361,979)	(209,370)	(308,081)

* Transfer from General

** Debt Service Paid by General

*** Transfer from Solid Waste

x Transfer from General - \$103,390

Transfer from Solid Waste - \$100,000