

May 22, 2003

## Golf Course Audit Results

Per RFP 22-97 (Golf Course Management Contract) dated April 13<sup>th</sup>, 1998, and valid for a five-year period, the following is a partial listing of the contractual agreement between Clay County and Marquardt Enterprises, Inc.:

### Contract Provisions:

- Provide an insurance policy in the amount of \$10,000 to protect the County in the case of employee theft or dishonesty and provide at least \$250,000 for injury/death.

Discussion - Certificate of Liability Insurance, effective 5/28/02 thru 5/28/03 produced by Gretcher-Lynch & Co., insurance coverage provided by Travelers Property Casualty, Travelers Indemnity Company and Westport Insurance Corp. is provided with \$10,000 coverage for Bonding Employee Dishonesty and \$1,000,000 coverage for injury/death. A copy is included in this report.

- Provide, maintain, service and insure a fleet of at least 100 golf carts.

Discussion - The number of golf carts counted on 5/20/03 was 90. No extra carts are needed at this time but an additional 10 carts have been considered as lease carts on an as-needed basis in the event business increases. All carts were in good operational condition on this day. The carts are counted at the end of each day. If there are less than 90, no one is allowed to leave until the carts are located and accounted for.

- Provide and pay for a minimum of 4 telephone lines to be available as follows: 1 for tee time scheduling, 1 for credit card, fax and POS use and 2 for incoming public calls.

Discussion - There are 6 telephone lines available, 3 for tee time scheduling, 1 for fax and POS and 2 for incoming public calls. A public pay telephone is also available.

- Obtain all licenses and permits required for the Golf Clubhouse operations.

Discussion - Licenses and permits required are hanging in view and consist of Clay County Health Department, state and county liquor licenses and a retail license for the Missouri Lottery vending machine.

- Through an addendum dated April 8<sup>th</sup>, 1999 the parties agreed to establish a Golf Patron Card/System to reserve tee times for the courses up to seven days in advance of the date the user intends to play the course.

Discussion - The system has been in operation since July 6, 1999 and is working out well but does not have the use that was expected when first installed. Mr. Marquardt estimated that less than ½ of 1 percent of the patrons use this system.

Clay County pays for the printing of the cards.

- Implement a marketing plan to promote Paradise Golf Complex with a minimum expenditure of \$10,000 per year.

Discussion - Marketing is nation-wide for the Paradise Golf Complex and expenditures total well over \$10,000 per year.

- The Golf Complex Manager shall recruit and train volunteers to work as starters and marshals. Whenever funds are available, the County will provide a maximum of 72 paid hours per week March 1<sup>st</sup> to October 30<sup>th</sup> to qualified Captains.

Discussion - There are 5 Captains and approximately 56 Marshals (now called Player Assistants). The 5 Captains are paid by the County and the Player Assistants are volunteers compensated by other means such as free golf.

- Pay all electrical utilities for Paradise Pointe Golf Complex Clubhouse.

Discussion - A schedule for 2002 electric and trash bills is included in this report.

#### Concession Lease Payments

- County should receive 43% of gross receipts of golf cart rental.

Discussion - A schedule for 2002 golf cart rentals is included in this report.

- County should receive 100% of gross receipts of greens fees.

Discussion - A schedule for 2002 greens fees is included in this report.

The bookkeeper at the golf complex deposits revenues every day in an account with UMB Bank in Liberty and sends a deposit slip to the County Treasurer. The account in which the deposits are made by the golf shop bookkeeper is swept nightly and deposited into the county's regular account. The difference in the amount the treasurer receipts as greens fees revenue and the amount reported by the golf complex is 2 to 3 days at the beginning and ending of each month. The deposit slips are totaled at the end of the month and that total is entered as revenue crediting the golf course admit, entry fees and event charges line item.

- County shall receive \$2,000 per month cash payment from the Golf Complex Manager.

Discussion - A schedule for 2002 monthly lease payments is included in this report.

#### Money Collection & Subsequent Reporting

- Concession Operations.

Discussion - Clay County has not received revenue related to the concession operation since 1997. Beginning January 1998, the manager pays the county \$2000 rent per month.

- Estimated Monthly Expense Restroom supplies, scorecards, light bulbs, carpet cleaning, and general building supply.

Discussion - There is no schedule for these expenditures as the only monthly expense is cleaning carpets at the pro shop. Every other item is purchased on an as-needed basis. Mr. Marquardt estimated the expense for all categories to be \$400 per month or \$5000 annually

- Pro Shop Sales.

Two transactions were observed at the golf pro-shop. An employee was on duty at cash register 2 and took the cash for the sales observed. The bookkeeper is given the cash and cards from each register (there are 3) and she counts the money and balances it to the day's business on all three registers.

She also does the bank deposits each day. The information entered at the cash register on the Golf Management System is captured in a report the bookkeeper can print out each day.

