



December 7, 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 September 30, 2018.

Dear Ms. Kraetsch:

The following provides a brief explanation of revenue and expense variances compared to budget for the quarter ended September 30, 2018:

	FAVORABLE/ (UNFAVORABLE) VARIANCE	SUBTOTAL	VARIANCE – EXPLANATION
INCOME:			
INSTRUCTION	108		Higher than budgeted revenue due to income from City Parks and Rec classes and Nike Golf camps.
GREEN FEES	(33,537)		Lower than budgeted revenue due to opening of Baylands Golf Links, lower than budgeted tournament rounds sold, closure of David's restaurant and persistent rumors of closure of property.
CART RENTAL	15,825		Higher than budgeted revenue due to increased on-line bookings that include a cart in the fee, and the \$1 price increase in cart rental fee.
RANGE INCOME	15,970		Higher than budgeted revenue due to closure of Pin High range facility.
TENNIS INCOME	1,284		Higher than budgeted revenue due to the Bay Area Industrial Tennis League season (April-Oct.)
MERCHANDISE	948		Higher than budgeted revenue due to streaming the product lines with a focus on stocking products with faster turn rates.
OTHER INCOME	195		Higher fees from rental clubs and Junior Golf sign-ups.
TOTAL INCOME VARIANCE		793	

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	FAVORABLE/ (UNFAVORABLE) VARIANCE	SUBTOTAL	VARIANCE – EXPLANATION
COST OF SALES MERCHANDISE	(286)	(286)	No significant variance in budgeted and actual COS

	FAVORABLE/ (UNFAVORABLE) VARIANCE	SUBTOTAL	VARIANCE – EXPLANATION
OPERATING EXPENSES:			
SALARIES/WAGES	142,974		Lower due to not finding replacement workers for maintenance department and a one-time adjustment of prior year salaries/wages expense.
WATER	(20,862)		Higher irrigation expense due to leaks in system and some overwatering due to heads not adjusted properly.
POWER	11,146		Lower expense than budgeted due to late posting of expenses by billing consolidator.
SEED, SOIL, FERTILIZER	13,738		Lower seed, soil and fertilizer expense due to improving turf conditions.
REPAIR & MAINTENANCE	6,929		Lower expense in repair and maintenance budget due to eliminating non-essential repairs.
SUPPLIES	4,239		Lower supplies expense due to eliminating non-essential purchases.
UNIFORMS/LAUNDRY	524		Lower uniform expense due to fewer full-time maintenance staff.
BANK AND CARD FEES	1,179		Lower expense than budgeted due to more tournament events paying by check.
LEASE/RENTAL	1,473		Annual budget based on lease costs for expired leases and replaced with lower cost leases – i.e. Yamaha carts.
SANITATION	(1,013)		Higher expense than budgeted due to additional waste pick-ups needed due to pruning of trees.

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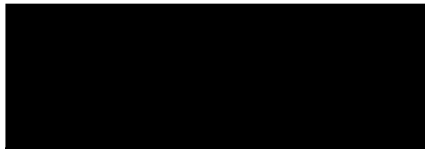
TELEPHONE	156		No significant variance in budgeted and actual fees.
RANGE BALLS	3,000		Lower than budgeted expense due to eliminating range ball purchase to help offset overage in water expense.
MGMT/ADM FEES	46		No significant variance in budgeted and actual fees.
INSURANCE	756		Lower expense than budgeted.
OTHER VARIANCES	506		Expense categories with variances of less than 10%.
TOTAL EXPENSE VARIANCE		164,792	

NET INCOME VARIANCE		165,299
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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

