

Depreciation Ratio Down

Horwath Study Shows Increase in Operating Costs

The tenth study of country club operations made by Horwath & Horwath, 41 E. 42nd st., New York, covering 52 clubs in 38 principal cities, shows that operating costs increased for all groups and that for small and medium size clubs there was a sharp decrease, in both amount and ratio to total dues income, for depreciation.

Clubs covered in the Horwath report are classified as Small (dues income under \$100,000); Medium (income—\$100,000 to \$200,000); Large (\$200,000 to \$300,000); and Very Large (income over \$300,000).

The report covers 1958 operations and compares them with 1957 figures.

In small clubs, net costs of clubhouse operation for the 16 clubs covered were higher in 1958 than in 1957 in spite of an increase in total sales and other income.

For the 23 medium size clubs this condition also prevailed, this being partly due to a decrease in total sales and miscellaneous income. For the 11 large clubs, income was 2 per cent higher than in 1957 but this was more than offset by increased operating costs.

Fixed charges for all types of clubs increased.

Average depreciation charges were higher than in 1957 in all three groups and in the large clubs the ratio of depreciation to dues showed a decrease. Rehabilitation expenditures and/or reserves were down sharply from the preceding year in large clubs. Heavy rehabilitation and improvement programs were reported at several clubs. Funds for these came from special gifts, assessments, initiation and transfer fees and other sources.

Increases in Dues, Initiation Fees

Eleven of 50 clubs increased dues for regular members over the preceding year while eight clubs increased their initiation fees for regular members.

The rise in total payroll for 1958 over 1957 was greater than increase in total income, including dues and assessments in all three groups. Restaurant payroll in

(Continued on page 71)

Golf Course and Grounds Expenses

COST PER HOLE

	16 Small Country Clubs (Dues under \$100,000)		23 Medium Country Clubs (Dues of \$100,000-\$200,000)		11 Large Country Clubs (Dues of \$200,000-\$300,000)	
	1958	1957	1958	1957	1958	1957
Greens and grounds maintenance						
Payroll	\$1289	\$1229	\$1871	\$1827	\$2001	\$1818
Supplies and contracts	385	322	500	493	390	393
Repairs to equipment, course buildings, fences, bridges, etc. . .	130	143	174	203	254	305
Water, electricity and other expenses	54	70	133	156	177	168
Total maintenance exclusive of fixed charges	1858	1764	2678	2679	2822	2684
Golf shop, caddy and tourna- ment expenses.....	273	268	309	321	433	428
Total	2131	2032	2987	3000	3255	3112
Deduct greens fees	348	333	797	779	486	494
Net golf course and grounds expense exclusive of fixed charges	\$1783	\$1699	\$2190	\$2221	\$2769	\$2618

Prepared by Horwath & Horwath



**FOR LONG-LASTING
MINIATURE
GOLF COURSE
FAIRWAYS**



**All
New!** **SHRINK-
RESISTANT**
OZITE®

**ALL
HAIR**

GOLF COURSE FELT

In use by miniature golf courses for over 20 years, nationally famous Ozite is easy to install and maintain. Specify Ozite to your miniature golf course builder, or order direct.

- lasts longer than any other material used for this purpose.
- proven throughout the years.
- the only material that gives natural turf ball action . . . real "feel of the greens."

AMERICAN HAIR & FELT COMPANY

New York • CHICAGO • Los Angeles

Operating Costs Increase

(Continued from page 26)

all groups was higher than in the preceding year, but only in medium size clubs was it evident in the ratio to total food and beverage sales. Food and beverage costs in medium clubs were down but the rise in payroll more than offset these. The opposite substantially was true at smaller clubs. At large clubs, food and beverage profits showed improvement due to cuts in cost of goods sold per dollar sale.

Course Maintenance Costs

Only small clubs showed an increase in maintenance cost of course and grounds as measured by average ratio of costs to dues. However, gross maintenance costs at larger clubs were up about five per cent. For medium clubs there was a decrease of 1.7 in the costs to dues ratio and a reduction of \$1 in the average cost per course hole. Expenses increased \$94 per hole at small clubs and \$138 per hole at large clubs.

Greens and grounds payroll constitute generally 70 per cent of costs at all clubs. They rose 10 per cent at large clubs in 1958, 8 per cent at small clubs and only 2 per cent at medium size clubs. Fixed charges against the course and grounds borrowed capital or insurance are not

charged against the course and grounds dept. in the Horwath figures.

Supt's Situation Improves

(Continued from page 24)

in the Far West is a long way from being what it should be. Strong regional CCSA organizations are exposing more and more greenmasters to advanced methods of turf management. Monthly meetings are well attended and supts. generally are showing avid interest in the research that is going on in their field.

Along with the labor situation, the biggest drawback to maintaining a course in California has been the weather, particularly in recent months. Last year there was ample rain but since March or April abnormally dry conditions have prevailed.

Old Budget Story

"Budgets in the Southeast," says E. J. Smith of E. J. Smith & Sons Co., Charlotte, N. C., "are being continually squeezed. We have heard as many complaints on this score in the last two years as in any similar period since the end of the war." The labor situation is only fair because clubs are not using a farsighted approach in getting and training efficient help. The weather, too, has made its inroads. In