



City of San Diego

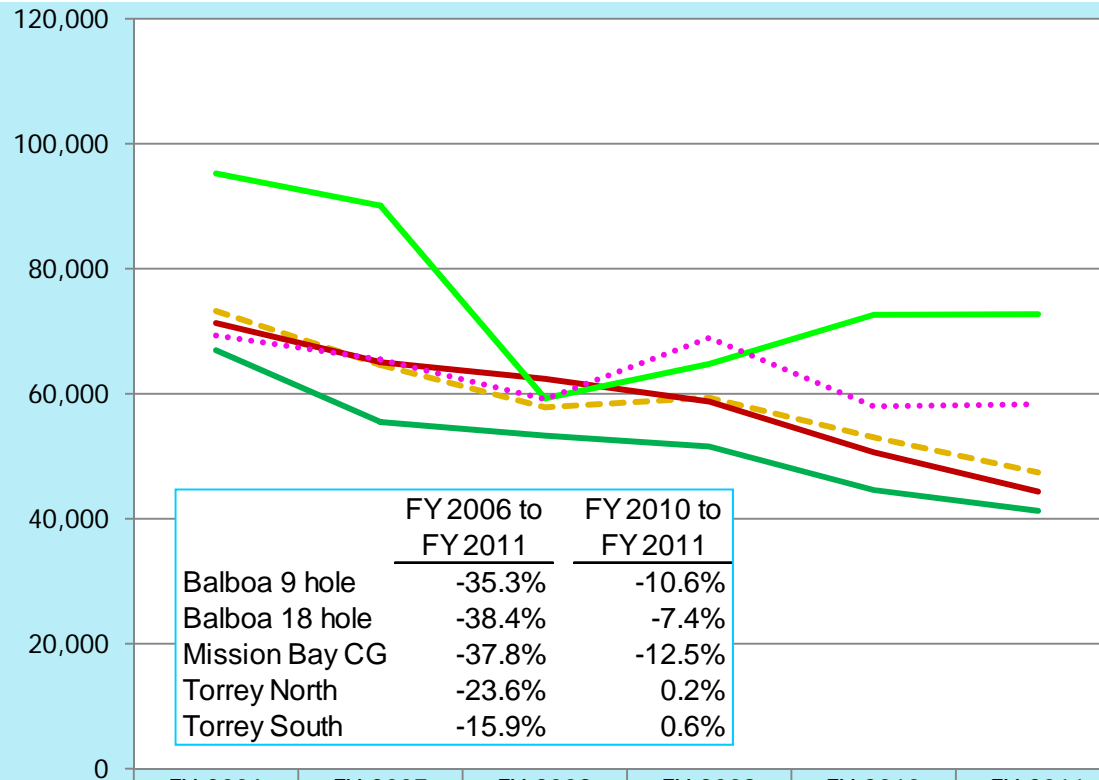
City of San Diego Park and Recreation Department Golf Division

