



Financial and Operational Review of the:

Harbor Links Golf Course



Town of North Hempstead

May 9, 2016

Independent Accountant's Report on Applying Agreed Upon Procedures

May 9, 2016

Ms. Averil Smith
Town of North Hempstead
Manhasset, NY 11030

We have performed procedures in the following pages which were agreed to with respect to performing an Operational and Internal Control Review of the Harbor Links Golf Course ("Harbor Links").

These procedures included:

- Interviewing the employees of Harbor Links and documenting their roles and responsibilities.
- Reviewing the financial records and transactions of Harbor Links.
- Examining the written policies and procedures relevant to the financial operation of the Harbor Links.
- Reviewing the financial controls in place and evaluating whether they are working as designed.
- Reviewing the delineation of duties between Harbor Links and the oversight process.
- Reviewing the contract between the Town of North Hempstead and Century Golf Partners Management, LP, d/b/a/Arnold Palmer Golf Management and assess compliance with the applicable contractual provisions.
- Reviewing any other contracts or vendor agreements to ensure compliance with Town of North Hempstead guidelines.
- Reviewing the budget process including the establishment of the budget and the on-going management and recommend any necessary modifications to staffing this function, and offer suggestions to enhance controls to minimize the chances for unfavorable budget variances.

This agreed upon procedures engagement was conducted in accordance with attestation standards established by American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described either for the purpose for which this report has been requested or for any other purpose.

Our procedures consisted of a review of the financial reports, records, transactions, and other relevant records available, including interviews with pertinent Arnold Palmer Management and Town of North Hempstead employees. We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use by the Town of North Hempstead, and is not intended to be, and should not be used by anyone other than the Town of North Hempstead, without their consent.

Sincerely,

EFPR Group, CPAs, PLLC

EFPR Group, CPA's, PLLC
Buffalo, New York

BACKGROUND:

In January 2013, the Town of North Hempstead (“Town”) entered into a Management Agreement (“the Agreement”) with Century Golf Partners Management, LP d/b/a Arnold Palmer Golf Management (“Arnold Palmer Management”). The Town of North Hempstead owns and operates the Harbor Links Golf Course. The Town has retained Arnold Palmer Management to manage the golf course and the related facilities. Arnold Palmer Management is in the business of marketing, maintaining, and managing golf courses and facilities. Arnold Palmer Management is expected to use their expertise and experience in order to adequately maintain the facility, develop and adhere to an annual budget, adequately generate revenue and manage expenses, keep accurate books and records, and manage the general operations of the golf course. The agreement has a management fee base with the Town paying all expenses and collecting all revenues.

ENGAGEMENT OBJECTIVE AND SCOPE:

EFPR Group, CPA’s, PLLC (“EFPR”), formally Toski & Co., P.C. was engaged to complete an operational review of the Town’s Harbor Links Golf Course. The operational review consisted of an analysis of financial performance, interviews with management and staff, and an examination of relevant documents and financial reports.

The scope of this engagement included a financial review of the fiscal years 2011 through 2014, including a review of the 2015 budget.

EXECUTIVE SUMMARY

Overall Comments

In discussing the current state of financial affairs with all parties and reviewing numerous financial and operating reports, we have identified several pertinent contributing factors to the recent performance of the Harbor Links Golf Course under Arnold Palmer Management:

- Arnold Palmer Management is operating during a difficult time for golf. Participation and revenues are down in the region and across most of the country. However, Harbor Links is well-positioned with strong revenues and attractive facilities.

- The Town has entered into the agreement with Arnold Palmer Management for its expertise in the field of golf facility management and to generate profits for the Town. Profits declined considerably, yet budgets continued to be produced projecting unreasonable income figures. As new management have assumed responsibilities at both Harbor Links and the Town of North Hempstead, these practices have changed. We observed that the 2015 budget was considerably more realistic in its projections.

INFORMATION OBTAINED AND INDIVIDUALS INTERVIEWED:

In performing our review, we examined a variety of records for our scope period, including:

- Annual “Harbor Links Financial Statements” for each of the years 2002 through 2014.
- Detailed profit and loss statements, compared with budgeted amounts, for each division of Harbor Links Golf Course for the years 2011 through 2014.
- Budget performance reports for 2013 and 2014.
- The 2015 Harbor Links budget.
- Annual “Z Reports” for 2011 through 2014.
- Gift certificate reports for 2013 and 2014.
- Void, discount, and return reports for 2013 and 2014.
- Aging schedules (deposits on account) for 2013 and 2014.
- Various sales and inventory reports at the Pro Shop.
- Golf lesson activity reports for 2011 – 2014.
- Banquet monthly operating reports for 2011 - 2014
- Fixed Asset schedules for Harbor Links.
- Access to the Town’s bank reconciliations and bank statements for 2013 and 2014 involving Harbor Links financial activity.
- The Management Agreement between Arnold Palmer Management and the Town.
- Pepsi-Cola/Harbor Links Beverage Sales Agreement.
- Certificates of Insurance coverage.
- Harbor Links rate sheet.
- Food and beverage promotional materials, menus and pricing.
- An employee listing of Harbor Links.

We also interviewed or had discussions with employees of the various organizations involved which included:

- Arnold Palmer Management
 - Bob Lippiello – General Manager
 - Eileen Worth - Accountant
- Town of North Hempstead
 - Aline Khatchadourian - Deputy Supervisor/Director of Finance
 - Dennis Morgan - Chief Deputy Comptroller
 - Steve Pollack - Director of TownStat
 - Jill Weber - Parks Commissioner
 - Howard Weitzman - Financial Consultant

FINANCIAL AND OPERATIONAL REVIEW PROCEDURES/OBSERVATIONS:

This report addresses the key areas that were reviewed, and any additional procedures that we felt were warranted based on our review. The procedures we applied, and the resultant findings, are summarized below.

Procedures Performed:

- We reviewed the annual financial reports and profit and loss statements from 2012 through 2014.
- We interviewed various members of the Harbor Links staff in regards to management procedures and financial status. We also interviewed various members of the Town's staff in relation to their concerns with Arnold Palmer Management/Harbor Links and their current relationship.
- We reviewed the sales discounts and void/return reports for 2013 and 2014.
- We analyzed the operating reports involving golf lessons and banquets hosted for 2011 – 2014.
- We compared the deposits recorded by Harbor Links to the Town's bank statements.
- We compared revenues received by the Town to POS reports generated by Harbor Links for 2011 – 2014.
- We analyzed transactions within the Pepsi account for anomalies.
- We analyzed the deposits on-hand as of December 31, 2013 and 2014.
- The 2014/2015 budgets were reviewed and discussed with those who have budget responsibility.
- Policies and procedures surrounding the handling and management of cash were reviewed and inquiries made of management.
- We reviewed the hiring and payroll monitoring practices of Harbor Links Golf Course.

Observations and Recommendations

As a result of the procedures applied, EFPR notes the following:

Financial Statement Review

- 1) Upon analyzing the profit and loss statements for 2011 through 2014, the following observations were made:
 - a. Total course revenues continued to decrease for the second straight year after peaking in 2012 (*Exhibit A*). Total revenue is most likely a direct factor of the decrease in number of rounds being played. This is not unique to the region. On *Exhibit H*, we highlight these statistics. The Golf 20/20 participation reports show the number of rounds being played has steadily decreased this decade (discussed further within this report). Specific to Long Island, an April 26, 2015 article in *Newsday* noted that most of the Island's municipal courses experienced downturns in 2014. According to the article, Huntington's two courses (Crab Meadow and Dix Hills Park) experienced a loss in rounds of 4,000 in 2014 from nearly 69,000 played in 2013 (5.8% drop vs. 5% drop or 3,000 round drop for Harbor Links on 64,000 rounds played in 2013).