She then enters it into an Excel spread sheet to generate financial reports for Clay County, the Golf Board and the Parks and Golf Course Directors. It is set to figure Clay County's percentage of golf cart rentals and greens fees.

The bookkeeper prepares the checks to Clay County for their portions of cart rentals as well as the monthly lease payments, trash and electric payments.

Prepared by:  
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Deputy Auditor

Clay County Golf Course

Schedule of Golf Cart Rental Fees

For the Year 2002

Golf Course Audit May 20, 2003

Golf Cart Rental Fees 2002

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Total	\$ 6,515.76	\$ 7,022.41	\$ 19,476.72	\$ 36,394.05	\$ 58,707.08	\$ 92,456.42	\$ 70,430.43	\$ 73,297.92	\$ 67,005.06	\$ 39,460.70	\$ 13,560.78	\$ 6,729.00	\$ 491,056.33
County %	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	
County Revenue	\$ 2,801.78	\$ 3,019.64	\$ 8,374.99	\$ 15,649.44	\$ 25,244.04	\$ 39,756.26	\$ 30,285.08	\$ 31,518.11	\$ 28,812.18	\$ 16,968.10	\$ 5,831.14	\$ 2,893.47	\$ 211,154.22

Date Treasurer Received and Receipt No.

2/25/02	3/18/02	4/23/02	5/21/02	6/24/02	7/19/02	8/21/02	9/20/02	10/22/02	11/22/02	12/20/02	1/22/03
13234	13539	14040	14405	14872	15198	15626	16001	96F	256D	395E	537C

Clay County Golf Course  
 Schedule of Golf Greens Fees  
 For the Year 2002

Golf Course Audit May 20, 2003

Greens Fees 2002

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Total Collected	\$ 13,724.00	\$ 19,070.00	\$ 56,234.00	\$ 104,392.60	\$ 127,734.40	\$ 176,603.92	\$ 117,473.25	\$ 122,268.91	\$ 118,690.03	\$ 67,689.42	\$ 21,511.45	\$ 19,486.75	\$ 964,878.73

Amount Received by Treasurer, Date Received and Receipt Number

County Received	1/31/02	2/28/02	3/29/02	4/30/02	5/31/02	6/28/02	7/31/02	8/30/02	9/30/02	10/31/02	11/27/02	12/31/02	
\$ 13,895.78	\$ 19,056.24	\$ 39,322.26	\$ 97,240.93	\$ 144,368.81	\$ 161,762.73	\$ 134,089.46	\$ 113,018.07	\$ 108,761.00	\$ 91,698.05	\$ 19,108.13	\$ 20,975.78	\$ 963,297.24	
	12975	13311	13729	14145	14547	14942	15353	15750	16113	164A	310	478	

Clay County Golf Course  
 Schedule of Monthly Lease Payment  
 For the Year 2002

Golf Course Audit May 20, 2003

Monthly Lease Payment for 2002

January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 24,000.00

Date Treasurer Received and Receipt No.

02/25/02	03/18/02	04/23/02	05/21/02	06/24/02	07/19/02	08/21/02	09/20/02	10/22/02	11/22/02	12/20/02	01/22/03
13235	13540	14041	14406	14872	15199	15627	16002	96G	256E	395F	537D

Clay County Golf Course  
 Schedule of Monthly Electric/Trash  
 For the Year 2002

Golf Course Audit May 20, 2003

Monthly Electric/Trash for 2002

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Electric	\$ 738.10	\$ 781.89	\$ 793.49	\$ 714.58	\$ 648.33	\$ 915.25	\$ 1,358.45	\$ 1,512.07	\$ 1,557.37	\$ 1,506.96	\$ 782.10	\$ 617.56	\$ 11,926.15
Trash	\$ 91.00	\$ 91.00	\$ 145.00	\$ 145.00	\$ 287.50	\$ 287.50	\$ 287.50	\$ 287.50	\$ 218.00	\$ 145.00	\$ 45.50	\$ 45.50	\$ 2,076.00
Total	\$ 829.10	\$ 872.89	\$ 938.49	\$ 859.58	\$ 935.83	\$ 1,202.75	\$ 1,645.95	\$ 1,799.57	\$ 1,775.37	\$ 1,651.96	\$ 827.60	\$ 663.06	\$ 14,002.15

Date Treasurer Received and Receipt No.

	2/25/02	3/18/02	4/23/02	5/21/02	6/24/02	7/19/02	8/21/02	9/20/02	10/22/02	11/22/02	12/20/02	1/22/03	
\$	827.39	\$ 838.99	\$ 787.08	\$ 720.83	\$ 1,059.00	\$ 1,502.20	\$ 1,655.82	\$ 1,701.12	\$ 1,615.96	\$ 854.60	\$ 663.06	\$ 719.12	\$ 12,945.17
	13236	13541	14042	14407	14873	15200	15628	16003	96H	256F	395G	537E	
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL