



February 9, 2018

Angela Kraetsch
 Director of Finance
 Sports and Open Space Authority
 City of Santa Clara
 1500 Warburton Avenue
 Santa Clara, CA 95050

Re: Santa Clara Golf & Tennis Club Variance Report for the Quarter Ended December 31, 2017.

Dear Ms. Kraetsch:

The following provides a brief explanation of revenue and expense variances compared to budget for the quarter ended December 31, 2017:

	FAVORABLE/ (UNFAVORABLE) VARIANCE	SUBTOTAL	VARIANCE – EXPLANATION
INCOME:			
INSTRUCTION	700		Higher than budgeted revenue due to income from City Parks and Rec classes.
GREEN FEES	54,014		Higher than budgeted revenue due to unseasonably warm, dry weather allowing for more play through the quarter.
CART RENTAL	16,582		Higher than budgeted revenue due to unseasonably warm, dry weather allowing for more play through the quarter.
RANGE INCOME	6,337		Higher than budgeted revenue due to unseasonably warm, dry weather allowing for more play through the quarter.
TENNIS INCOME	127		No significant variance.
MERCHANDISE	(1,636)		Lower than budgeted revenue due to weaker sales in golf clubs and apparel.
OTHER INCOME	(713)		Lower fees due to fewer number of Northern California Golf Association memberships sold.
TOTAL INCOME VARIANCE		75,411	

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	FAVORABLE/ (UNFAVORABLE) VARIANCE	SUBTOTAL	VARIANCE – EXPLANATION
COST OF SALES MERCHANDISE	505	505	No significant variance.

	FAVORABLE/ (UNFAVORABLE) VARIANCE	SUBTOTAL	VARIANCE – EXPLANATION
OPERATING EXPENSES:			
SALARIES/WAGES	54,043		Lower expense due to having fewer full-time maintenance employees than budgeted.
WATER	(15,833)		Higher irrigation expense due to warm, dry fall/winter coupled with July, 2017 water rate increase.
POWER	3,843		Lower expense due to less HVAC usage due to warm weather.
SEED, SOIL, FERTILIZER	9,724		Lower seed, soil and fertilizer expense due to improving turf conditions.
REPAIR & MAINTENANCE	5,719		Lower expense due to eliminating non-essential repairs.
SUPPLIES	1,917		Lower supplies expense due to eliminating non-essential purchases.
UNIFORMS/LAUNDRY	223		Lower uniform expense due to fewer full-time maintenance staff.
BANK AND CARD FEES	2,662		Lower expense due to fewer charges on credit cards than budgeted.
LEASE/RENTAL	1,789		Annual budget based on lease costs for expired leases and replaced with lower cost leases – i.e. Yamaha carts
SANITATION	5,764		Lower expense due to eliminating non-essential purchases.
RANGE BALLS	3,500		Postponed purchase of range balls to reduce expenses. Demand met with existing inventory.
OTHER EXPENSES	(20,625)		Higher expenses due to using temporary labor to staff maintenance positions.

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MGMT/ADM FEES	(2,593)		Higher fees due to financial results exceeding plan.
INSURANCE	3,975		Lower expense due to annual budget including a provision for property insurance that was eliminated in the new management agreement.
OTHER VARIANCES	(119)		Expense categories with variances of less than 10%.
TOTAL EXPENSE VARIANCE		53,987	

NET INCOME VARIANCE		129,904
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Note: Totals may not add to the dollar due to rounding.

Please feel free to contact me with any questions.

Sincerely,



Lynn Jones
General Manager
Santa Clara Golf & Tennis Club
408-980-9515