

REPORT OF GENERAL MANAGER

NO. 15-216

DATE October 07, 2015

C.D. Various

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: STATUS REPORT ON GOLF'S FOURTH YEAR AS A SPECIAL FUND OPERATION AND ALLOCATION OF FISCAL YEAR 2013-14 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Withdrawn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 \$970,252 from Golf Operation Account 89G401, Fund 52H, Department 89, to Golf Division's Emergency Contingency Account 89G403, Fund 52H, Department 89, to fund unanticipated legal expenses; and
2. 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.

During Fiscal Year (FY) 2013-14, the Golf Division generated gross revenue of \$24,633,609 and a net operating income of \$970,252, including all direct and indirect expenses (Attachment A). It is proposed that \$970,252 be transferred to Golf's Emergency Contingency Account 89G403, Fund 52H, Department 89, to assist in funding unanticipated legal expenses.

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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.

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 2013-14**

**REVENUE:**

|  |               |
|--|---------------|
| Green Fees                                   | \$ 17,746,096 |
| Electric Golf Carts                          | 3,739,559     |
| Driving Ranges/Lessons - Self Operated       | 1,493,292     |
| Other Golf Course Revenue                    | 177,032       |
| Reservation Office                           | 485,316       |
| Tregnan Junior Golf Academy                  | 174,146       |
| Driving Range/Pro Shop/Lessons - Concessions | 183,000       |
| Food & Beverage Concessions                  | 315,975       |
| Interest Income                              | 248,438       |
| Merchandise Sales                            | 10,240        |
| Other  | <u>60,514</u> |

**Total Gross Revenue** **\$ 24,633,609**

**EXPENSES:**Labor

|                              |                             |
|------------------------------|-----------------------------|
| Full-Time Salaries           | \$ 7,424,723                |
| Full-Time Indirect Costs     | 6,915,235                   |
| Part-Time Salaries           | 3,298,513                   |
| Part-Time Indirect Costs     | 1,762,609                   |
| Labor Reimbursements         | <u>26,712</u>               |
| Subtotal: Labor              | \$ 19,427,792               |
| Supplies & Contract Services | 1,935,249                   |
| Concession Expenses          | 19,688                      |
| Utilities                    | <u>2,280,628</u>            |
| <b>Total Expenses</b>        | <b><u>\$ 23,663,357</u></b> |

**OPERATING INCOME (LOSS)** **\$ 970,252**

**GOLF CONTRIBUTION TO EMERGENCY CONTINGENCY ACCOUNT  
(FUND 52H, DEPT 89, ACCT 89G403)**

|                   |
|-------------------|
| <b>\$ 970,252</b> |
|-------------------|