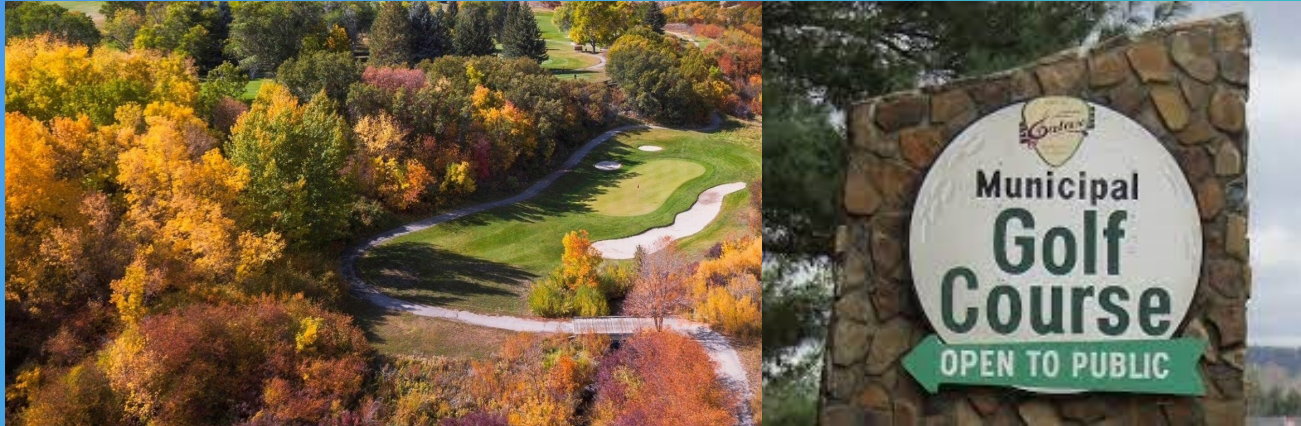




# 2023 Annual Municipal Golf Study and Ongoing Benchmark



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## Michael A. Suglich, CPA

- Founder / CEO, Greenlight Advisors (2018-today)
- Sikich LLP, Partner / Exec Board (2010-2017)
- MAS Consulting, Founder / CEO (1990-2010)
- Ridge Country Club, Treasurer





# Overview of the Municipal Golf Industry – Big Picture

did the post-covid revenue growth continue?  
and how did 2022 total revenue compare to 2021?

Year	2022			
	Column Labels			
	Bottom Quartile	Median	Top Quartile	Grand Total
Average of Total Revenue	1,595,610	2,367,967	2,601,815	2,238,063
Year	2021			
	Column Labels			
	Bottom Quartile	Median	Top Quartile	Grand Total
Average of Total Revenue	1,296,333	2,287,404	2,411,322	2,076,944

Yes, post-covid growth continued.

The healthy post-covid growth continued from 2021 into 2022,

2022 revenue growth over 2021

7.8% Overall

7.3% Top quartile course growth

3.5% Median course growth

23% Bottom quartile course growth

Top Quartile	Top 25% of courses
Median	Middle 50% of courses
Bottom Quartile	Bottom 25% of courses



# Overview of the Municipal Golf Industry – Big Picture

is the state of the industry healthy?

Year	(All)			
Values	Column Labels			
	Bottom Quartile	Median	Top Quartile	Grand Total
Average of Total Revenue	1,442,646	2,330,257	2,496,436	2,157,504
Average of Net Income	-27,064	544,408	1,077,936	540,965
Average of Net Income (Loss) %	-15.9%	24.0%	42.6%	19.0%

Based on our Study results it's very healthy.

Median Net Income % of revenue is 24%

Top Quartile Net Income % of revenue is 42%

That's solid footing.

Now, the Bottom Quartile is different story.

On average, they are losing roughly \$225k per year.

So, what drives Top quartile performance?

What causes Bottom quartile performance?

Let's continue to explore....



## Inspiration and execution

- Being a country club treasurer inspired the idea of GC Benchmarks
- Feedback from CPA firms and Golf Club leaders
- “How does my course compare to others, especially to best-in-class?”
- “How can I improve?”
- Simple benchmark reports and data-driven best practices
- Cloud solution accessible from anywhere





# 2023 Annual Municipal Golf Study

- Two deliverables for participating municipal course
  1. Online Quarterly Benchmark Subscription
  2. 2023 Annual Municipal Golf Study findings



## Compare your course with best-in-class\* in critical metrics

Financial Benchmarks	Operational Benchmarks
Golf Operations Breakdown: Revenue & Margin	Real estate, acres, holes
Food and Beverage: Revenue & Margin	Employee ratios
Retail: Revenue & Margin	Water expense
Golf Course Maintenance: Expense	Rounds played
Clubhouse & Administration: Expense	Playable starts (weather computed)
Net Income	Revenue per start / Average Daily Rate (ADT)
	Weekend Rack Rate

Best-in-class: courses in the top quartile of profitability.