FINANCIAL AND OPERATIONAL REVIEW PROCEDURES/OBSERVATIONS (Continued):

- b. As revenues have stayed relatively flat or decreased over the past four years, general and administrative expenses have increased. *Exhibit G* highlights the General and Administrative expenses of Harbor Links. Workers' compensation has increased from \$49,000 in 2011 to \$120,000. Regular liability insurance has also increased, rising from \$56,000 in 2011 to \$105,000 in 2014. These expenses were under-budgeted and are directly managed by Arnold Palmer Management. Effective January, 2016 the Town has procured general liability insurance for Harbor Links.
- c. The merchandise sector (proshop) has followed the overall revenue trend downward after peaking in 2012 as well (*Exhibit C*), however, the gross profit has similarly declined. As displayed on *Exhibit C*, the gross profit dropped to 27% in 2014. In analyzing inventory reports, we noted that the total inventory that the proshop is maintaining on-hand actually *increased* at December 31, 2014 from 2013. Essentially, the proshop is selling products at a lower profit margin and keeping more inventory on hand. Management has represented that at year end 2015, inventory has declined by more than 25% as compared with the prior year.
- d. Food and beverage actually increased profitability in 2014 from 2013 (*Exhibit D*). A key measurement in this area are food costs which dropped nearly 5% in 2014. While revenues held steady, the Course managed to save considerable costs by replacing the head chef and buying more efficiently. Payroll was also managed more effectively in 2014 enabling this segment to generate more profits for the overall operation.
- e. Currently, Harbor Links financials do not contain factors for costs such as depreciation, capital improvements, debt service, occupancy costs, or administrative fees to the Town for services they are providing. These factors should be considered when analyzing the financial performance of Harbor Links and comparing it to industry standards. Incorporating these types of expenses would probably erode any profits that are being realized.

Purchasing

- 1) Harbor Links is owned by the Town, and is therefore required to purchase in accordance with municipal guidelines which includes purchasing from state and local contracts to obtain the lowest price. Due to the expertise and supplier connections of Arnold Palmer Management, it is assumed Arnold Palmer would have negotiating advantages with certain suppliers and national buying groups, not available to the Town. We saw examples of this during our visit. As a result, for some purchases being made through the Town, Harbor Links is actually paying more by being constrained by these requirements.

Recommendation – The Town's Legal Department should work with the General Manager to determine if a change can be made that offers an exemption to the Course to purchase outside of the municipal contracts to obtain the greatest value for the Town.

FINANCIAL AND OPERATIONAL REVIEW PROCEDURES/OBSERVATIONS (Continued):

The Town represented to us as “maintaining high deductibles” for commercial liability purposes. At the time of our review, the Town was being billed back by Arnold Palmer Management for their general liability costs related to Harbor Links. The Management Agreement between the Town and Arnold Palmer Management requires Arnold Palmer to maintain liability coverage with a carrier holding an “A” rating or equivalent during the term of their agreement. This represents a significant cost to the Town/Harbor Links. In addition, the Town has limited visibility as to how these costs are allocated to them from Arnold Palmer Management. During our on-site visit, we learned and observed that Arnold Palmer allocates their entire insurance costs over all of their courses based on course revenues/rounds played. However, these factors were not available for us to verify. We were able to observe that of the 60 courses under Arnold Palmer management, Harbor Links is allocated one of the highest insurance allocations.

Recommendation – The Town’s Attorney and Risk Manager should seek independent quotes on these insurances and determine if it’s financially prudent to transfer the liability risk to the Town and relieve Arnold Palmer of this obligation. If so, an amendment to the Agreement must be created indicating such. We have attached a copy of the current policy coverage limits at *Exhibit I*.

Follow-up - Effective January, 2016 the Town has procured general liability insurance for Harbor Links.

Cash and Inventory Controls

- 1) Harbor Links association with Pepsi involves them contributing \$10,000 annually to the Course to be spent on promotional and advertising events. The General Manager explained that these funds are deposited in the regular bank account and placed in a “Pepsi Account” within the system to be drawn down on as purchases are made at the Course (proshop or food & beverage departments) and donated for certain tournaments and events. We reviewed the activity for 2014 which was transacted through this account and the contract between Pepsi-Cola and Harbor Links. According to the General Manager, he, along with the Pro Shop Manager, are the only ones who have authority to charge against this account.

Recommendation – Although a report detailing the charges made against this account can be generated, a formal requisition/approval process should be established to track this activity along with a policy to determine how promotional accounts should be used.

Follow-up - Harbor Links staff will prepare an outline for the use of this annual contribution which will be approved by the Parks Commissioner.

FINANCIAL AND OPERATIONAL REVIEW PROCEDURES/OBSERVATIONS (Continued):

- 2) One particular employee is tasked with making deposits for Harbor Links. It was explained that deposits are made daily in-season. However, our examination of August 2014's bank deposits and corresponding bank statements indicated otherwise. The current process involves this employee filling out a deposit slip and making the deposit into the Town's general bank account. The Town receives a copy of the bank's deposit receipt and reconciles to the "Z Report" sent to the Town by Harbor Links. The General Manager and Accountant do not have any visibility to the Town's bank account and as a result, do not confirm when the actual deposits are made. On the flip side, the Town receives a confirmation from the bank that a deposit was made, but doesn't have any knowledge when it should have been made, unless they compare it against the original deposit ticket or Z Report, which we did.

Recommendation – Deposits should be made daily in accordance with Section 10(b) of the Agreement that states, "The Manager shall deposit in the Facility Account all Gross Revenues from the operation of the Facility within a 24-hour period..." Additionally, the Town should consider receiving a copy of the internal deposit slip from Harbor Links to match against the bank and the "Z Report." Another consideration could be establishing a separate Town bank account as outlined in Section 10(a) of the Agreement which might make reconciling and oversight easier to manage.

- 3) There is currently no system in place to actively account for fixed assets. The operating reports do not include any notation to either budget or account for funds expended on capital assets. We were able to obtain general ledger detail from the Town which traces funds expended on behalf of the Course by the Town. The General Manager mentioned a physical inventory of assets hasn't taken place recently.

Recommendation – The Course should be required to take a physical inventory of assets twice a year which is reviewed by the Town and compared to their general ledger activity. This would also be helpful for insurance purposes. While on-site, we observed that the Course continues to rent a modular building that serves as their snack bar for \$2,000/month. The cost/benefit of purchasing this type of asset should be explored.

- 4) As noted earlier, the Merchandise Department experienced a significant drop in revenue and gross profit in 2014 from earlier years. Since merchandise wasn't able to be sold, it was heavily discounted. Employees currently receive discounted pricing (cost + 10%) on select merchandise. Additionally, we examined void and discount activity for the Proshop for 2013 and 2014 noting significant voids, in quantity and dollar value, attributable to certain employees.

Recommendation – In discussing this issue with Management, it appears that their approach to stocking Merchandise is shifting towards what they now recognize as their target market. We also discussed the importance of monitoring controls over this area. We observed that the point-of-sale system has the ability to generate void and discount activity reports for the Merchandise Department by employee. Accordingly, we stressed the importance of closely monitoring discounts and voids.

FINANCIAL AND OPERATIONAL REVIEW PROCEDURES/OBSERVATIONS (Continued):

- 5) The Town recently switched from paying invoices weekly to every other week. Because of the timing of when invoices for Harbor Links are approved and vouchered for payment, prompt payment discounts could be lost and late fees incurred.

Recommendation – The staff at Harbor Links will need to voucher invoices and send them over to the Town sooner to alleviate any vendor disruption. Instead of compiling invoices at the end of the week, they may have to review and submit them more frequently.

Management Agreement Observations

- 1) The Management Agreement offers an incentive payment to Arnold Palmer Management equal to 10% of the amount of annual net income that exceeds the budgeted total. For 2013 and 2014, this incentive was not triggered as overly optimistic budgets were adopted. However, the 2015 budget was based on reasonable expectations.

Recommendation – The Town needs to be aware of this incentive clause and remain an active part of the budget process. We observed aggressive, overly optimistic budgets in the past. That practice seems to have changed with new personnel in charge at both the Town and Harbor Links. 2015's budget calls for revenues of \$6,600,000 and net income of just under \$600,000, which are achievable goals.

