

**Carson City
Request for Board Action**

Date Submitted: 05/29/12

Agenda Date Requested: 06/07/12

Time Requested: 45 minutes

To: Mayor and Supervisors

From: Nick Providenti, Director of Finance
Lawrence A Werner P.E., P.L.S., City Manager

Subject Title: For Possible Action: Presentation by the Carson City Municipal Golf Corporation (CCMGC) of a status update of activities at the Eagle Valley Golf Course and possible action to approve deferring the lease payment that was due to Carson City on July 1, 2011 for \$80,000 and January 1, 2012 for \$40,000 and the lease payment that will become due on July 1, 2012 for \$80,000 until a performance audit can be conducted by the City's Internal Auditor, Moss Adams.

Staff Summary: Carson City entered into a Lease Agreement with CCMGC to operate the City's golf course in July, 1997. The lease was renewed on May 2, 2002 for 5 years with rolling renewals. Representatives from CCMGC will appear before the Board to provide an update on the facility and current operations of the Eagle Valley Golf Course. Because of the economy, CCMGC has not been able to make the lease payment of \$80,000 that was due on July 1, 2011 or the payment of \$40,000 that was due on January 1, 2012. Staff is requesting that the payments be deferred and to also defer the payment due on July 1, 2012 until a performance audit can be conducted by the City's Internal Auditor, Moss Adams.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Presentation Only)

Does this action require a Business Impact Statement: () Yes (X) No

Recommended Board Action: I move to approve deferring the lease payment that was due to Carson City on July 1, 2011 for \$80,000 and January 1, 2012 for \$40,000 and the lease payment that will become due on July 1, 2012 for \$80,000 until a performance audit can be conducted by the City's Internal Auditor, Moss Adams.

Explanation for Recommended Board Action: Will reduce the payment from CCMGC for FY 2012 from \$120,000 to \$0, and reduce the payment due on July 1, 2012 from \$80,000 to \$0 pending the outcome of a performance audit from Moss Adams.

Applicable Statute, Code, Policy Rule or Regulation: n/a

Fiscal Impact: Will reduce the fund balance in the debt service fund by at least \$200,000 - the amount will either be forgiven or deferred depending on further Board Action.

Explanation of Impact: We anticipate that the fund balance will be \$707,065 at the 6/30/2012 and \$593,602 at 6/30/13 in this fund without the payments. These amounts will increase if the payments are made. We do not anticipate using any general fund money to make up this difference for FY 2012 or FY 2013.

Funding Source: Debt Service Fund.

Supporting Material: Presentation by CCMGC representatives.

Alternatives: Require CCMGC to make lease payment, cancel lease with CCMGC and seek other alternatives to run Eagle Valley Golf Course.

Prepared By: Nick Providenti

Reviewed By: : Nancy Paulson Date: 5/29/12
(Department Head)
: [Signature] Date: 5/29/12
(City Manager)
: [Signature] Date: 5/29/12
(District Attorney)
: Nancy Paulson Date: 5/29/12
(Finance Director)

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____ _____

(Vote Recorded By)



www.eaglevalleygolf.com

EAGLE VALLEY GOLF

36 Holes of Championship Golf

May 24, 2012

Board of Supervisors
City Hall
201 N. Carson Street, Suite #2
Carson City, Nevada 89701

Dear Board Members:

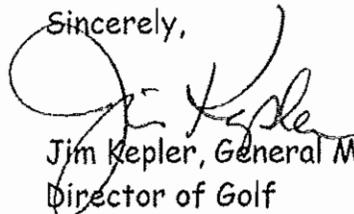
Attached is an updated version of the 2011 package. We are continuing to improve the overall product for the citizens of Carson City and have itemized the improvements made for either safety concerns or operational/cosmetic enhancement.

Over the past 4 years, we have positioned ourselves as the premier value in golf for Northern Nevada. Between the two styles of golf courses, we fit all level of player and it is our intent to have a high level of customer service and a quality, fair priced product to keep our customer base coming back for more. We are making a concerted effort to reach out to our local Seniors, Ladies, Juniors and Families. We have established a "Spring Back into Golf" program and will be starting new Ladies and Junior Clinics in June.

As you review the attachments, we believe that you will see that we are doing all that we can in this sluggish economy and weather related problems, to keep a fair bottom line.

Thank you for taking the time to review our presentation and thank you for the support you have given Carson City's Eagle Valley Golf Courses.

Sincerely,



Jim Kepler, General Manager
Director of Golf

Carson City Municipal Golf Corporation
Eagle Valley Golf Course

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MARKETING STRATEGIES for EAGLE VALLEY GOLF COURSE

The objective is to increase play each year through a comprehensive marketing plan, continued customer approval, satisfaction and community involvement. This will be achieved through the hiring and training of a proficient staff and the implementation of a premier customer service program. Focus will be in the following areas:

- **Greeting** all customers immediately and in a positive manner. The customer should feel comfortable at all times from the shop to the range and on and off the course.
- **Attitude** is established by top-level management. Employees will follow a positive and helpful attitude towards customers.
- **Quality, Knowledge and Price** can establish long-term relationships. Increased customer loyalty can only be achieved with good products, fair prices and quality service and by keeping informed of industry trends.
- **Referrals** and good experiences translate into future play. It is often forgotten that the word-of-mouth is one of the main elements of success.