Overview of Golf Division's Financial Position

Business Plan Update Committee Meeting
October 20, 2011



Municipal Golf Rounds

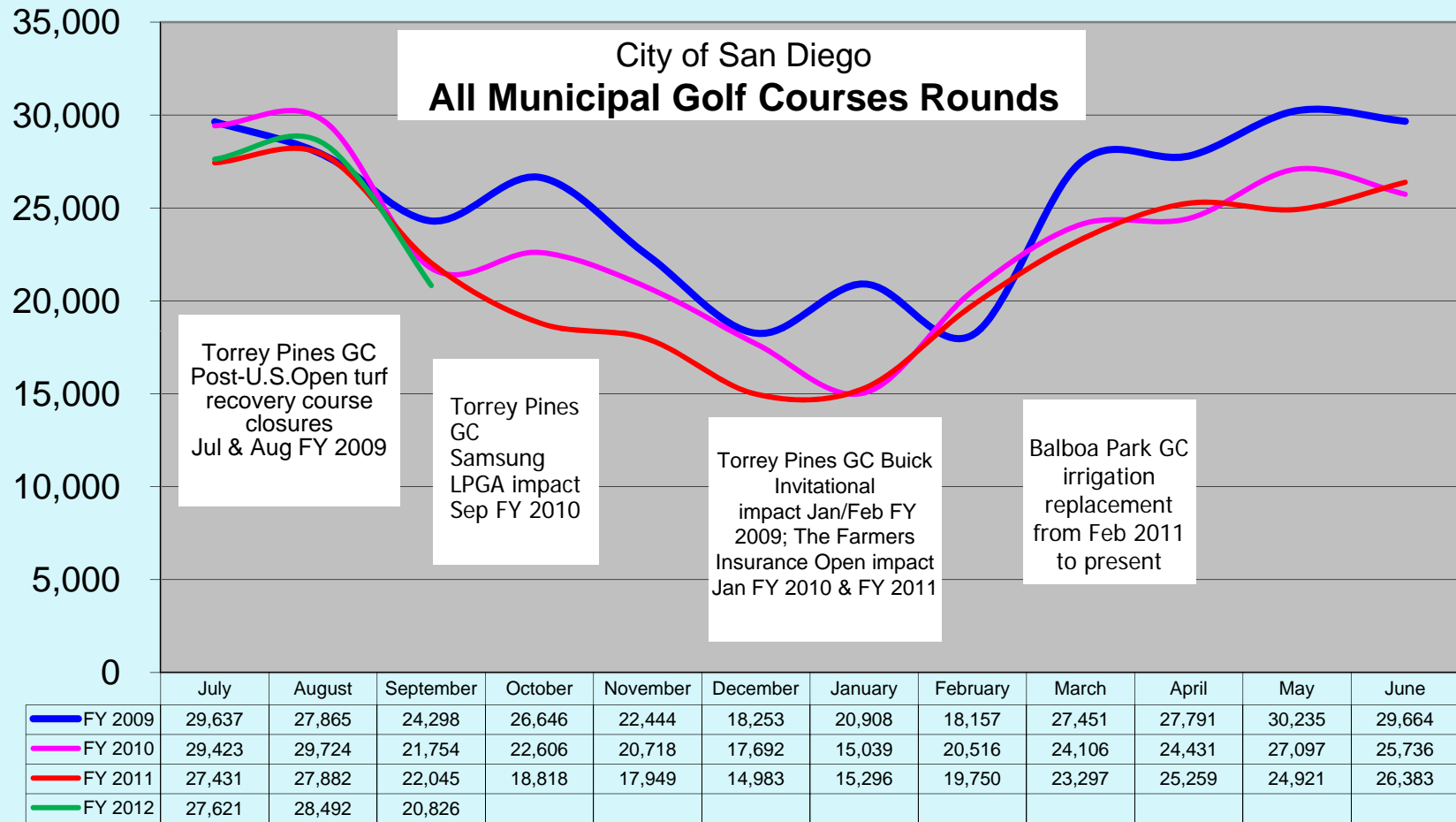


	FY 2006 to FY 2011	FY 2010 to FY 2011
Balboa 9 hole	-35.3%	-10.6%
Balboa 18 hole	-38.4%	-7.4%
Mission Bay CG	-37.8%	-12.5%
Torrey North	-23.6%	0.2%
Torrey South	-15.9%	0.6%

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
--- Balboa 9 hole	73,235	64,597	57,820	59,365	53,023	47,392
— Balboa 18 hole	66,960	55,481	53,287	51,547	44,575	41,257
— Mission Bay GC	71,297	65,047	62,395	58,746	50,633	44,325
— Torrey North	95,239	90,091	59,271	64,762	72,621	72,734
..... Torrey South	69,296	65,461	59,132	68,930	57,972	58,306