Operational Observations

- 1) Harbor Links does a great job of utilizing technology and systems. The IBS system offers strong point-of-sale reporting for all aspects of the operation. Keys are used at the Range, fingerprint scanning for the payroll system and GPS technology is available on the electric carts. These types of technology help strengthen internal controls and offer enhanced operational data in which to more effectively manage the organization.
- 2) Food and beverage costs were observed higher than national averages for 2011 through 2013. According to Harbor Links personnel, a change in food and beverage management was made and 2014 improved dramatically. Going into 2015, banquet pricing was increased for the first time since 2006. The improvements in 2014 were attributed to purchasing food on group contracts through Avendra (a group purchasing organization), receiving fewer deliveries per week (saving minimum fees and delivery charges) combined with greater food utilization practices. As displayed on *Exhibit D*, even the payroll is being managed more efficiently.
- 3) As noted in the Financial Statement Review section, revenue in the Merchandise Sector has followed the overall course revenue trend downward after peaking in 2012. (*Exhibit C*). Additional concerns such as a drop in gross profit and higher inventory levels were discussed with management who seem to be closely monitoring this area for 2015.

FINANCIAL AND OPERATIONAL REVIEW PROCEDURES/OBSERVATIONS (Continued):

- 4) We included *Exhibit F* to display the Course Maintenance expenses of Harbor Links for 2011 - 2014. As noted on *Exhibit F*, most of the expenses have held steady during this period with the exception of water. Costs for water rose from \$46,000 in 2011 to \$105,000 in 2014. Accordingly to the General Manager, the Course is purchasing their water from the local water authority as needed to fill their lined reservoir pond which is used to irrigate the course. The greens were originally constructed using a sand base which was more economical at the time. However, they require substantially more water to maintain than soil-based greens.

During our review, we toured the area and analyzed the water usage and historical costs. Over the past two years, water usage and rate have both increased. Included in the maintenance and water cost budget line are the costs to maintain the four athletic fields (two of which are lighted) that are used by outside groups. The revenue generated by these fields is not collected or reported in Harbor Link's financials.

Recommendation – Harbor Links and the Town should explore alternatives to address this issue.

- 5) Harbor Links currently has an effective system in place to manage tee times (IBS software). Times are released 30 days in advance for residents; 10 days for non-residents. Constraints are put in place to limit manipulation including limits on foursomes, cancellation fees and credit card payments, along with additional fees for online registering, etc. During our discussions, the General Manager did mention that weekends do sell out within an hour of times being posted and that certain groups of individuals have become quite adept at positioning themselves as soon as the slots become available. To ensure against tee time manipulation, we were told that management does have the ability to review a slot history report that can display all changes made to every tee time during a given range. They expressed to us that they will continue to monitor this reporting to ensure that the system is working as it was intended.
- 6) On *Exhibit H*, we displayed the key operating statistics for Harbor Links. As previously noted, the total number of rounds played between the two main golf courses dropped to a four-year low in 2014 following national trends reported by the National Golf Foundation and Golf 20/20. However, during this decline, Harbor Links has been able to increase their price per round, softening the impact. As discussed with the General Manager, the Course recently adopted price increases for weekends which have consistently sold out. Unlike other courses, Harbor Links does not offer paid memberships or host weekday leagues¹.

Recommendation – Management should study whether weekday (Tuesday through Thursday afternoon/early evening) slots are at capacity at the companionship course. Other courses have sponsored leagues at these times to take advantage of unused capacity.

¹ The 9-hole executive course does sponsor weekday leagues.

FINANCIAL AND OPERATIONAL REVIEW PROCEDURES/OBSERVATIONS (Continued):

- 7) Organizations have become so dependent on technology to operate, a loss in power can be debilitating. For Harbor Links, their POS and reservation systems would be rendered useless and their food/beverage inventory would be at risk. While on-site, we noticed that auxiliary power is not available.

Recommendation – The Town should consider budgeting for an onsite power generator for Harbor Links in the near future.

Miscellaneous Comments

- 1) While reviewing the financial performance of Harbor Links, the Town needs to be aware that they figures they are recording are on a “cash basis” which overstates revenues. At the end of 2014, Harbor Links had collected deposits of approximately \$150,000 for future events and held nearly \$50,000 on unexpired gift cards. Technically, these funds represent “deferred revenue” and wouldn’t be recognized until they are earned. However, as deposits are made into the Town’s bank account, they are picked up as revenue. In addition, as noted above, the Town is directly collecting revenue generated from the athletic fields located at Harbor Links, yet maintained by the Course. Allocating these revenues to Harbor Links would favorably impact their financial performance.

Follow-up - During our review, it is our understanding that the Town expects to address this observation in conjunction with preparing its 2015 Financial Statements.

- 2) Over the past fifteen years, tips and hotlines have surfaced as the number one way organizations have been alerted that fraud or unethical behavior is occurring internally.

Recommendation – Harbor Links should consider adopting the current ethics hotline (311) the Town utilizes which offers employees and key vendors the ability to make anonymous reports to the Town or another designated third-party which can be subsequently investigated.

- 3) During our review of the employee listing of Harbor Links, we noticed at least six sets of employees with shared last names. We didn’t cross-reference this listing against the Town of North Hempstead, but may have found others. We learned that Harbor Links does not have a nepotism policy.

Recommendation – While there are pros and cons regarding hiring related parties, organizations shouldn’t be pressured to hire prospective employees based on relationships or influence. A nepotism policy prohibiting this activity could alleviate these concerns.

Follow-up - The Town’s ethics reform includes a nepotism policy. Harbor Links will be subject to this policy.

CLOSING COMMENTS:

It appears that the prior management of Harbor Links and the Town of North Hempstead had overly optimistic expectations of the financial performance of Harbor Links. It appears that they were still budgeting based on the performance achieved back in the early 2000's. Over the past four years, we observed that budgeted net income was consistently short by hundreds of thousands of dollars each year. While the banquet facility has actually helped generate gross profits from 2007, the revenues from golf operations has remained static, while costs have increased. For example, guest fees for both courses totaled \$2,461,000 in 2004 and \$2,458,000 in 2014. Yet, golf operations and maintenance payroll increased from \$1,316,000 to \$1,764,000 for the same periods and maintenance costs increased from \$455,000 to \$619,000. Harbor Links is not alone in this regard. The golf industry experienced a perfect storm in the northeast. As more courses came online in the past 15 years, the number of rounds started to decrease putting more pressure on the existing courses. Compounding these issues, operating costs and payroll increased while operators were forced to absorb them. Private courses have turned public to attract more revenue and municipalities who owned their own courses have struggled to subsidize them in the wake of the economic downturn a few years ago. As we completed this review, it appears that the current Town officials and Course Management have recognized the weaknesses in the prior budgeting practices and worked to adopt more realistic expectations.

In the meantime, the most beneficial approach for the Town may be to work in tandem with Harbor Links personnel to take a proactive approach to analyze large budget-line items to achieve immediate cost savings. We previously referenced the insurances, water and the progress made with food costs. Others such as payroll, payroll processing, linen rental, etc. should all be examined for potential cost reductions and improve the profitability of Harbor Links.

Town of North Hempstead - Harbor Links Golf Course
Operational Review - 2015
Exhibit A

	2011		2012		2013		2014		Budget			2015 Budget
		%		%		%		%	2014 Budget	Variance	%	
Revenues												
Golf Course Revenue												
Golf Course Use	\$ 3,044,948	32.3%	\$ 3,157,722	33.7%	\$ 3,104,079	46.7%	\$ 2,948,083	45.9%	\$ 3,626,436	\$ (678,353)	-19%	3,182,739
Food & Beverage Sales	2,072,306	47.5%	2,283,266	46.6%	2,201,309	33.1%	2,175,487	33.9%	2,236,709	(61,222)	-3%	2,112,762
Other Sales and Services	486,228	7.6%	465,492	6.9%	497,688	7.5%	500,163	7.8%	538,875	(38,712)	-7%	499,700
Merchandise Sales	454,220	7.1%	473,339	7.0%	459,712	6.9%	411,688	6.4%	479,231	(67,543)	-14%	429,921
Total Golf Course Revenue	6,057,702	94.4%	6,379,819	94.1%	6,262,788	94.2%	6,035,421	94.0%	6,881,251	(845,830)	-12%	6,225,122
Additional Revenue												
Range Fees	287,222	1.1%	322,669	1.1%	314,982	4.7%	295,797	4.6%	343,613	(47,816)	-14%	301,734
Miniature Golf	70,206	4.5%	74,645	4.8%	72,485	1.1%	87,955	1.4%	82,652	5,303	6%	80,250
Total Additional Revenue	357,428	5.6%	397,314	5.9%	387,467	5.8%	383,752	6.0%	426,265	(42,513)	-10%	381,984
Total Revenues	6,415,130	100%	6,777,133	100.0%	6,650,255	100.0%	6,419,173	100.0%	7,307,516	(888,343)	-12%	6,607,106
Cost of Sales												
Cost of Sales - Merchandise	322,411	5.0%	332,381	4.9%	299,767	4.5%	299,093	4.7%	335,609	(36,516)	-11%	301,077
Cost of Sales - F&B	738,653	11.5%	804,158	11.9%	800,160	12.0%	672,682	10.5%	754,513	(81,831)	-11%	722,780
Cost of Sales-Credit Cards	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	-	0%	0
Total Cost of Sales	1,061,064	16.5%	1,136,539	16.8%	1,099,927	16.5%	971,775	15.1%	1,090,122	(118,347)	-11%	1,023,857
Gross Profit	5,354,066	83.5%	5,640,594	83.2%	5,550,328	83.5%	5,447,398	84.9%	6,217,394	(769,996)	-12%	5,583,249
Payroll												
General & Administrative	495,170	7.7%	522,782	7.7%	566,775	8.5%	554,434	8.6%	502,133	52,301	10%	526,261
Golf Operations	845,028	13.2%	819,524	12.1%	871,169	13.1%	871,720	13.6%	837,929	33,791	4%	772,906
Food & Beverage	848,781	13.2%	819,372	12.1%	831,924	12.5%	780,804	12.2%	830,359	(49,555)	-6%	815,733
Course Maintenance	949,293	14.8%	927,053	13.7%	908,549	13.7%	892,555	13.9%	917,439	(24,884)	-3%	905,473
Carts	93,028	1.5%	97,372	1.4%	92,664	1.4%	98,003	1.5%	108,095	(10,092)	-9%	101,622
Total Payroll	3,231,300	50.4%	3,186,103	47.0%	3,271,081	49.2%	3,197,516	49.8%	3,195,955	1,561	0%	3,121,995
Expenses												
General & Administrative	677,166	10.6%	692,778	10.2%	720,298	10.8%	711,176	11.1%	773,900	(62,724)	-8%	761,375
Golf Operations	112,272	1.8%	114,172	1.7%	108,651	1.6%	114,994	1.8%	134,950	(19,956)	-15%	128,650
Food & Beverage	195,869	3.1%	197,226	2.9%	191,658	2.9%	175,281	2.7%	225,650	(50,369)	-22%	210,850
Course Maintenance	577,514	9.0%	637,600	9.4%	629,992	9.5%	618,830	9.6%	614,600	4,230	1%	552,500
Carts	225,225	3.5%	226,955	3.3%	212,341	3.2%	207,442	3.2%	246,650	(39,208)	-16%	210,975
Total Other Expenses	1,788,046	27.9%	1,868,731	27.6%	1,862,940	28.0%	1,827,723	28.5%	1,995,750	(168,027)	-8%	1,864,350
Total Expenses	5,019,346	78.2%	5,054,834	74.6%	5,134,021	77.2%	5,025,239	78.3%	5,191,705	(166,466)	-3%	4,986,345
Net Income	\$ 334,720	5.2%	\$ 585,760	8.6%	\$ 416,307	6.3%	\$ 422,159	6.6%	\$ 1,025,689	\$ (603,530)	-59%	\$ 596,904

Town of North Hempstead - Harbor Links Golf Course
Operational Review - 2015
Exhibit B

	2011	%	2012	%	2013	%	2014	% of Revenue	2014 Budget	Budget Variance	%	2015 Budget
GOLF OPERATIONS												
Revenues												
Guest Fees - 9 Hole	\$ 447,698	11.5%	\$ 469,406	11.7%	\$ 490,089	12.3%	\$ 467,503	12.2%	\$ 544,461	\$ (76,958)	-14%	516,645
Guest Fees - 18 Hole	2,023,445	52.0%	2,118,700	52.7%	2,102,123	52.7%	1,990,175	51.9%	2,464,525	(474,350)	-19%	2,211,121
Advanced Reservation Card	99,114	2.5%	109,177	2.7%	87,783	2.2%	94,414	2.5%	0	94,414		0
*Golf Carts	474,691	12.2%	460,439	11.5%	424,084	10.6%	395,991	10.3%	617,450	(221,459)	-36%	454,973
	3,044,948	78.3%	3,157,722	78.5%	3,104,079	77.8%	2,948,083	76.9%	3,626,436	(678,353)	-19%	3,182,739
Golf Gratuity	2,985	0.1%	2,618	0.1%	7,220	0.2%	9,478	0.2%	0	9,478		
Cancellation Fee	15,062	0.4%	9,147	0.2%	5,769	0.1%	13,359	0.3%	0	13,359		
Misc Income	30,640	0.8%	36,790	0.9%	22,844	0.6%	19,999	0.5%	93,875	(73,876)	-79%	72,700
Golf School	437,541	11.3%	416,937	10.4%	461,855	11.6%	457,327	11.9%	445,000	12,327	3%	427,000
	486,228	12.5%	465,492	11.6%	497,688	12.5%	500,163	13.1%	538,875	(38,712)	-7%	499,700
Range Fees	287,222	7.4%	322,669	8.0%	314,982	7.9%	295,797	7.7%	343,613	(47,816)	-14%	301,734
Minature Golf	70,206	1.8%	74,645	1.9%	72,485	1.8%	87,955	2.3%	82,652	5,303	6%	80,250
	357,428		397,314		387,467		383,752		426,265	(42,513)	-10%	381,984
Total Revenues	3,888,604	100.0%	4,020,528	100.0%	3,989,234	100.0%	3,831,998	100.0%	4,591,576	(759,578)	-17%	4,064,423
Cost of Sales												
*Cost of Sales - Maintenance	1,526,807	39.3%	1,564,653	38.9%	1,538,541	38.6%	1,511,385	39.4%	1,532,039	(20,654)	-1%	1,457,973
Total Cost of Sales	1,526,807	39.3%	1,564,653	38.9%	1,538,541	38.6%	1,511,385	39.4%	1,532,039	(20,654)	-1%	1,457,973
Gross Profit	2,361,797	60.7%	2,455,875	61.1%	2,450,693	61.4%	2,320,613	60.6%	3,059,537	(738,924)	-24%	2,606,450
Payroll												
Salary Payroll 18 Hole	124,335	3.2%	123,835	3.1%	124,470	3.1%	109,916	2.9%	127,636	(17,720)	-14%	
Lesson Payroll	345,444	8.9%	323,251	8.0%	366,472	9.2%	364,823	9.5%	323,940	40,883	13%	
Salary Payroll 9 Hole	37,346	1.0%	38,000	0.9%	41,077	1.0%	43,340	1.1%	45,000	(1,660)	-4%	
Hourly Payroll 18 Hole Shop	66,726	1.7%	61,627	1.5%	60,948	1.5%	63,258	1.7%	83,417	(20,159)	-24%	
Overtime 18 Hole Shop	3,761	0.1%	320	0.0%	851	0.0%	692	0.0%		692		
Hourly Payroll 18 Hole PA	58,309	1.5%	61,273	1.5%	57,238	1.4%	55,357	1.4%	64,040	(8,683)	-14%	
Hourly Payroll 9 Hole Shop	35,418	0.9%	40,200	1.0%	33,131	0.8%	34,932	0.9%	32,220	2,712	8%	
Overtime 9 Hole Shop	297	0.0%	160	0.0%	227	0.0%	930	0.0%		930		
Hourly-Payroll 9 Hole PA	3,865	0.1%	3,643	0.1%	9,030	0.2%	9,117	0.2%	11,970	(2,853)	-24%	
Overtime Payroll 9 Hole PA		0.0%		0.0%	143	0.0%	0	0.0%		-		
Payroll Taxes	71,941	1.9%	71,719	1.8%	74,834	1.9%	75,529	2.0%	86,759	(11,230)	-13%	
Benefits	31,766	0.8%	32,548	0.8%	28,138	0.7%	31,079	0.8%	28,426	2,653	9%	
Bonus	870	0.0%	1,825	0.0%	2,200	0.1%	1,820	0.0%		1,820		
Commission	56,110	1.4%	53,507	1.3%	59,386	1.5%	65,317	1.7%	28,845	36,472	126%	
401 K Contributions	5,855	0.2%	4,998	0.1%	5,804	0.1%	6,132	0.2%	5,676	456	8%	
*Golf Carts	93,028	2.4%	97,372	2.4%	92,664	2.3%	98,003	2.6%	108,095	(10,092)	-9%	
Golf Gratuity Paid Out	2,985	0.1%	2,618	0.1%	7,220	0.2%	9,478	0.2%		9,478		
Total Payroll	938,056	24.1%	916,896	22.8%	963,833	24.2%	969,723	25.3%	946,024	23,699	3%	874,528
Other Expenses												
Professional Services	6,754	0.2%	6,448	0.2%	6,800	0.2%	8,515	0.2%	11,750	(3,235)	-28%	
Travel	0	0.0%	400	0.0%	1,213	0.0%	1,025	0.0%	2,000	(975)	-49%	
Uniforms	2,921	0.1%	4,105	0.1%	1,803	0.0%	2,770	0.1%	4,200	(1,430)	-34%	
Tools, Parts & Supplies	19,693	0.5%	19,395	0.5%	12,311	0.3%	16,312	0.4%	27,000	(10,688)	-40%	
Credit Card Fees	75,876	2.0%	76,898	1.9%	79,635	2.0%	78,967	2.1%	83,000	(4,033)	-5%	
Miscellaneous		0.0%		0.0%	0	0.0%	0	0.0%	7,000	(7,000)	-100%	
*Golf Carts	225,225	5.8%	226,955	5.6%	212,341	5.3%	207,442	5.4%	246,650	(39,208)	-16%	
Dues & Subscriptions	7,028	0.2%	6,926	0.2%	6,889	0.2%	7,405	0.2%		7,405		
Total Other Expenses	337,497	8.7%	341,127	8.5%	320,992	8.0%	322,436	8.4%	381,600	(59,164)	-16%	339,625
Total Expenses	1,275,553	32.8%	1,258,023	31.3%	1,284,825	32.2%	1,292,159	33.7%	1,327,624	(35,465)	-3%	1,214,153
Net Income	\$ 1,086,244	27.9%	\$ 1,197,852	29.8%	\$ 1,165,868	29.2%	\$ 1,028,454	26.8%	\$1,731,913	\$ (703,459)	-41%	\$ 1,392,297

Town of North Hempstead - Harbor Links Golf Course
 Operational Review - 2015
 Exhibit C

	2011	%	2012	%	2013	%	2014	%	2014 Budget	Budget Variance	%	2015 Budget
MERCHANDISE SALES												
Sales	\$ 454,220	100%	\$ 473,339	100%	\$ 459,712	100%	\$ 411,688	100%	\$ 479,231	\$ (67,543)	-14%	429,921
Cost of Sales	322,411	71%	332,381	70%	299,767	65%	299,093	73%	335,609	(36,516)	-11%	301,077
Gross Profit	\$ 131,809	29%	\$ 140,958	30%	\$ 159,945	35%	\$ 112,595	27%	\$ 143,622	(31,027)	-22%	128,844

Town of North Hempstead - Harbor Links Golf Course
Operational Review - 2015
Exhibit D

	2011	%	2012	%	2013	%	2014	%	2014 Budget	Budget Variance	%	2015 Budget
FOOD AND BEVERAGE												
Revenues												
Food & Beverage Sales	\$ 608,714	29.4%	\$ 552,545	24.2%	\$ 516,374	23.5%	\$ 547,261	25%	\$ 622,468	\$ (75,207)	-12%	649,139
Banquet Sales	1,030,783	49.7%	1,309,803	57.4%	1,227,108	55.7%	1,128,348	52%	1,294,741	(166,393)	-13%	1,176,564
Tournament Banquet Sales	345,459	16.7%	331,796	14.5%	381,227	17.3%	422,550	19%	319,500	103,050	32%	287,059
Banquet Misc Income	40,378	1.9%	49,906	2.2%	37,226	1.7%	34,428	2%	0	34,428		
Charge Tips	46,972	2.3%	39,216	1.7%	39,374	1.8%	42,900	2%	0	42,900		
Total Revenues	2,072,306	100.0%	2,283,266	100.0%	2,201,309	100.0%	2,175,487	100%	2,236,709	(61,222)	-3%	2,112,762
Cost of Sales												
Cost of Sales - F&B	738,653	35.6%	804,158	35.2%	800,160	36.3%	672,682	30.9%	327,348	345,334	105%	
Cost of Sales - Banquet	0	0.0%	0	0.0%	0	0%	0	0.0%	427,165	(427,165)	-100%	
Total Cost of Sales	738,653	35.6%	804,158	35.2%	800,160	36.3%	672,682	30.9%	754,513	(81,831)	-11%	722,780
Gross Profit	1,333,653	64.4%	1,479,108	64.8%	1,401,149	63.7%	1,502,805	68.3%	1,482,196	20,609	1%	1,389,982
Payroll												
Salary Payroll	357,991	17.3%	321,011	14.1%	334,190	15.2%	280,605	12.9%	357,000	(76,395)	-21%	
Hourly Payroll	434,487	21.0%	496,524	21.7%	478,145	21.7%	458,402	21.1%	504,912	(46,510)	-9%	
Overtime	32,203	1.6%	40,636	1.8%	47,412	2.2%	64,317	3.0%	0	64,317		
Labor Recovery	(206,344)	-10.0%	(253,218)	-11.1%	(234,157)	-10.6%	(226,333)	-10.4%	<-196,102>	(30,231)	15%	
Payroll Taxes	111,949	5.4%	112,237	4.9%	109,348	5.0%	108,058	5.0%	103,429	4,629	4%	
Benefits	36,483	1.8%	29,621	1.3%	25,432	1.2%	25,914	1.2%	30,917	(5,003)	-16%	
Bonus	3,714	0.2%	3,365	0.1%	1,835	0.1%	198	0.0%	4,310	(4,112)	-95%	
Commissions	26,617	1.3%	25,742	1.1%	26,273	1.2%	22,544	1.0%	25,893	(3,349)	-13%	
401K Contributions	4,612	0.2%	4,238	0.2%	4,090	0.2%	4,451	0.2%	0	4,451		
Charged Tips	47,069	2.3%	39,216	1.7%	39,356	1.8%	42,648	2.0%	0	42,648		
Total Payroll	848,781	41.0%	819,372	35.9%	831,924	37.8%	780,804	35.9%	830,359	(49,555)	-6%	815,733
Other Expenses												
Rentals, Misc.	0	0.0%	6,590	0.3%					0	299		
Education & Public Inf	2,044	0.1%	463	0.0%	3,221	0.1%	299	0.0%	0	299		
Advertising & Promotions	21,272	1.0%	15,582	0.7%	22,180	1.0%	17,880	0.8%	33,500	(15,620)	-47%	
Uniforms	3,893	0.2%	4,221	0.2%	2,656	0.1%	2,431	0.1%	6,000	(3,569)	-59%	
Paper Supplies	29,888	1.4%	35,194	1.5%	33,939	1.5%	25,447	1.2%	46,150	(20,703)	-45%	
R&M Equipment	8,237	0.4%	5,189	0.2%	7,050	0.3%	9,762	0.4%	10,500	(738)	-7%	
Contract Cleaning	5,818	0.3%	3,121	0.1%	2,555	0.1%	960	0.0%	7,000	(6,040)	-86%	
Decorations & Flowers	4,303	0.2%	5,923	0.3%	4,030	0.2%	6,161	0.3%	6,350	(189)	-3%	
Cable/Television	1,651	0.1%	1,491	0.1%	1,478	0.1%	1,494	0.1%	3,600	(2,106)	-59%	
Gas & Propane	6,022	0.3%	3,136	0.1%	2,378	0.1%	2,566	0.1%	2,800	(234)	-8%	
Kitchen Utensils & Supplies	2,594	0.1%	3,060	0.1%	3,641	0.2%	4,484	0.2%	5,000	(516)	-10%	
Linen, Linen Rental, Cleaning	55,848	2.7%	68,047	3.0%	66,573	3.0%	66,271	3.0%	62,500	3,771	6%	
Bar Supplies	185	0.0%	0	0.0%	0	0.0%	0	0.0%	1,900	(1,900)	-100%	
China, Glassware and Silver	3,399	0.2%	2,995	0.1%	3,183	0.1%	2,472	0.1%	2,100	372	18%	
Cleaning Supplies	16,012	0.8%	12,701	0.6%	8,551	0.4%	9,436	0.4%	13,750	(4,314)	-31%	
R&M Repairs	15,539	0.7%	8,309	0.4%	10,021	0.5%	5,141	0.2%	0	5,141		
Credit Card Fees	8,643	0.4%	7,238	0.3%	7,374	0.3%	8,252	0.4%	10,500	(2,248)	-21%	
Miscellaneous	565	0.0%	801	0.0%	333	0.0%	222	0.0%	9,600	(9,378)	-98%	
Equipment Rental	2,555	0.1%	681	0.0%	2,935	0.1%	3,296	0.2%	1,400	1,896	135%	
Valet Service	700	0.0%	675	0.0%	350	0.0%	1,025	0.0%	0	1,025		
Security	3,850	0.2%	7,000	0.3%	4,750	0.2%	4,000	0.2%	0	4,000		
Janitorial and Pest Control	2,851	0.1%	2,970	0.1%	2,237	0.1%	2,281	0.1%	3,000	(719)	-24%	
Gas/Propane	0	0.0%	1,839	0.1%	2,223	0.1%	1,401	0.1%	0	1,401		
Total Other Expenses	195,869	9.5%	197,226	8.6%	191,658	8.7%	175,281	8.1%	225,650	(50,369)	-22%	210,850
Total Expenses	1,044,650	50.4%	1,016,598	44.5%	1,023,582	46.5%	956,085	43.9%	1,056,009	(99,924)	-9%	1,026,583
Net Income	\$ 289,003	13.9%	\$ 462,510	20.3%	\$ 377,567	17.2%	\$ 546,720	25.1%	\$ 426,187	\$ 120,533	28%	363,399