# My Course - Financial Benchmark Report

powered by Greenlight Advisors								
2022 Benchmark								
	Golf Course Total		West Average			Industry Average		
		% of Rev		% of Rev	Variance		% of Rev	Variance
<b>Total Revenue</b>	2,138,517	100%	2,991,096	100%	-40% 🚫	2,238,063	100%	-5% 🚫
<b>Food &amp; Beverage Revenue</b>	15,681	1%	434,290	15%	-14% 🚫	298,323	13%	-12% 🚫
Net Food and Beverage	15,681	1%	42,432	1%	0% ○	106,452	5%	-4% 🚫
<b>Golf Operations Revenue (Schedule)</b>	2,122,836	99%	2,658,992	89%	10% 🟢	1,975,026	88%	11% 🟢
Golf Operations Cogs (Schedule)	-782,461	-37%	-730,809	-24%	-13% 🚫	-439,794	-20%	-17% 🚫
Net Golf Operations	1,340,375	63%	1,928,183	64%	-1% 🚫	1,535,232	69%	-6% 🚫
Golf Course Maintenance	-745,662	-35%	-792,593	-26%	-9% 🚫	-606,966	-27%	-8% 🚫
Energy Costs	-24,276	-1%	-92,251	-3%	2% 🟢	-53,838	-2%	1% 🟢
	-769,938	-36%	-1,408,957	-47%	11% 🟢	-1,104,946	-49%	13% 🟢
<b>Net Income (Loss) from Operations</b>	586,118	27%	684,118	23%	4% 🟢	651,378	29%	-2% 🚫

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## My Course - Operational (KPI) Benchmark Cloud Report (1 of 2)

2022 Benchmark - KPI					
Real Estate					
	Golf Course Total		Industry Average		
		cost/size		cost/size	Variance
Golf Course Acres	180	4,143	198	3,065	-35% 🚫
Clubhouse Sq./Ft.	0	0	0	0	0% ○
Employees					
	Golf Course Total		Industry Average		
		% of Employees		% of Employees	Variance
Total Employees	46	100%	30	100%	53% 🚫
Golf Shop Full Time	2	4%	3	10%	-33% 🟢
Golf Shop Part Time	30	65%	17	57%	76% 🚫
Maintenance Full Time	3	7%	4	13%	-25% 🟢
Maintenance Part Time	11	24%	8	27%	38% 🚫
Water					
	Golf Course Total		Industry Average		
Water Expense	246,800		67,002		268% 🚫
Cost of Water per 1,000 gallons	3.29		4.70		-30% 🟢
Cost of Water per acre	1,371		512		168% 🚫

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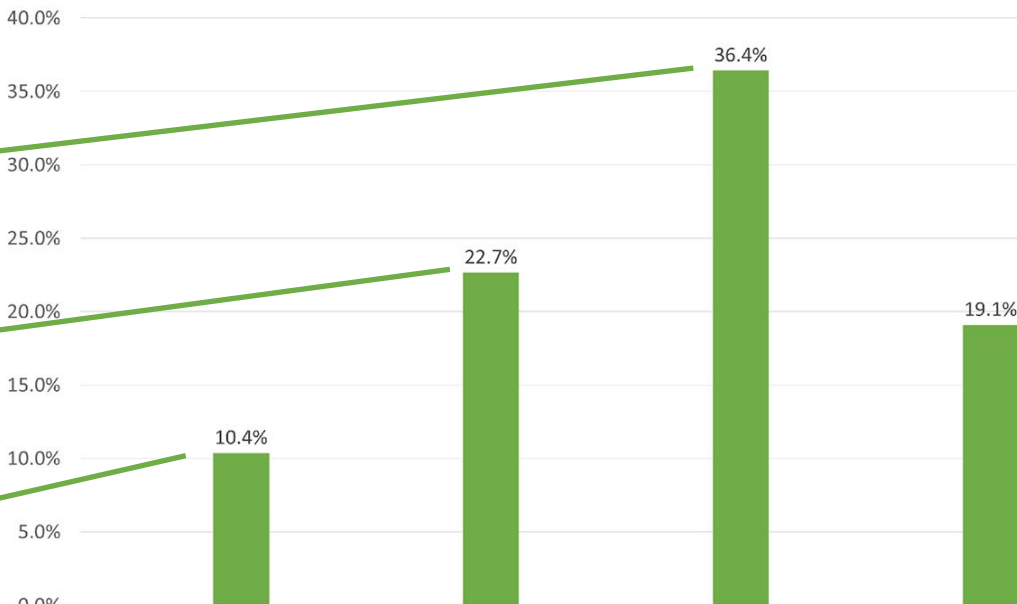
## My Course - Operational (KPI) Cloud Benchmark Report (2 of 2)

