



Date August 28, 2000

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: 2000 FINANCIAL STATEMENTS -
OPERATING ACCOUNTS

INFORMATION REPORT

PURPOSE

Periodical financial statements are submitted to ensure the Board is kept fully informed of the current expenditures and revenues in relation to the approved budget appropriation.

DISCUSSION

2000 Operating Budget

The following is a statement of operating expenditures as at July 31, 2000 (Cycle 7):

Districts/Services	July 31 Year to Date Actual \$	(1) 2000 Projected Expenditures \$	(2) 2000 Net Budget \$	(2)-(1) Projected Surplus (Deficit) \$
Stanley District	4,560,098	7,662,294	7,487,158	(175,136)
Queen Elizabeth District	6,439,139	9,695,262	9,580,200	(115,062)
Vancouver East District	5,437,344	8,551,802	8,330,498	(221,304)
Planning and Operations	8,091,384	13,474,559	13,392,140	(82,419)
Corporate Services	1,305,696	2,692,151	2,689,104	(3,047)
TOTAL	25,833,661	42,076,068	41,479,100	(596,968)

As of July 31, 2000, 58.4% of the fiscal year has expired and 62.3% of the budget has been expended. The above normal level of net expenditures at this time of the year is primarily attributable to revenue shortfalls due to wet weather in spring and higher than budgeted rate increases in natural gas and fuel. In order to determine what impact these factors would have on the Board's 2000 year end financial position, staff have further projected revenues and expenditures of all programs to December 31, 2000.

These projections are based on the most current information available and represents a best estimate of the Park Board's financial position at December 31, 2000. The results of this review are summarized as follows:

	\$	\$
1. Stanley District - projected (deficit)		(175,136)
Concession revenue - \$10,000 below last year and shortfall in achieving 1.5% inflation adjustment	(27,000)	
Miniature train - extraordinary maintenance	(40,000)	
Shuttle - revenue shortfall	(20,000)	
Outdoor pools- revenue shortfall	(15,000)	
Film - revenue shortfall	(8,000)	
Natural gas and fuel cost increases	(55,136)	
2. Queen Elizabeth District - projected (deficit)		(115,062)
Ice arena - revenue shortfall	(80,000)	
Natural gas and fuel cost increases	(115,062)	
Less:		
Higher than budgeted revenue in other areas such as fitness, Gift shops and marina rentals.	80,000	
3. Vancouver East District - projected (deficit)		(221,304)
Golf operation - revenue shortfall	(150,000)	
Natural gas and fuel cost increases	(71,304)	
4. Planning and Operations - projected (deficit)		(82,419)
Natural gas and fuel cost increases	(82,419)	
5. Corporate Services - projected (deficit)		(3,047)
Natural gas and fuel cost increases	(3,047)	
Total Projected (Deficit)		(596,968)

In summary, the projected year end operating deficit of \$597,000 is made up of \$220,000 in revenue shortfall, \$327,000 in cost increases in natural gas and fuel and \$40,000 in extraordinary maintenance costs in Miniature Train.

The revenue shortfalls in golf , concessions, the Stanley Park shuttle, filming and outdoor pool operations are mainly due to the wet spring weather. There are also revenue shortfalls in ice arena mainly due to the downward trend in public skating, decline in adult visits and old infrastructure. Two ice arenas in Vancouver East District have been closed for unanticipated asbestos removal.

We have been experiencing exceptionally high rate increases in both natural gas (27%) and fuel (15%) which are significantly higher than the funded 1% inflationary rate. We are currently working with the City Budget office to request funding adjustments to recognize such cost increases.

The balance of projected deficit of \$270,000 mainly made up by revenue shortfalls represents 0.65% variance on the net budget of \$41,479,100. Considering the overall magnitude and diversity of the Board's program as well as the weather susceptibility of our revenue, this is an acceptable variance. Staff are committed to minimize the deficit year end position by closely monitoring the budget and implementing cost containment initiatives wherever necessary.

Prepared by:

Corporate Services
Board of Parks and Recreation
Vancouver, B.C.