Town of North Hempstead - Harbor Links Golf Course
Operational Review - 2015
Exhibit E

	2011	%	2012	%	2013	%	2014	%	2014 Budget	Budget Variance	%	2015 Budget
CART DEPARTMENT												
Revenues												
Cart Fees - 9 Hole Course	\$ 64,202	13.5%	\$ 68,549	14.9%	\$ 75,340	17.8%	\$ 75,727	19.1%	\$ 66,364	\$ 9,363	14%	66,746
Cart Fees - 18 Hole Course	410,489	86.5%	391,890	85.1%	348,744	82.2%	320,264	80.9%	551,086	(230,822)	-42%	388,227
Total Revenues	474,691	100.0%	460,439	100.0%	424,084	100.0%	395,991	100.0%	617,450	(221,459)	-36%	454,973
Payroll												
Hourly Payroll Range	79,233	16.7%	82,765	18.0%	78,758	18.6%	51,145	12.9%	9,405	41,740	444%	
Overtime Range	871	0.2%	1,448	0.3%	1,286	0.3%	1,622	0.4%	0	1,622		
Hourly Payroll Carts		0.0%		0.0%	0	0.0%	30,355	7.7%	86,340	(55,985)	-65%	
Overtime Carts		0.0%		0.0%	0	0.0%	885	0.2%	0	885		
Payroll Taxes	12,924	2.7%	13,159	2.9%	12,620	3.0%	13,996	3.5%	10,335	3,661	35%	
Benefits	0	0.0%	0	0.0%	0	0.0%	0	0.0%	2,015	(2,015)	-100%	
Total Payroll	93,028	19.6%	97,372	21.1%	92,664	21.9%	98,003	24.7%	108,095	(10,092)	-9%	101,622
Other Expenses												
Lease of Carts	200,196	42.2%	200,955	43.6%	194,372	45.8%	189,524	47.9%	206,400	(16,876)	-8%	
Rentals, Oper. Equipment	0	0.0%	(1,553)	-0.3%		0.0%		0.0%		-		
Golf Cart Supply	4,076	0.9%	611	0.1%	1,374	0.3%	774	0.2%	0	774		
Driving Range Supplies	16,369	3.4%	13,184	2.9%	12,366	2.9%	11,587	2.9%	27,500	(15,913)	-58%	
R&M - Operating Equipment	4,584	1.0%	13,758	3.0%	4,229	1.0%	5,557	1.4%	12,750	(7,193)	-56%	
Total Other Expenses	225,225	47.4%	226,955	49.3%	212,341	50.1%	207,442	52.4%	246,650	(39,208)	-16%	210,975
Total Expenses	318,253	67.0%	324,327	70.4%	305,005	71.9%	305,445	77.1%	354,745	(49,300)	-14%	312,597
Net Income	\$ 156,438	33.0%	\$ 136,112	29.6%	\$ 119,079	28.1%	\$ 90,546	22.9%	\$ 262,705	\$ (172,159)	-66%	142,376

Town of North Hempstead - Harbor Links Golf Course
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Exhibit F