Specific programs and events can be implemented to improve play and increase the bottom line, once new customer service attitudes and awareness have been established.

- Increase outside tournament play
 - * Establish outside sales staff
 - * Develop professional relationships with hotel sales staff, concierges, meeting planners and reservation clerks.
 - * Create golf leagues
 - * Advertise corporate golf outings
 - * Promote small tournament groups of 10-40 entrants with local businesses
- Increase Daily Play
 - * Corporate Memberships
 - * Encourage out of town play through coupons aimed at off peak times
 - * Automated tee time reservations during non-business hours
 - * Provide promotions/rates for tournament groups
 - * Lessons and 3 holes
 - * Play cards (family, 9-hole early and late)
 - * Nine hole couples leagues
 - * Golf and breakfast or lunch promotions
 - * Implement beginning ladies group
 - * Senior golf league

- Media relations and community awareness
 - * Create relationships with local newspapers, radio and television personnel (people want to see their name, league, hole-in-one etc. in the paper)
 - * Write an article for a newspaper, give regular interviews on the radio or local access channels
 - * Distribute results of all men's, ladies, junior and special tournaments to local and regional media
 - * Co-sponsor free clinics
 - * Create community interest with local organizations including city employees in events at Eagle Valley Golf Course
- Special events or extravaganzas
 - * City, county or regional champion tournaments
 - * Promote over a large region to ensure maximum participation
 - * Pursue NNGA events, girls and boys junior qualifying, state amateur qualifying, mid-amateur qualifying, etc.
 - * Sponsor manufacturer day for vendors to showcase their equipment
 - * Long drive contest to benefit junior golf
 - * Local celebrity skins games
 - * Free junior clinic, invite local celebrities and golf professionals to benefit local charity
 - * Senior tournaments
- Create and maintain database
 - * Useful information for newsletter distribution
 - * Surveys for suggestions and customer satisfaction
 - * Promotion of functions
 - * Low cost advertising
- Design the website to highlight all facility activities
 - * Promote Pro Shop merchandise
 - * Encourage driving range lessons
 - * Articles of interest
 - * Provide e-mail surveys
 - * Unlimited opportunities for promotion
- Develop Junior Golf
 - * Empower junior's age 6-16 by establishing a program that will empower them as individuals and give them a sense of what community is all about regardless of economic background.
 - * Promote schools, Boys & Girls Club, Boy Scouts, Girl Scouts and other clubs.
 - * Provide golf schools, clinics, camps and special golf rates

- * Provide a safe and supervised environment for practice and competition
- * Establish individual goals and rewards system to promote development of skills and healthy attitudes
- * Provide instruction on rules, local rules and etiquette
- * Instill in juniors that golf is a game have fun with it!
- Facility Appearance
 - * Landscaping
 - * Exterior
 - * Pavilion
 - * Interior

REVENUE INCREASES UPON IMPLEMENTATION of MARKETING STRATEGIES

Carson City needs to be ahead of others with their performance standards. By encouraging the customer to evaluate the course on an on-going basis, the management can pursue the proper goals in making changes based on this sound information. An overall attitude towards customer service and proper fiscal management will also enhance the overall operation.

Increasing Pro Shop sales and merchandise profit:

- Train Staff
 - * Tee sheet management, customer awareness and attitude
 - * Teach customer service
 - * Problem solving
 - * Course condition
- Implement a buying plan based on the customer's needs and wants
- Acquire a proper mix of merchandise
 - * Soft goods should return 30-60%
 - * Hard goods should return 20-40%
- A good merchandiser makes money buying not selling
- Project yearly total sales return of 30-35%
- Purchase 90% of inventory 6 months ahead of season
- Plan for 2-3 turns every 6 months
- Establish goals for average customer to spend \$5-\$7 per round with add-on sales, such as range balls, gloves, balls, tees and other miscellaneous items
- Club fittings and demo days. Work with hotels and vendors to put on 2-day golf fair. Demonstrations, lessons, club fittings, special clothing and education classes....include Jr. and ladies specials
- Tournament program (special purchases)
- Create visual presentations and displays that encourage the player to buy
- Build customer awareness through a full service marketing program, including but not limited to special events and promotions

Increase driving range sales:

- Establish early morning range promotions
- Promote junior golf programs at range site
- Create sales promotions
 - * Drawings to win free lessons derived from range ball sales
 - * Promotions with local companies or destination resorts for prizes
- Provide golf clinics and lessons based on minimum number of range ball sales

Increase restaurant revenue:

- Promote tournament group banquets/lunches or breakfast
- Lunch specials
- Corporate lunches
- Outside business parties, meetings, weddings, etc.
- Senior citizen discounts
- Establish local "hang-out" atmosphere

Increase play revenue:

- Community awareness through Chamber of Commerce and service clubs
- Contact corporate sponsors, banks, light industry, restaurants, etc.
- Arrange and promote tournaments for other tournament directors
- Volunteer for community fundraisers
- Provide tournament packages to local businesses, hotels, convention authorities and event specialists
- Work with the board and current men's and ladies clubs to ensure identities and keep programs growing and expanding
- Add a city championship
- Work in conjunction with EWG, PWGA, NNGA and NNPGA with on-site tournaments

EAGLE VALLEY GOLF COURSE
CASH FLOW STATEMENT - YTD THRU APRIL 2012

ITEM		2012 ACTUAL	2011 ACTUAL	VARIANCE
1	CASH ON HAND	155,792.86	123,263.23	32,529.63
	REVENUE RECEIVED:			
2	PRO-SHOP	287,293.52	246,007.46	41,286.06
3	RESTAURANT	15,930.43	5,535.40	10,395.03
4	BAR	27,372.90	31,699.85	(4,326.95)
6	AVAILABLE CASH	330,596.85	283,242.71	47,354.14
	EXPENSE:			
7	TOTAL EXPENSES	360,025.28	318,030.12	41,995.16
8	NET MONTHLY CASH FLOW	(29,428.43)	(34,787.41)	
9	ENDING CASH BALANCE	126,364.43	88,475.82	
10	ACCOUNTS PAYABLE OPEN INVOICES	93,747.19	125,350.95	(31,603.76)

Note: The mild winter weather helped with round counts and revenue, but created turf management problems. We had to hire staff earlier in the season to get a jump on repairs/maintenance.

We are also aware and working on increasing our bottom line in order to be more cash solvent.

EAGLE VALLEY GOLF COURSE
CASH FLOW STATEMENT - YTD THRU DECEMBER 2011

ITEM		2011 ACTUAL	2010 ACTUAL	VARIANCE
1	CASH ON HAND	123,263.23	155,832.29	32,569.06
	REVENUE RECEIVED:			
2	PRO-SHOP	1,420,157.43	1,514,010.81	(93,853.38)
3	RESTAURANT	54,699.96	217,709.48	(163,009.52)
4	BAR	169,662.51	0.00	169,662.51
6	AVAILABLE CASH	1,644,519.90	1,731,720.29	(87,200.39)
	EXPENSE:			
7	TOTAL EXPENSES	1,611,990.27	1,764,289.35	(152,299.08)
8	NET MONTHLY CASH FLOW	32,529.63	(32,569.06)	
9	ENDING CASH BALANCE	155,792.86	123,263.23	
10	ACCOUNTS PAYABLE OPEN INVOICES	24,575.48	33,628.44	(9,052.96)

Note: Due to the extremely poor weather conditions in the Spring of 2011, our revenue was down significantly. We were able to reduce our expenses in order to counteract the loss of revenue.

CAPITAL EXPENDITURES/IMPROVEMENTS

2007 - Current

2) CLUBHOUSE & GROUNDS REPAIR & RENOVATION

		Liability/ Health Issues	Cosmetic/ Operational
A	Men's and Ladies Restrooms - Upper & Lower Rotten Floors and Leaking Plumbing New Fixtures, Toilets and Vanities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
B	Replaced Carpet and Leveled Floor in Restaurant/Bar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
C	Relocated Pro-Shop for Improved Visibility and Customer Flow	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
D	New Paint - Inside and Out		<input checked="" type="checkbox"/>
E	Upgrades to Kitchen, Bar & Restaurant New Flooring, Hood System, Glycol Beer System, Convection Oven, Refrigeration Unit, Steam Table, Sandwich Refrigeration Counter, Two Freezers, Two Refrigerators, Commercial Dishwasher	<input checked="" type="checkbox"/>	
F	Remodeled Bar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
G	Banquet Facility and New Bar (<i>Permit</i>) Allowed for Increased Revenue from Banquet Bookings and Provides Overflow for Larger Golf Groups		<input checked="" type="checkbox"/>

CAPITAL EXPENDITURES/IMPROVEMENTS

2007 - Current

2) CLUBHOUSE & GROUNDS REPAIR & RENOVATION

		Liability/ Health Issues	Cosmetic/ Operational
H	Patio Cover <i>(Permit)</i> Increased Size of Patio and Allowed for Better Accessibility to Restrooms Added Lighting for Evening Events		<input checked="" type="checkbox"/>

CAPITAL EXPENDITURES/IMPROVEMENTS

2007 - Current

1) GOLF COURSES

		Liability/ Health Issues	Cosmetic/ Operational
A	Acquired 60,000 sq. ft. of Greens Grade Sod - Free	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
B	Irrigation Improvements - East and West Valve and Head Replacement Program Instituted In House Labor to Keep Cost Down	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
C	Maintenance Program See Attached Schedules Addressed Staffing, Practice, Testing, Equipment Safety	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
D	Equipment Replacement Program Implemented	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
E	8 New Tee Boxes on the East Course Increased Pace of Play and Tournament Sales In House Labor to Keep Cost Down	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
F	2 New Tee Boxes on the West Course Leveled Two; Built 2 New	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
G	Landscaping 1st Tee and 13th Tee on West, 14th Tee on East	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
H	Implemented Tree Removal and Replacement Program	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