City of San Diego



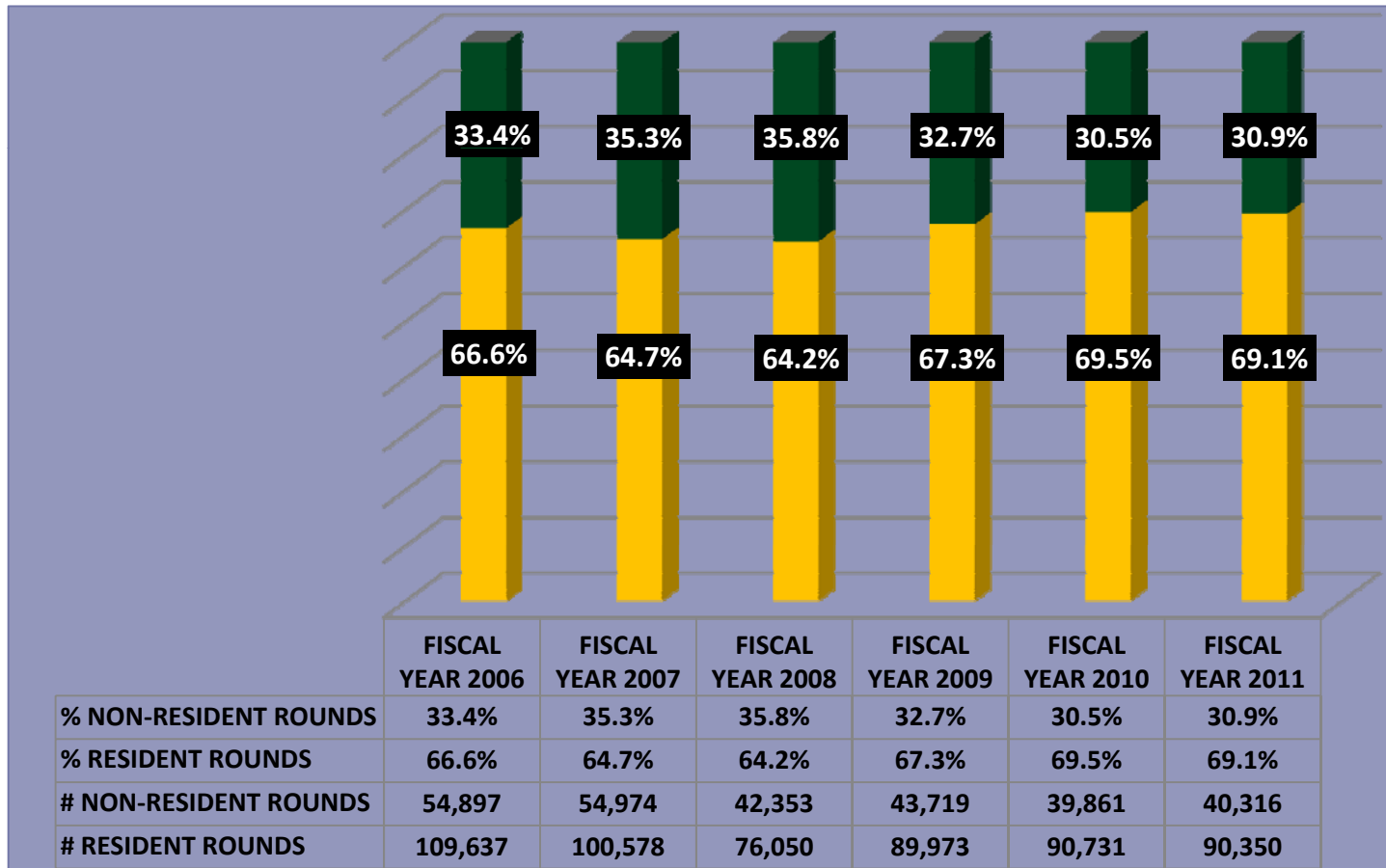
-5.5% Decline Sep 2011 vs Sep 2010

-0.5% Decline FY 2012 YTD Sep 2011 vs Same Period Prior Year

Source: Fairway Golf Reservation System



Resident and Non-Resident Rounds Torrey Pines Golf Course





Golf Enterprise Fund Operating Income FY 2006 to FY 2010

(In Thousands)	FY 2006 <u>Actual</u>	FY 2007 <u>Actual</u>	FY 2008 <u>Actual</u>	FY 2009 <u>Actual</u>	FY 2010 <u>Actual</u>
Total Operating Revenue	\$13,119	\$15,772	\$15,153	\$16,201	\$15,671
Total Operating Expense	9,550	10,710	11,227	11,960	14,588
Operating Income	\$3,569	\$5,062	\$3,926	\$4,241	\$1,083
Land Use Fee Transfer to the General Fund	<u>(1,629)</u>	<u>(1,620)</u>	<u>(1,616)</u>	<u>(2,134)</u>	*
Total	\$ 1,940	\$ 3,442	\$ 2,310	\$ 2,107	\$1,083

* Starting in FY 2010, the Golf Enterprise Fund Land Use Fee payment to the General Fund is included as an operating expense instead of a transfer to the General Fund in the Comprehensive Annual Financial Reports (CAFR).