Rounds Played					
	Golf Course Total		Industry Average		
		% of Year		% of Year	Variance
Total Rounds Played - 18 Holes	52,293	100%	45,779	100%	14% 🟢
Calendar Year Starts					
	Golf Course Total		Industry Average		
		% of Year		% of Year	Variance
Rounds at Rack Rate	52,293	100%	45,788	100%	14% 🟢
Total Rounds Played	52,293	100%	45,788	100%	14% 🟢
Tee Time Intervals (minutes)	10		10		0% ○
Playable Starts	40,728		51,189		-20% 🔴
Utilization Percent	128%		89%		44% 🟢
Total Course Revenue	2,138,517		2,258,280		-5% 🔴
Revenue Per Start	40.89		49		-17% 🔴
Weekend Rack Rate	42.00		45		-7% 🔴

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### Municipal Golf Course Revenue Growth by Profit Quartile



1/4 of Municipal Courses made this much profit or more, aka "Best-in-Class"

Half of Municipal Courses made less and half made more.

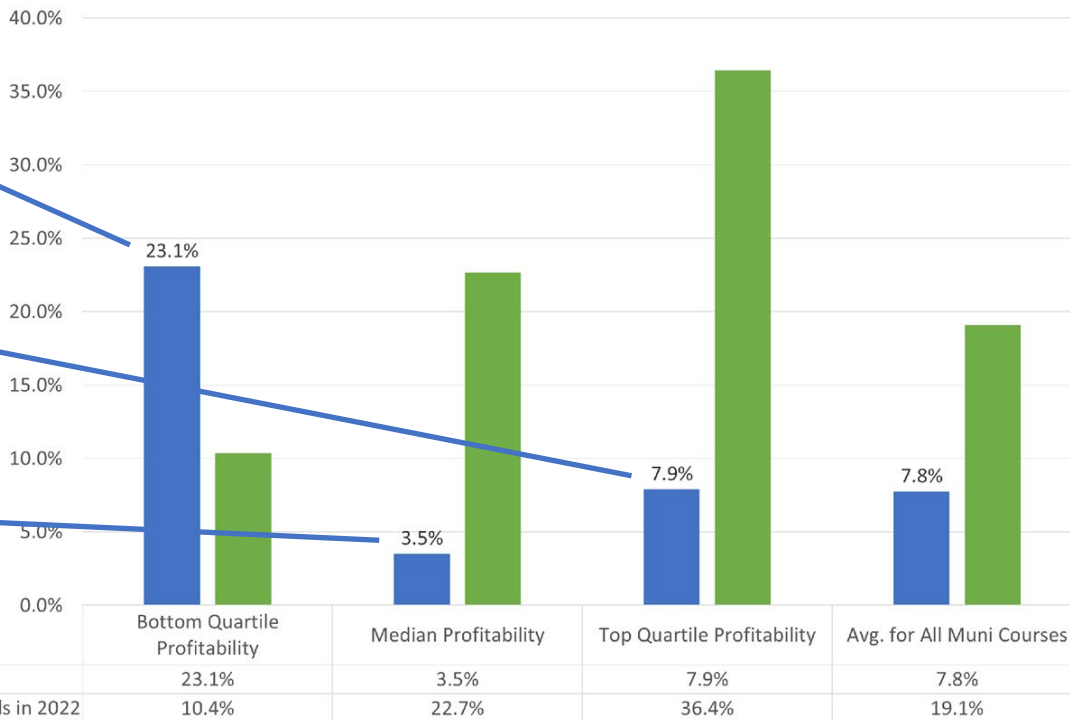
3/4 of Municipal Courses made this much profit or less.

	Bottom Quartile Profitability	Median Profitability	Top Quartile Profitability	Avg. for All Muni Courses
Revenue Growth: 2022/21	23.1%	3.5%	7.9%	7.8%
Profit Performance Thresholds in 2022	10.4%	22.7%	36.4%	19.1%

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### Municipal Golf Course Revenue Growth by Profit Quartile



The bottom ¼ profitability courses grew the most.

The top ¼ profitability courses grew 2nd fastest.

The Median profitability courses grew the least.



# The Benchmark Reports – Top Performers

## do rounds played and utilization % matter?

Year	(All)			
Values	Column Labels			
	Bottom Quartile	Median	Top Quartile	Grand Total
Average of Annual Rounds	34,852	47,214	50,178	44,972
Average of Playable Starts	52,131	51,972	57,501	53,378
Average of Played Rounds Utilization %	67.3%	92.8%	88.6%	85.4%

Yes.

Again, this measures where high performers generate their golf operations revenue, in comparison to lower performers.