CAPITAL EXPENDITURES/IMPROVEMENTS

2007 - Current

1) GOLF COURSES

		Liability/ Health Issues	Cosmetic/ Operational
I	Engaged Commercial Pump Company Inspections Twice a Year Evaluated and Overhauled all the Pumps	<input checked="" type="checkbox"/>	

CAPITAL EXPENDITURES/IMPROVEMENTS

2007 - Current

3) PARKING LOT & GROUNDS		Liability/ Health Issues	Cosmetic/ Operational
A	Repaired East and West Parking Lots (<i>Insurance Safety Issue</i>)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
B	Patched & Slurry Sealed Cart Paths on the West (<i>City Safety Issue</i>)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
C	Patched Cart Paths on the East (<i>City Safety Issue</i>) Extended parking lot and added 20+ new stalls	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
D	Landscaping around Clubhouse Debris Removal and added decorative rock Removed Sagebrush and added Decorative Rock along the Road in Front of the Main Entrance Increased Curb Appeal - Ongoing Image Enhancement		<input checked="" type="checkbox"/>
E	Lighted Putting Green (<i>Light Fixtures, Poles, Wiring Donated</i>)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
F	Improvements to Pavilion (<i>New BBQ, Plumbing, Tables, Equipment</i>) New Patio Area with Grass and Flowers Improved Lighting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

CAPITAL EXPENDITURES/IMPROVEMENTS

2007 - Current

4) IMPLEMENT BUSINESS PLAN & IMPROVEMENTS TO BE COMPETITIVE

		Liability/ Health Issues	Cosmetic/ Operational
A	Convert Cart Barn for Electric Carts (<i>Permit</i>) Loan of \$41,000 - Paid off in August 2013	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
B	New Marketing Plan Rebrand Eagle Valley Golf - Reactive Customer Base - Initiated the 50-Mile Club - Reaching out to Seniors, Women and Juniors		<input checked="" type="checkbox"/>
C	New Point of Sale Accountability/Tracking - Compatibility with Account System - New Procedures for Closing - Check Points for Cash		<input checked="" type="checkbox"/>
D	Accountability Hired outside CPA (Steve Wood) for Monthly Reconciliation of Cash/Expenses Monthly Fiscal and Round Reporting to Nick Providenti, CPA, Director of Finance Annual Review by outside CPA Firm with an Audit Conducted every 5th Year		<input checked="" type="checkbox"/>

EAGLE VALLEY GOLF COURSE

Maintenance Vehicles and Equipment

Equipment	Hours	Model #	Serial #	Year	Date Purchased
Rough					
Toro Rotary 4000-D	5111	0410	240000187	2001	
Toro Groundsmaster 4500 - D	1379	30856	280000553	2005	Aug 2011 - Used
Toro Groundsmaster 455 - D	N/A	30450	210000156	1990's	
Toro Groundsmaster 325 - D	4453	30788	30243	1990's	
Jacobsen Hr - 5111	4531		6911607420	2005	2005 - New
Fairway					
Toro Reelmaster 5500 - D	5309	03551	230000105	2003	2008 - Used
Toro Reelmaster 5500 - D	5824	03550	210000320	2004	2008 - Used
Toro Reelmaster 5400 - D	4499	03543	240000565	2005	2008 - Used
Toro Reelmaster 5410 - D	1198	03670	2700001212	2007	2011 - Used
Greens					
Toro Greensmaster 3250 - D	4951	04383	210000476	2004	2007 - Used
Toro Greensmaster 3250 - D	3877	04383	210000137	2005	2007 - Used
Toro Greensmaster 3150 - D		04357	230001035	2003	2008
Toro Greensmaster 3000 - D	3071	04375	30261	2002	Jan 2012 - Used
Toro Greensmaster 3150 - D	929	04357	280001559	2003	June 2005
Toro Greensmaster 3150 - D	3185	04357	230001031	2003	June 2005
Sand					
Toro Sandpro 3020 - D	3204	08885	230000690	2003	
Toro Sandpro 5000	6022	08881	30110	1990's	
Carryalls					
Club Car Turf 2 Carryall #2	N/A	RG0536	542292	2004	
Club Car Turf 2 Carryall #5	N/A	RG0536	542295	2004	
Club Car Turf 2 Carryall #4	N/A	RG0536	542294	2004	
Club Car Turf 2 Carryall #1	N/A	RG0536	542293	2004	
Club Car Turf 2 Carryall #3	N/A	RG0536	542296	2004	
Club Car Turf 2 Carryall Beverage Cart	N/A	AF0525	514376	2004	
Club Car Turf 2 Carryall Beverage Cart	N/A	AF0525	514376	2004	
Range Picker Carryall	N/A	PG9733	595799	2004	
Other					
Case Backhoe 580 Super E	N/A		9868384		From City
Turco Top Dresser		85804	F00339	2004	
Craftsman Snow Blower	N/A	N/A	N/A		2011 - Gifted
Ryan Thatcher	N/A	N/A	N/A	1999	
Ryan Edger	N/A	N/A	N/A	1999	
Ford Tractor	N/A	SEK580	58090030413		
Cushman Sprayer	N/A	898630	92006126	1995	
Cushman	N/A	898532A	95005788	2001	
Cushman	N/A	898659	98006483	1996	
GMC 7000 Dump Truck	N/A				From City