Note: For financial reporting purposes the CAFR includes a calculated depreciation expense in the Total Operating Expense. Depreciation is not a cash outlay expense but allocates the cost of assets to the period in which the assets are used
 Depreciation (in thousands): FY 2006, \$670; FY 2007, \$503; FY 2008, \$572; FY 2009, \$817; FY 2010, \$954

Source: Comprehensive Annual Financial Report (CAFR)



Golf Enterprise Fund Net Operating Income FY 2011 and FY 2012 Budgets

	FY 2011 <u>Budget</u>	FY 2012 <u>Budget</u>
Operating Revenue	\$ 17,046,500	\$ 15,957,225
Operating Expense	<u>14,283,261</u>	<u>14,848,817</u>
Difference	\$ 2,763,239	\$ 1,108,408

Note: Annual Budgets do not include depreciation

Source: City of San Diego FY 2011 and FY 2012 Annual Budgets

Park & Recreation

Revenue and Expense Statement (Non-General Fund)

Golf Course Fund	FY2011 Budget*	FY2012 Adopted
BEGINNING BALANCE AND RESERVES		
Balance from Prior Year	\$ 10,833,921	\$ 10,380,879
Contingency Reserve	1,627,723	1,725,967
Operating Encumbrance	121,051	-
Continuing Appropriation - CIP	8,300,282	9,076,865
TOTAL BALANCE AND RESERVES	\$ 20,882,977	\$ 21,183,711
REVENUE		
Concessions	\$ 1,010,100	\$ 1,012,409
Golf Cart Rental	138,600	105,414
Golf Driving Range	387,700	355,145
Golf Fees	14,908,100	14,042,257
Interest Earnings	352,000	352,000
Miscellaneous Revenue	250,000	90,000
TOTAL REVENUE	\$ 17,046,500	\$ 15,957,225
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 37,929,477	\$ 37,140,936
CAPITAL IMPROVEMENT PROGRAM (CIP) EXPENSE		
CIP Expenditures	\$ 3,360,000	\$ 1,700,000
TOTAL CIP EXPENSE	\$ 3,360,000	\$ 1,700,000
OPERATING EXPENSE		
Land Use Payment	\$ 2,412,725	\$ 2,422,473
Operating Expense	11,870,536	12,426,344
TOTAL OPERATING EXPENSE	\$ 14,283,261	\$ 14,848,817
TOTAL EXPENSE	\$ 17,643,261	\$ 16,548,817
RESERVES		
Contingency Reserve	\$ 1,713,991	\$ 1,781,858
Operating Encumbrance	121,051	-
Continuing Appropriation - CIP	8,300,282	9,076,865
TOTAL RESERVES	\$ 10,135,324	\$ 10,858,723
BALANCE	\$ 10,150,892	\$ 9,733,396
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 37,929,477	\$ 37,140,936

* At the time of publication, audited financial statements for Fiscal Years 2010 and 2011 were not available. Therefore, the Fiscal Year 2011 column reflects final budget amounts from the Fiscal Year 2011 Adopted Budget. As such, current fiscal year balances and reserves are estimates of carryover from the previous fiscal year.