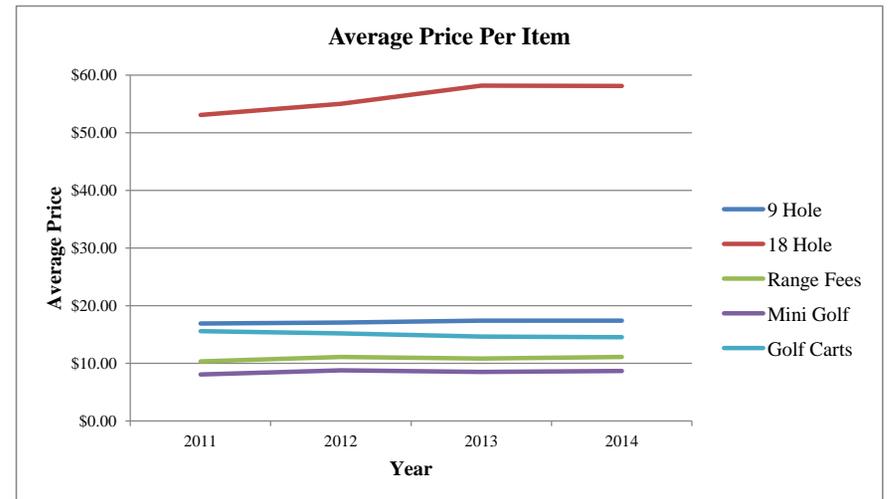
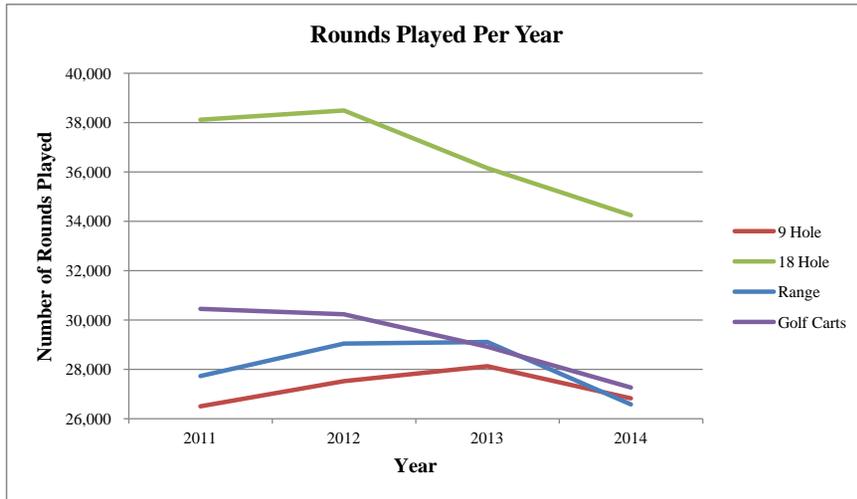
	2011	%	2012	%	2013	%	2014	%	2014 Budget	Budget Variance	%	2015 Budget
COURSE MAINTENANCE												
Golf Revenue - Exhibit B	\$ 3,888,604	100%	\$ 4,020,528	100%	\$ 3,989,234	100%	\$ 3,831,998	100%	\$ 4,591,576	\$ (759,578)	-16.5%	
Payroll												
Salary Payroll	345,332	8.9%	248,361	6.2%	232,254	5.8%	271,876	7.1%	371,797	99,921	26.9%	
Hourly Payroll	389,690	10.0%	468,174	11.6%	479,606	12.0%	425,503	11.1%	364,060	<61,443>	-16.9%	
Overtime	88,104	2.3%	88,887	2.2%	92,000	2.3%	67,306	1.8%	45,330	<21,976>	-48.5%	
Payroll Taxes	81,212	2.1%	80,923	2.0%	78,456	2.0%	85,944	2.2%	93,746	7,802	8.3%	
Benefits	34,644	0.9%	29,398	0.7%	24,219	0.6%	30,680	0.8%	39,058	8,378	21.5%	
Bonus	8,750	0.2%	9,388	0.2%	813	0.0%	9,200	0.2%	0	(9,200)		
401 K Contributions	1,561	0.0%	1,922	0.0%	1,201	0.0%	2,046	0.1%	3,448	1,402	40.7%	
Total Payroll	949,293	24.4%	927,053	23.1%	908,549	22.8%	892,555	23.3%	917,439	24,884	2.7%	905,473
Other Expenses												
Electricity	58,847	1.5%	56,689	1.4%	65,875	1.7%	57,189	1.5%	64,000	6,811	10.6%	
Water	45,789	1.2%	49,187	1.2%	74,680	1.9%	105,103	2.7%	43,000	(62,103)	-144.4%	
Travel	2,571	0.1%	1,904	0.0%	2,935	0.1%	7,873	0.2%	3,000	(4,873)	-162.4%	
Uniforms & Laundry	4,524	0.1%	1,353	0.0%	2,540	0.1%	1,233	0.0%	4,000	2,767	69.2%	
Tools, Parts & Supplies	7,720	0.2%	4,750	0.1%	1,289	0.0%	6,999	0.2%	11,750	4,751	40.4%	
Pesticides	172,838	4.4%	277,563	6.9%	235,454	5.9%	218,752	5.7%	158,000	(60,752)	-38.5%	
Fertilizers & Ammendments	116,610	3.0%	108,153	2.7%	92,087	2.3%	56,015	1.5%	146,400	90,385	61.7%	
Seed	10,984	0.3%	9,206	0.2%	14,398	0.4%	11,010	0.3%	12,150	1,140	9.4%	
Sod	1,229	0.0%	0	0.0%	0	0.0%	983	0.0%	5,500	4,517	82.1%	
Course Accessories & Supplies	8,831	0.2%	6,825	0.2%	5,576	0.1%	2,496	0.1%	16,700	14,204	85.1%	
Topdressing, Stone & Compost	39,366	1.0%	28,299	0.7%	31,267	0.8%	36,367	0.9%	30,000	(6,367)	-21.2%	
R&M - Operating Equipment	51,311	1.3%	48,059	1.2%	59,408	1.5%	58,715	1.5%	58,000	(715)	-1.2%	
R&M - Building & Grounds	15,261	0.4%	8,362	0.2%	17,537	0.4%	19,608	0.5%	14,600	(5,008)	-34.3%	
R&M - Irrigation	30,362	0.8%	31,647	0.8%	19,223	0.5%	27,501	0.7%	29,000	1,499	5.2%	
Landscaping	2,657	0.1%	1,436	0.0%	2,402	0.1%	2,652	0.1%	6,000	3,348	55.8%	
Contractual Services	0	0.0%	992	0.0%	2,364	0.1%	0	0.0%	0	-		
Other Operating Expense	2,083	0.1%	0	0.0%	0	0.0%	2,678	0.1%	3,500	822	23.5%	
Miscellaneous	1,579	0.0%	1,305	0.0%	797	0.0%	936	0.0%	9,000	8,064	89.6%	
Dues, Subscriptions & Conf's	4,952	0.1%	1,870	0.0%	2,160	0.1%	2,720	0.1%	0	<2,720>		
Total Other Expenses	577,514	14.9%	637,600	15.9%	629,992	15.8%	618,830	16.1%	614,600	<4,230>	-0.7%	552,500
Total Expenses	\$ 1,526,807	39.3%	\$ 1,564,653	38.9%	\$ 1,538,541	38.6%	\$ 1,511,385	39.4%	\$ 1,532,039	\$ 20,654	1.3%	1,457,973

Town of North Hempstead - Harbor Links Golf Course
Operational Review - 2015
Exhibit G

	2011	%	2012	%	2013	%	2014	%	2014 Budget	Budget Variance	%	2015 Budget
GENERAL & ADMINISTRATIVE												
Total Revenue - Exhibit A	\$ 6,415,130	100%	\$ 6,777,133	100%	\$ 6,650,255	100%	\$ 6,419,173	100%	\$ 7,307,516	\$ (888,343)	-12.2%	
Payroll												
Salary Payroll	339,876	5.3%	335,050	4.9%	339,558	5.1%	326,882	5.1%	340,250	(13,368)	-3.9%	
Hourly Payroll	47,955	0.7%	47,077	0.7%	43,191	0.6%	49,861	0.8%	44,980	4,881	10.9%	
Overtime	3,623	0.1%	4,821	0.1%	7,110	0.1%	4,189	0.1%	0	4,189		
Payroll Taxes	38,252	0.6%	37,302	0.6%	36,364	0.5%	39,464	0.6%	40,449	(985)	-2.4%	
Benefits	13,291	0.2%	12,256	0.2%	11,374	0.2%	12,430	0.2%	14,639	(2,209)	-15.1%	
Workers Compensation	49,337	0.8%	81,858	1.2%	124,622	1.9%	117,318	1.8%	57,000	60,318	105.8%	
401 K Contributions	2,836	0.0%	4,418	0.1%	4,556	0.1%	4,290	0.1%	4,815	(525)	-10.9%	
Total Payroll	495,170	7.7%	522,782	7.7%	566,775	8.5%	554,434	8.6%	502,133	52,301	10.4%	526,261
Other Expenses												
Stationary & Printing	4,987	0.1%	7,893	0.1%	2,829	0.0%	2,311	0.0%	7,200	(4,889)	-67.9%	
Postage	1,482	0.0%	1,341	0.0%	933	0.0%	1,858	0.0%	3,400	(1,542)	-45.4%	
Office Supplies	3,809	0.1%	4,736	0.1%	2,557	0.0%	2,994	0.0%	6,450	(3,456)	-53.6%	
Software Support	664	0.0%	3,426	0.1%	<1,199>	0.0%	2,981	0.0%	2,400	581	24.2%	
Telephone	5,050	0.1%	7,419	0.1%	8,221	0.1%	9,799	0.2%	21,000	(11,201)	-53.3%	
Electricity	201,223	3.1%	180,609	2.7%	217,210	3.3%	182,390	2.8%	213,150	(30,760)	-14.4%	
Water	7,988	0.1%	7,622	0.1%	5,937	0.1%	6,956	0.1%	10,000	(3,044)	-30.4%	
Insurance	55,994	0.9%	80,009	1.2%	101,842	1.5%	104,669	1.6%	84,000	20,669	24.6%	
Rental - Buildings	25,720	0.4%	24,000	0.4%	24,000	0.4%	24,000	0.4%	25,200	(1,200)	-4.8%	
Rentals - Office Equipment	327	0.0%	240	0.0%	240	0.0%	180	0.0%	1,200	(1,020)	-85.0%	
Professional Services	9,088	0.1%	9,179	0.1%	8,287	0.1%	5,906	0.1%	10,200	(4,294)	-42.1%	
Travel	6,246	0.1%	3,172	0.0%	1,690	0.0%	7,425	0.1%	5,000	2,425	48.5%	
Education & Public Info	3,916	0.1%	4,333	0.1%	4,181	0.1%	7,545	0.1%	0	7,545		
Advertising & Promotion	37,314	0.6%	35,152	0.5%	17,880	0.3%	6,928	0.1%	44,800	(37,872)	-84.5%	
Gas, Oil, etc.	53,851	0.8%	56,583	0.8%	58,636	0.9%	57,064	0.9%	56,150	914	1.6%	
Repairs & Maintenance	33,824	0.5%	28,340	0.4%	38,234	0.6%	38,119	0.6%	28,000	10,119	36.1%	
Tipping Fees-Landfill	425	0.0%	228	0.0%	0	0.0%	382	0.0%	0	382		
Carting	26,624	0.4%	19,383	0.3%	12,655	0.2%	12,712	0.2%	30,250	(17,538)	-58.0%	
Other Operating Expense	183,333	2.9%	200,000	3.0%	200,000	3.0%	200,000	3.1%	200,000	-	0.0%	
Licenses & Permits	2,565	0.0%	4,185	0.1%	2,146	0.0%	8,624	0.1%	4,500	4,124	91.6%	
Miscellaneous	5,553	0.1%	6,726	0.1%	7,702	0.1%	14,178	0.2%	21,000	(6,822)	-32.5%	
Drug Testing Fees	1,355	0.0%	1,633	0.0%	515	0.0%	1,559	0.0%	0	1,559		
Dues & Subscriptions	1,356	0.0%	600	0.0%	1,356	0.0%	1,351	0.0%	0	1,351		
Janitorial & Pest Control	780	0.0%	745	0.0%	960	0.0%	780	0.0%	0	780		
Payroll Processing	3,692	0.1%	5,224	0.1%	3,486	0.1%	10,465	0.2%	0	10,465		
Total Other Expenses	677,166	10.6%	692,778	10.2%	720,298	10.8%	711,176	11.1%	773,900	(62,724)	-8.1%	761,375
Total Expenses	\$ 1,172,336	18.3%	\$ 1,215,560	17.9%	\$ 1,287,073	19.4%	\$ 1,265,610	19.7%	\$1,276,033.0	\$ (10,423)	-0.8%	1,287,636