**EAGLE VALLEY GOLF COURSE
MAINTENANCE - ANNUAL SCHEDULE**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
GREENS		FUNGICIDE	FERTILIZE SEED	AERATE TOP DRESS FEED	FERTILIZE VERTICUT	AERATE FEED	FERTILIZE VERTICUT FEED	AERATE	FERTILIZE VERTICUT	AERATE TOP DRESS SEED	FUNGICIDE	MONITOR WATER
TEES			AERATE SEED	VERTICUT SEED TOP DRESS	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	AERATE	VERTICUT SEED TOP DRESS		
FAIRWAYS	DRAINAGE		AERATE HERBICIDE GROWTH REGULATOR	FERTILIZE SEED/ ORGANIC					FERTILIZE	AERATE	DRAINAGE	
ROUGHES			GROWTH REGULATOR		GROWTH REGULATOR		GROWTH REGULATOR					
LAKES		CLEAN	REPAIR & MAINT	ALGAECIDE		ALGAECIDE		ALGAECIDE		ALGAECIDE	DRAIN DOWN	
BUNKERS			ADD SAND	EDGE	GENERAL	GENERAL	GENERAL	GENERAL	EDGE	ADD SAND		
DRIVING RANGE			GROWTH REGULATOR SEED	SEED REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT		REPAIR & MAINT
CART PATHS			REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT			
LANDSCAPING				IRRIGATION	PLANTING	GENERAL	GENERAL	GENERAL	GENERAL	WINTERIZE	WINTERIZE	
HERBICIDES			LAKES	BROAD LEAF					LAKES			
PUMPS	SERVICE	CLEAN FILTERS	GENERAL	GENERAL	GENERAL	GENERAL	GENERAL	GENERAL	GENERAL	GENERAL	WINTERIZE	CLEAN PAINT
IRRIGATION	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT
BUILDINGS	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT	REPAIR & MAINT
TRAINING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING
GENERAL MAINTENANCE	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING
EQUIPMENT REPAIR & MAINTENANCE	SERVICE	SERVICE	SERVICE	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	ONGOING	SERVICE	SERVICE

ALL OUTSIDE PROJECTS ARE CONTINGENT ON WEATHER CONDITIONS

Eagle Valley Golf Course Volunteer Guidelines

Regular season for volunteers is March 1 - October 31.

Volunteers receive one discounted meal while on shift. The price is \$2.50 and includes the following choices: Cheeseburger, Shrimp Basket, Hot Dog, Deli Sandwich, Breakfast Burrito and the daily special. Price does not include tip and any other items are full price.

Volunteers receive the following free beverages while on shift: Fountain Soda and Coffee (bottled water is not free or discounted). There are no discounts on alcohol.

Volunteers must wear a name badge and a uniform shirt provided by the course while on duty.

Description of a full time volunteer: Works 2 shifts in a calendar week, or works 1 closing marshal shift.

Description of a substitute volunteer: Not on the regular schedule, but may be called in to cover any shift. Substitute volunteers receive 1 round for every shift they work.

Golf privileges for any volunteer: Unlimited play on weekdays (provided space available). Friday, Saturday and Sunday, play after 12:30pm. If space is available prior to 12:30pm, you will be charged a \$15.00 cart fee on the weekend.

Volunteers playing in the morning during preferred starting times, must play with 3 paid players.

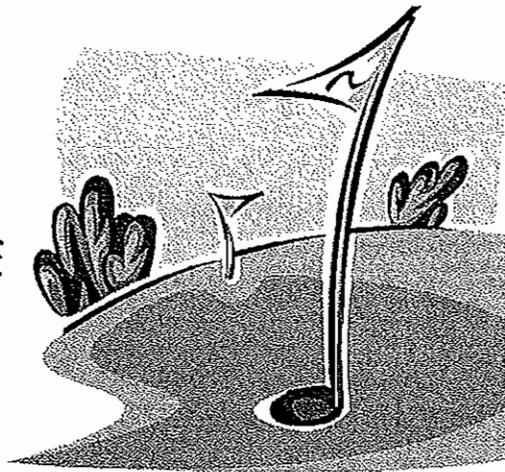
Volunteers receive unlimited range balls and 30% discount on Golf Shop merchandise (not including sale items).

Rounds earned must be used prior to October 31st. Rounds do not carry over thru winter or the following year. Volunteers working during the winter months must use their rounds prior to the start of the Spring season. Volunteers not working during the Winter must pay a \$20.00 fee.

Volunteers must adhere to course rules without exception.

Volunteers are covered by workers comp. insurance if hurt while on duty. Contact the Golf Shop as soon as possible to report the incident and receive further instruction.

