

Horwath Gives Breakdown on Club Operation Costs

Horwath and Horwath, hotel and club accountants, have made their ninth annual study of country club operations. The study covers 52 clubs located near 38 principal cities. It is reported in detail by Joseph H. Nolin of the firm, in Horwath and Horwath's monthly magazine, *The Hotel Accountant*.

The summary of operations, for 1956 and 1957 reports on three classes of clubs: 18 small country clubs having total dues under \$100,000; 20 medium clubs having dues of \$100,000 to \$200,000 and

SMALL CLUBS	1957	1956
Per golf hole	\$1887	\$1807
Ratio to dues	40.5%	39.8%
MEDIUM CLUBS		
Per golf hole	\$2718	\$2583
Ratio to dues	37.1%	36.9%
LARGE CLUBS		
Per golf course hole	\$2765	\$2510
Ratio to dues	26.3%	25.5%

Of the 1957 dues dollar the small clubs spent 34.5 cents on net clubhouse cost and 40.5 cents for course and grounds net annual operating costs. For the medium clubs the percentages were; clubhouse, 41.1 and course, and grounds 37.1. For the large clubs in 1957 the net clubhouse cost was 40.5 cents of the dues dollar and for the course and grounds 26.3 cents.

Of the clubs reporting there was a food department profit of 4.5 in the small

Golf Course and Grounds Expenses

COST PER HOLE

	18 Small Country Clubs (Dues under \$100,000)		20 Medium Country Clubs (Dues of \$100,000 to \$200,000)		12 Large Country Clubs (Dues of \$200,000 to \$300,000)	
	1957	1956	1957	1956	1957	1956
Greens and grounds maintenance						
Payroll	\$1319	\$1228	\$1810	\$1691	\$1891	\$1767
Supplies and contracts	339	349	513	553	394	361
Repairs to equipment, course buildings, fences, bridges, etc.	161	159	203	178	302	242
Water, electricity and other expenses	68	71	192	161	178	140
Total maintenance exclusive of fixed charges ..	1887	1807	2718	2583	2765	2510
Golf shop, caddy and tournament expenses ..	285	273	314	293	417	407
Total	2172	2080	3032	2876	3182	2917
Deduct green fees	345	344	737	698	532	482
Net golf course and grounds expense exclusive of fixed charges	\$1827	\$1736	\$2295	\$2178	\$2650	\$2435

12 large clubs having dues of \$200,000 to \$300,000.

Three of the 52 clubs have 36 holes of golf, four have 27, one has 9 and the remainder have 18.

Gross maintenance cost of golf course and grounds "does not include greens fee income nor costs for golf shop, caddies fixed assets and fixed charges," the summary notes. There is no division between course and grounds costs.

The gross cost for each of the three types of clubs was higher in 1957 than in 1956.

Gross maintenance cost of course and grounds:

club class. The other two classes about broke even.

Beverages showed a profit of 34.2% for the smaller clubs, 22.9% at the medium clubs and 17.9% at the large clubs.

After deductions for depreciation and rehabilitation the small and medium clubs operated about 7% in the red for 1957 and the larger clubs had 2.1% of the members' dues available for equity.

A copy of the report may be secured by a club president writing to Horwath and Horwath, 41 E. 42nd st., New York 17, or any other of the firm's offices, as long as there are issues of the publication available.