

APPROVED
APR 23 2014

REPORT OF GENERAL MANAGER

NO. 14-105

DATE April 23, 2014

BOARD OF RECREATION
& PARK COMMISSIONERS

C.D. Various

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: STATUS REPORT ON GOLF'S THIRD YEAR AS A SPECIAL FUND OPERATION AND ALLOCATION OF FISCAL YEAR 2012-13 GOLF OPERATING INCOME

R. Adams _____
R. Barajas _____
H. Fujita _____

V. Israel _____
*K. Regan _____
N. Williams _____



General Manager

Approved

Disapproved

Withdrawn

RECOMMENDATIONS:

That the Board:

1. Authorize the Department's Chief Accounting Employee to transfer \$1,000,000 from Golf Operation Account 89G401, Fund 52H, Department 89, to Recreation and Parks (RAP) General Fund, Fund 302, Department 88, to support RAP operations;
2. Authorize the Department's Chief Accounting Employee to transfer \$488,442 from Golf Operation Account 89G401, Fund 52H, Department 89, to Golf Division's Capital Improvement Account 89G402, Fund 52H, Department 89, to fund golf capital improvement projects; and
3. Authorize the Department's Chief Accounting Employee to make necessary technical corrections.

SUMMARY:

On July 1, 2010, the City of Los Angeles (City), Department of Recreation and Parks (RAP), Golf Division ceased receiving RAP General Fund support and began operating as a self-sustaining Division within the Department of Recreation and Parks. The Golf Division became responsible for all costs, including indirect costs, related to the operations and maintenance of the City's fourteen (14) golf facilities.

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During FY 2012-13, the Golf Division generated gross revenue of \$24,368,463 and a net operating income of \$1,488,442 (including all direct and indirect expenses), before any reimbursements to the Department (Attachment A). Of the \$1,488,442, it is proposed that \$1,000,000 be reimbursed to the RAP General Fund, Fund 302, Department 88 to support other non-Golf RAP operations. It is proposed that the remaining \$488,442 be transferred to Golf's capital improvement Account 89G402, Fund 52H, Department 89, to assist in funding necessary golf related capital projects.

FISCAL IMPACT STATEMENT:

There is no negative impact on the RAP General Fund, as all reimbursements and transfers will be paid from the Golf Operations Special Fund. Through its reimbursement to RAP, the Golf Division is contributing \$1,000,000 to the RAP General Fund.

This report was prepared by James N. Ward, Golf Manager.

**CITY OF LOS ANGELES
DEPARTMENT OF RECREATION AND PARKS
Golf Division
Operating Income Statement
FY 2012-13**

REVENUE:

Green Fees	\$ 17,421,865
Electric Golf Carts	3,497,978
Driving Ranges/Lessons - Self Operated	1,590,100
Other Golf Course Revenue	200,300
Reservation Office	555,713
Tregnan Junior Golf Academy	173,403
Driving Range/Pro Shop/Lessons - Concessions	222,748
Food & Beverage Concessions	319,815
Interest Income	310,690
Merchandise Sales	7,273
Other	68,530

Total Gross Revenue**\$ 24,368,415****EXPENSES:**Labor

Full-Time Salaries	\$ 7,301,877
Full-Time Indirect Costs	6,790,219
Part-Time Salaries	3,179,649
Part-Time Indirect Costs	1,704,362
Labor Reimbursements	10,773
Subtotal: Labor	\$ 18,986,880
Supplies & Contract Services	1,827,215
Concession Expenses	27,085
Utilities	2,038,793
Total Expenses	\$ 22,879,973

NET OPERATING INCOME (LOSS)**\$ 1,488,442****GOLF CONTRIBUTION TO SUPPORT RAP OPERATIONS****1,000,000****OPERATING INCOME (LOSS)****\$ 488,442****GOLF CONTRIBUTION TO SUPPORT RAP OPERATIONS
(FUND 302, DEPT 88)****\$ 1,000,000****GOLF CONTRIBUTION TO CAPITAL IMPROVEMENT ACCOUNT
(FUND 52H, DEPT 89, ACCT 89G402)****\$ 488,442**