EAGLE VALLEY GOLF COURSE RULES AND ETIQUETTE



- ALL GOLFERS MUST REGISTER AND PAY REGARDLESS OF AGE
- EACH GOLFER MUST HAVE THEIR OWN CLUBS
- SLOW GOLFERS LET FASTER GOLFERS PLAY THROUGH
- NO GROUPS LARGER THAN A FOURSOME UNLESS AUTHORIZED BY MANAGEMENT
- PLAYERS MAKING THE TURN OFF #9 HAVE PRIORITY
- NO PRACTICING ON THE GOLF COURSE AT ANY TIME
- GOLF CARTS MUST STAY ON THE GOLF COURSE
- KEEP GOLF CARTS OFF TEES AND GREENS
- YOUTH UNDER 16 MAY NOT OPERATE A GOLF CART
- ONLY 2 PERSONS PER GOLF CART
- CHILDREN MUST BE ACCOMPANIED BY AN ADULT
- NO PETS ON THE GOLF COURSE

The Management and Staff of Eagle Valley Golf appreciate your cooperation

Eagle Valley Golf Course Closing Procedures Pro-Shop/Bar/Grill

		Initials
1.	Count Cash and Checks from Point of Sale	
2.	Put Till Count Sheet in the Blue Bank Bag with Bank for the Following Day	
3.	Lock POS1 and POS2 Bank Bags in the Golf Shop Safe and Verify the Safe is Locked. Lock Bar and Restaurant Bank Bags in Bar Safe.	
4.	Have another Employee Verify the Cash Drop and Place Drop and Deposit Slip in Plastic Bank Bag, Seal and Drop into the Drop Safe	
5.	Print Tee Sheets for the Following Day and put them on the Starters' Clipboards with Cart Sign-Out Sheets	
6.	Verify the Radios are all on the Correct Charger with the Red Light Illuminated	
7.	Vacuum Floors	
8.	Clean Golf Shop Counter of all Debris and Wipe Down	
9.	Empty Trash	
10.	Dust and Organize all Golf Shop Merchandise	
11.	Clean and Organize all Rental Clubs (if clubs are still on the course at closing time, inform cart staff and give them the credit card or driver's license of customer)	
12.	Turn off all Lights	
13.	Lock all Doors, including Golf Shop Office Door	

**CARSON CITY MUNICIPAL GOLF CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 2011**

CARSON CITY MUNICIPAL GOLF CORPORATION

FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2011

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Benjamin C. Steele, CPA
Nevada State Board of Accountancy - Member



Jonathan S. Steele, CPA
Vanessa L. Davis, CPA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Carson City Municipal Golf Corporation
Carson City, NV 89706

We have reviewed the accompanying statement of financial position of Carson City Municipal Golf Corporation (a nonprofit organization) as of December 31, 2011, and the related statements of activities, functional expenses, and cash flow for the year then ended. A review includes primarily applying analytical procedures to the management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made for the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Steele & Associates LLC

Carson City, Nevada
March 15, 2012

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Members of: CPA Connect
Nevada Society of Certified Public Accountants
American Institute of Certified Public Accountants
Affordable Housing Association of Certified Public Accountants

Carson City Municipal Golf Corporation
Statement of Financial Position
December 31, 2011

ASSETS

Current Assets	
Cash & Cash Equivalents	\$ 155,793
Accounts Receivable	18,896
Inventories	<u>41,065</u>
Total Current Assets	<u>215,754</u>
Long Term Assets	
Property & Equipment, Net of Accumulated Depreciation	267,739
Goodwill, Net of Accumulated Amortization	4,164
Deposits	<u>6,950</u>
Total Long Term Assets	<u>278,853</u>
 Total Assets	 <u>\$ 494,607</u>

LIABILITIES & NET ASSETS

Current Liabilities	
Accounts Payable	\$ 25,054
Accrued Liabilities	5,032
Deferred Revenue	142,935
Current Portion, Long-Term Liabilities	<u>21,351</u>
Total Current Liabilities	<u>194,372</u>
Long Term Liabilities	
Notes Payable, Net of Current Portion	42,867
Deferred Lease Payment	<u>449,999</u>
Total Long Term Liabilities	<u>492,866</u>
 Total Liabilities	 687,238
Net Assets	
Unrestricted	<u>(192,631)</u>
 Total Liabilities & Net Assets	 <u>\$ 494,607</u>

Carson City Municipal Golf Corporation
Statement of Activities
For the Year Ended December 31, 2011

Revenues and Other Support	
Program Services	
Golf	\$ 1,225,824
Pro Shop	110,767
Bar & Grill	271,470
Other	<u>4,203</u>
Total Revenues and Other Support	<u>1,612,264</u>
Expenses	
Program Services	
Golf	719,548
Pro Shop	229,208
Bar & Grill	275,213
Supporting Services	<u>470,316</u>
Total Expenses	<u>1,694,285</u>
Change in Net Assets	(82,021)
Net Assets as of Beginning of Year	<u>(110,610)</u>
Net Assets as of End of Year	<u>\$ (192,631)</u>

See Accountant's Review Report & Notes to Financial Statements

Carson City Municipal Golf Corporation
Statement of Functional Expenses
For the Year Ended December 31, 2011