Town of North Hempstead - Harbor Links Golf Course
 Operational Review - 2015
 Exhibit H

	2011	Rounds	Average Price Per Round	2012	Rounds	Average Price Per Round	2013	Rounds	Average Price Per Round	2014	Rounds	Average Price Per Round
Key Operating Statistics												
Golf Operations												
Guest Fees - 9 Hole	\$ 447,698	26,494	\$ 16.90	\$ 469,406	27,521	\$ 17.06	\$ 490,089	28,120	\$ 17.43	\$ 467,503	26,827	\$ 17.43
Guest Fees - 18 Hole	2,023,445	<u>38,116</u>	53.09	2,118,700	<u>38,501</u>	55.03	2,102,123	<u>36,152</u>	58.15	1,990,175	<u>34,252</u>	58.10
		64,610			66,022			64,272			61,079	
Range Fees	287,222	27,721	10.36	322,669	29,039	11.11	314,982	29,103	10.82	295,797	26,572	11.13
Golf School	437,541	3,569	122.59	416,937	4,023	103.64	461,855	4,390	105.21	457,327	4,226	108.22
Miniature Golf	70,206	8,681	8.09	74,645	8,481	8.80	72,485	8,522	8.51	87,955	10,127	8.69
Golf Carts	474,691	30,444	15.59	460,439	30,231	15.23	424,084	28,912	14.67	395,991	27,255	14.53





EVIDENCE OF PROPERTY INSURANCE

DBDN2NGD

DATE (MM/DD/YYYY)

07/21/2015

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY MCGRIFF, SEIBELS & WILLIAMS OF TEXAS, INC. 5080 Spectrum Dr., Suite 900E Addison, TX 75001		PHONE (A/C. No. Ext): (469) 232-2100	COMPANY Ironshore Specialty Insurance Co (50%) #0008744-04 First Specialty Ins Corp (25%) #ESP0007540-02 XL (25%) #PRO0045044 See Excess Carriers/Layers attached	
FAX (A/C. No.):	E-MAIL ADDRESS: dmorgan@mcgriff.com			
CODE:	SUB CODE:			
AGENCY CUSTOMER ID #:		LOAN NUMBER		POLICY NUMBER 0008744-04
INSURED Century Golf Partners Management, LP Three Lincoln Centre 5430 LBJ Frwy., Suite 1400 Dallas, TX 75240		EFFECTIVE DATE 12/21/2014	EXPIRATION DATE 12/21/2015	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
THIS REPLACES PRIOR EVIDENCE DATED:				

PROPERTY INFORMATION

LOCATION/DESCRIPTION RE: Harbor Links Golf Course, One Fairway Dr., Port Washington, NY 11050
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THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
All Risk of Direct Physical Loss or Damage	\$25,000,000*	
Flood Annual Aggregate Limit (\$1,000,000 SFHA 100 Year Flood)	\$ 2,500,000	
Earthquake Annual Aggregate Limit (Excluding California)	\$10,000,000	
Tees and Greens (\$250,000 Flood, Excluding Earthquake)	\$ 1,000,000	
Total Insured Value:\$82,235,884		
Valuation - Property Damage at Replacement cost; Time Element at Actual Loss Sustained		
Coinsurance - Nil		
*Program Limit of Liability-all locations per Statement of Values		
Subject to Margin Clause of 115%		

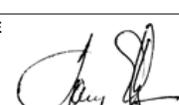
REMARKS (Including Special Conditions)

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CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS	MORTGAGEE	ADDITIONAL INSURED
	LOSS PAYEE	X For Evidence Only
LOAN #		
AUTHORIZED REPRESENTATIVE 		

For Information Purposes Only

ACORD 27 (2009/12)

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ADDITIONAL REMARKS SCHEDULE

PRODUCER MCGRIFF, SEIBELS & WILLIAMS OF TEXAS, INC.		INSURED Century Golf Partners Management, LP	
POLICY NUMBER			
CARRIER	NAIC CODE	ISSUE DATE: 07/21/2015	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: _____ **FORM TITLE:** _____

PROPERTY LAYERS

Policy Number: 0008744-04
 Effective 12/21/14 - 12/21/15
 Carrier: Ironshore Specialty Ins Co (quote share 50%)
 Limits: \$2,500,000 part of \$5,000,000 per occurrence Primary

Policy Number: ESP0007540-02
 Effective 12/21/14 - 12/21/15
 Carrier: First Specialty Ins Corp (quota share 25%)
 Limits: \$1,250,000 part of \$5,000,000 per occurrence

Policy Number: PRO0045044
 Effective 12/21/14 - 12/21/15
 Carrier: Indian Harbor Insurance Co (quota share 25%)
 Limits: \$1,250,000 part of \$5,000,000

Policy Number: D37428917-001
 Effective 12/21/14 - 12/21/15
 Carrier: Westchester Surplus Lines Ins Co (quota share 25%)
 Limits: \$5,000,000 part of \$20,000,000 per occurrence excess \$5,000,000

Policy Number: MKLS10XP001180
 Effective 12/21/14 - 12/21/15
 Carrier: Alterra Excess 7 Surplus Ins Co (quota share 25%)
 Limits: \$5,000,000 part of \$20,000,000 per occurrence excess \$5,000,000

Policy Number: LHD390409
 Effective 12/21/14 - 12/21/15
 Carrier: Landmark American Ins Co (quota share 25%)
 Limits: \$5,000,000 part of \$20,000,000 excess \$5,000,000

Policy Number: MSP6021010-03
 Effective 12/21/14 - 12/21/15
 Carrier: Maxum Indemnity Co (quota share 25%)
 Limits: \$5,000,000 part of \$20,000,000 excess \$5,000,000

Boiler & Machinery Coverage:
 Policy Number: 5099664275
 Policy Term: 12/21/2014 to 12/21/2015
 Carrier: Continental Casualty Company
 Limit of Insurance:
 \$25,000,000: Property Damage
 \$2,500,000: Expediting Expense
 Included: Business Income and Extra Expense
 Included with BI Coverage: Extra Expense Only
 180 days: Extended Period of Restoration

Terrorism Coverage:
 Policy Number: AFD118609E14
 Policy Term: 12/21/14 - 12/21/15
 Carrier: Certain Underwriters at Lloyd's
 Limit of Insurance: \$25,000,000 per occurrence and in the aggregate
 excess of deductible
 Deductible: \$25,000 per occurrence (PD & BI combined)