In both years, the top performing courses had the highest Annual Rounds generating golf operations revenue from:

- Greens Fees, Driving Range and Other

Conversely, the bottom performing courses had the lowest Avg Annual Rounds and Utilization %.

Mid-performers also produced lower Annual Rounds than top performers but had a slightly higher utilization %



## The Benchmark Reports – Top Performers do golf shop and maintenance employee counts matter?

Year	(All)			
Values	Column Labels			
	Bottom Quartile	Median	Top Quartile	Grand Total
Average of Golf Shop Full Time	2.48	2.76	2.36	2.59
Average of Golf Shop Part Time	15.33	16.03	15.89	15.83
Average of Maintenance Full Time	3.86	4.35	4.16	4.18
Average of Maintenance Part Time	6.64	7.32	8.42	7.43

Interesting..

I would say not really,

Looks like performance across the board is within a 1 employee count





## The Benchmark Reports – Top Performers

**however**, now let's look at revenue per employee, does that matter?

Year	(All)			
Values	Column Labels			
	Bottom Quartile	Median	Top Quartile	Grand Total
Average of Golf Shop Full Time	2.48	2.76	2.36	2.59
Average of Golf Shop Part Time	15.33	16.03	15.89	15.83
Average of Maintenance Full Time	3.86	4.35	4.16	4.18
Average of Maintenance Part Time	6.64	7.32	8.42	7.43
Average of Revenue per Employee	53,842	90,435	103,853	85,112
Average of Annual Rounds	34,852	47,214	50,178	44,972

Yes,

Top performers generate nearly two times the revenue per employee

This tells me that the Bottom performers have basically the same employee counts but half of the revenue. The Median is near the Top.

Also, interesting that Top performers are supporting 44% more rounds on average than Bottom performers using almost the same employee counts.



# The Benchmark Reports – Top Performers

does revenue per round predict my performance?

Year (All)

Values	Column Labels			
	Bottom Quartile	Median	Top Quartile	Grand Total
Average of Annual Rounds	34,852	47,214	50,178	44,972
Average of Playable Starts	52,131	51,972	57,501	53,378
Average of Played Rounds Utilization %	0.67	0.93	0.89	0.85
Sum of Golf Revenue per Round	31.28	39.80	44.50	39.53
Average of Revenue per Start	38.55	50.28	47.06	46.58

Yes...

In line with Top Performers driving higher Golf Ops revenues, Golf and Total Revenue per Round are higher among Top Quartile courses and lower for bottom quartile courses.

Golf Revenue represents Greens fees, cart fees and driving range fees divided by Annual Rounds.



## The Benchmark Reports – Top Performers

does total revenue predict a municipal golf course financial performance?

Year 2022

	Column Labels			
	Bottom Quartile	Median	Top Quartile	Grand Total
Average of Total Revenue	1,595,610	2,367,967	2,601,815	2,238,063

Year 2021

	Column Labels			
	Bottom Quartile	Median	Top Quartile	Grand Total
Average of Total Revenue	1,296,333	2,287,404	2,411,322	2,076,944

### Percent of Municipal Golf Courses by Quartile

	Bottom Quartile	Median	Top Quartile	Grand Total
% of Courses in Study	24.2%	50.5%	25.3%	100.0%

Yes...

There is a direct correlation between total revenue and financial performance at municipal golf courses.

On average, top revenue generating courses are ranked in the Top Quartile and lower revenue generating courses are ranked in the bottom quartile.

Municipal golf courses that generate over \$2.3m+ annually do well and courses that generate under \$1.5m do poorly.

25% of the municipal golf courses in the study are top quartile, 25% are bottom quartile and 50% are at the Median.



# The Benchmark Reports – Top Performers

how did 2022 total revenue compare to 2021?

Year	2022			
	Column Labels			
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Average of Total Revenue	1,595,610	2,367,967	2,601,815	2,238,063
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Average of Total Revenue	1,296,333	2,287,404	2,411,322	2,076,944

## 2022 revenue growth over 2021

7.8% Overall

7.3% Top quartile

3.5% Median

23% Bottom quartile



## The Benchmark Report

What is the 2023 estimated revenue growth rate?

Year	2022			
	Column Labels			
Values	Bottom Quartile	Median	Top Quartile	Grand Total
Average of Total Revenue	1,595,610	2,367,967	2,601,815	2,238,063
<b>Average of 2023 Estimated Revenue Growth as a Percent</b>	<b>19.2%</b>	<b>8.9%</b>	<b>10.7%</b>	<b>11.8%</b>



## Thank you for supporting The 2023 Municipal Golf Study!

Mike Suglich, CPA  
cell: 312-719-0308  
[mike@greenlightadvisors.com](mailto:mike@greenlightadvisors.com)

In interested or for more information:  
[signup.golfclubbenchmarks.com](https://signup.golfclubbenchmarks.com)