	Golf	Pro Shop	Bar & Grill	Total Program Services	Supporting Services	Total
Salaries & Wages	\$ 267,786	\$ 71,023	\$ 97,750	\$ 436,559	\$ 174,866	\$ 611,425
Lease Payments	244,163	-	628	244,791	2,519	247,310
Depreciation & Amortization	35,728	69	2,567	38,364	15,547	53,911
Utilities	37,856	21,728	21,428	81,012	34,023	115,035
Insurance	-	-	-	-	19,960	19,960
Payroll Taxes	-	-	-	-	78,360	78,360
Repairs & Maintenance	41,731	152	5,047	46,930	11,410	58,340
Fuel	45,520	-	-	45,520	-	45,520
Operating Supplies	21,143	89,449	138,491	249,083	9,962	259,045
Promotions	-	3,736	-	3,736	34,643	38,379
Professional Services	-	-	-	-	14,830	14,830
Telephone	-	-	-	-	6,651	6,651
Administrative Cost	-	27,585	-	27,585	3,930	31,515
Office Supplies	-	-	-	-	8,118	8,118
Security	-	-	-	-	4,664	4,664
Outside Service	11,831	10,464	3,147	25,442	33,476	58,918
Janitorial	-	-	-	-	9,965	9,965
Equipment Rental	-	-	138	138	973	1,111
Travel	-	-	-	-	2,966	2,966
Dues & Subscriptions	-	835	-	835	2,390	3,225
Fertilizer & Chemicals	1,717	-	-	1,717	-	1,717
Sand	8,584	-	-	8,584	-	8,584
Laundry	-	-	766	766	-	766
Licenses & Permits	150	-	805	955	15	970
Uniforms	108	2,167	1,000	3,275	-	3,275
Small Tools	1,387	-	3,446	4,833	-	4,833
Grass Seed & Shrubs	1,844	-	-	1,844	-	1,844
Office Equipment	-	-	-	-	1,048	1,048
Freight	-	2,000	-	2,000	-	2,000
	<u>\$ 719,548</u>	<u>\$ 229,208</u>	<u>\$ 275,213</u>	<u>\$ 1,223,969</u>	<u>\$ 470,316</u>	<u>\$ 1,694,285</u>

See Accountant's Review Report & Notes to Financial Statements

Carson City Municipal Golf Corporation
Statement of Cash Flows
For the Year Ended December 31, 2011

Cash Flows From Operating Activities	
Change in Net Assets	\$ (82,021)
Adjustments to Reconcile Change in Net Assets	
Depreciation & Amortization	53,912
Increase in Accounts Receivable	(7,591)
Decrease in Inventory	2,868
Decrease in Accounts Payable	(6,186)
Decrease in Accrued Liabilities	(9,760)
Increase in Deferred Revenue	<u>7,414</u>
Net Cash Used by Operating Activities	<u>(41,364)</u>
Cash Flows From Investing Activities	
Purchase of Property & Equipment	<u>(63,700)</u>
Net Cash Used in Investing Activities	<u>(63,700)</u>
Cash Flows From Financing Activities	
City Lease payment Deferred	120,000
Proceeds from Financing	52,800
Principal Payments on Long Term Debt	<u>(35,406)</u>
Net Cash Provided by Financing Activities	<u>137,394</u>
Net Increase in Cash & Cash Equivalents	32,330
Cash & Cash Equivalents as of Beginning of Year	<u>123,463</u>
Cash & Cash Equivalents as of End of Year	<u>\$ 155,793</u>
 SUPPLEMENTAL CASH FLOW INFORMATION	
Cash paid for interest	<u>\$ 2,031</u>

Carson City Municipal Golf Corporation
Notes to Financial Statements
December 31, 2011

NOTE 1 - NATURE OF ACTIVITIES

Carson City Municipal Golf Corporation (the Organization), located in Carson City, Nevada was formed to establish and document a program to teach, introduce, promote and make available the game of golf to the citizens of the Carson City area.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables and payables. Revenues are recognized when earned and expenditures are recorded at the time the related liabilities are incurred.

Financial Statement Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Accounting Standards Codification 958-205-45-4, *Financial Statements of Not-For-Profit Organizations*. Under ASC 958-205-45-4, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization had only unrestricted net assets in 2011.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Contributed Services

A substantial number of unpaid volunteers have made significant contributions of time to assist the Organization's services and programs. No amounts have been included in the financial statements for these donated services since they do not meet the criteria for recognition under FASB ASC 958-605-25-2 and FASB ASC 958-605-30-2, *Accounting for Contributions Received and Contributions Made*.

Carson City Municipal Golf Corporation
Notes to Financial Statements
December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is a nonprofit organization that is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. Accordingly, no liability for federal income taxes has been provided in the financial statements. It is the Organization's tax position that it has not engaged in activities that would result in unrelated business income tax. The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2008, 2009, and 2010 are subject to examination by the IRS, generally for three years after they were filed.