City of San Diego



Land Use Fee Payments to the General Fund

Fiscal Year	Amount (in millions)
FY 2006	\$ 1.62
FY 2007	\$ 1.61
FY 2008	\$ 1.60
FY 2009	\$ 2.13
FY 2010	\$ 2.12
FY 2011	\$ 2.41
FY 2012	\$ 2.42 (Budget)



City of San Diego



Capital Projects Funding FY 2012 Annual Budget

In thousands

Golf Course Facility	Continuing Appropriations	FY 2012 New Funding
Balboa Park	\$2,219	\$300
Mission Bay	\$2,913	\$300
Torrey Pines	\$3,179	\$1,100



City of San Diego

Golf Division

FY 2012 Budget Staffing

Facility or Program	Full-time Equivalent (FTE)
Balboa Park Golf Course	24.65
Mission Bay Golf Course	15.05
Torrey Pines Golf Course	49.35
Administration & Management	8.00
Total	97.05

City of San Diego
GOLF COURSE ENTERPRISE FUND 700043-700046
STATEMENT OF REVENUES AND EXPENSES BY COURSE
FISCAL YEAR 2010^{a, b, c}

	Torrey Pines	Mission Bay	Balboa Park	Total
Revenue (Fund 700043)				
Resident Green Fees	\$3,806,449	\$379,279	\$1,439,646	\$5,625,374
Resident ID Cards	\$260,544	\$59,625	\$166,625	\$486,794
Total Resident Fees	\$4,066,993	\$438,904	\$1,606,271	\$6,112,168
Non-Resident Green Fees	\$6,497,211	\$591,550	\$514,194	\$7,602,955
Rents and Concessions	\$1,261,515	\$24,487	\$199,807	\$1,485,809
Driving Range		\$350,329		\$350,329
Golf Cart Rentals		\$118,210		\$118,210
Other Revenue *	\$167,835	\$30,194	\$63,864	\$261,893
Interest Revenue				\$448,931
Total Revenue	\$11,993,554	\$1,553,674	\$2,384,136	\$16,380,295
Expenses (Fund 700043)				
Operating Expenses (less Administrative Expenses)	\$7,559,086	\$1,970,491	\$3,303,078	\$12,832,655
Administration expenses *	\$673,640	\$171,264	\$296,858	\$1,141,762
Total Operating Expenses	\$8,232,726	\$2,141,755	\$3,599,936	\$13,974,417
Net Operating Income	\$3,760,828	(\$588,081)	(\$1,215,800)	\$2,405,878
Capital Improvement Program Expenses				
Torrey Pines (Fund 700045)				
North/South Course Improvements	\$100,711			\$100,711
Clubhouse Improvements and Parking Lot Replacement	\$152,811			\$152,811
Mission Bay (Fund 700046)				
MB Golf Course and Practice Center - New Landscaping		\$140		\$140
MB Golf Course New Practice Area Upgrade		\$5,444		\$5,444
Balboa Park (Fund 700044)				
BP Concrete Steps and Handrail Replacement			\$4,268	\$4,268
BP Irrigation System Upgrade			\$98,490	\$98,490
Total Capital Improvement Expenses	\$253,522	\$5,584	\$102,758	\$361,864
Net +/- after Capital Expenses	\$3,507,306	(\$593,665)	(\$1,318,558)	\$2,044,014

^a Unaudited; however comparable with audited FY2010 Comprehensive Annual Financial Report (CAFR)

^b Prepared on a modified accrual basis of accounting

^c Data source: SAP Budget vs. Actual reports (budgetary reporting) on Golf Enterprise Funds

* Include the allocation of general revenue / administrative expenses based on the percentage of each golf facility operating expenses over the total.



Green Fees and Rounds

	Torrey Pines		Mission Bay		Balboa Park		Total	
<u>Revenue</u>								
Resident Green & Resident ID Card Fees	\$4,066,993	29.7%	\$438,904	3.2%	\$1,606,271	11.7%	\$6,112,168	44.6%
Non-Resident Green Fees	\$6,497,211	47.4%	\$591,550	4.3%	\$514,194	3.7%	\$7,602,955	55.4%
Total Green Fees Revenue	\$10,564,204	77.0%	\$1,030,454	7.5%	\$2,120,465	15.5%	\$13,715,123	100.0%
<u>Golf Rounds</u>								
Resident Rounds	90,738	32.5%	23,580	8.5%	78,023	28.0%	\$192,341	69.0%
Non-Resident Rounds	39,855	14.3%	27,073	9.7%	19,575	7.0%	\$86,503	31.0%
Total Rounds	130,593	46.8%	50,653	18.2%	97,598	35.0%	278,844	100.0%