Property and Equipment

Property and equipment are stated at cost when purchased and estimated fair market value when donated. Depreciation is recorded under the straight-line method over the following estimated useful lives: furniture and equipment, four to seven years; vehicles, seven years; golf course improvements, twenty years and building, forty years. Costs of normal repairs and maintenance are charged to expense as incurred.

Inventory

Inventory of the Organization consists of retail merchandise for the pro shop and food and beverage items for the bar & grill, and all inventory is shown on these financial statements at lower of cost or market value at December 31, 2011.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Organization maintains an account in a single financial institution. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2011 the Organization was within insured limits.

Subsequent Events

Management has evaluated all subsequent events through March 15, 2012, the date on which the financial statements were available to be issued.

Carson City Municipal Golf Corporation
Notes to Financial Statements
December 31, 2011

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment of the Organization is for the primary purpose of operating the golf course, bar & grill, and pro shop. Depreciation expense for the period was \$46,772. Property and equipment at December 31, 2011 consisted of the following:

Administrative Equipment & Improvement	\$ 207,301
Restaurant, Bar & Pro Shop	101,116
Golf Course Equipment	<u>1,029,543</u>
	1,337,960
Less: Accumulated Depreciation	<u>(1,070,221)</u>
Net Book Value	<u>\$ 267,739</u>

NOTE 4 - ACQUISITION COSTS

Acquisition costs represent the excess of the cost of business assets acquired over the fair value of their net assets at the date of acquisition. It is being amortized over its estimated useful life of 15 years. The balance, net of amortization, at December 31, 2011 is as follows:

Acquisition Costs	\$ 107,081
Accumulated Amortization	<u>(102,917)</u>
	<u>\$ 4,164</u>

Amortization expense for the period was \$7,139 and is included in the statement of functional expenses under depreciation and amortization.

NOTE 5 - NOTES PAYABLE

The Organization's notes payable consist of the following:

Note Payable to Citicapital, due in monthly installments of \$821 plus interest at an annual rate of 7.54%, secured by the electric station for golf cart charging	\$ 15,385
Less Current Portion	<u>(8,999)</u>
	<u>\$ 6,386</u>
Deferred Golf Course lease payment. Payable to Carson City and due July 1, 2028	<u>\$ 449,999</u>

Carson City Municipal Golf Corporation
Notes to Financial Statements
December 31, 2011

NOTE 5 - NOTES PAYABLE (CONTINUED)

Future scheduled maturities of notes payable:

Years ending December 31:	
2012	\$ 8,999
2013	6,386
Later Years	<u>449,999</u>
	<u>\$ 465,384</u>

NOTE 6 - CAPITAL LEASE OBLIGATIONS

The Organization leases equipment with lease terms through August 2015. Obligations under the capital lease have been recorded at the present value of future minimum lease payments, discounted at an interest rate of 5.54%.

The following is a schedule of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of:

Year Ending December 31:	
2012	\$ 14,748
2013	14,748
2014	14,748
2015	9,833
Less amount representing interest	<u>(5,244)</u>
Present value of minimum lease payment	48,833
Less current portion	<u>(12,352)</u>
Long term portion, capital lease	<u>\$ 36,481</u>

NOTE 7 - OPERATING LEASES

The Organization leases the golf course land and associated buildings from Carson City under a lease which requires semi-annual payments of \$40,000 in January and \$80,000 in July. The lease also contains a provision requiring the Organization to maintain \$300,000 of cash on hand at July 1st of each year. The lease expires July 1, 2028, with options to renew for unlimited additional five year periods.

The Organization made a payment of \$3,334 towards the deferred golf course lease payment. The July 1, 2011 payment due of \$80,000 was applied to the end of the lease period along with the \$40,000 payment due January 1, 2011. The total deferred lease payments for 2011 total \$120,000. The deferred lease payments are recorded as a long term liability. The Organization is renegotiating the lease, and the impact of the negotiations on the financial statements cannot be determined at this time.

Carson City Municipal Golf Corporation
Notes to Financial Statements
December 31, 2011

NOTE 7 - OPERATING LEASES (CONTINUED)

The Organization did not maintain \$300,000 cash on hand July 1, 2011, as required by the lease documents.

The Organization also leases equipment, expiring in various years through 2016. The total lease expense under non-cancellable operating leases for the year ended December 31, 2011 amounted to \$126,243.

The future maturities of leases payable for the remaining lease terms ending after December 31, 2011 are as follows:

Year Ending December 31:	
2012	\$ 260,225
2013	233,948
2014	148,249
2015	148,249
Later Years	<u>1,212,555</u>
Total	<u>\$ 2,003,226</u>

NOTE 8 - COMPENSATED ABSENCES

Regular and full-time employees of the Organization are entitled to paid vacation. As of the date of these financial statements, current employees take their vacation in the same year vacation is earned and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

NOTE 9 - DEFERRED REVENUE

The Organization carried a balance of \$142,935 in deferred revenue on the financial statements, as of December 31, 2011. Deferred revenue consists of advance payments received during the 2011 fiscal year related to the next year's greens fees and tournaments.

NOTE 10 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Functional Expenses and Statement of Activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.