

SUBJECT: FINANCIAL STATEMENTS - OPERATING AND CAPITAL ACCOUNTS

PURPOSE:

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

DISCUSSION

At this point in the fiscal year a formal review of the Board's revenue and expenditure accounts is undertaken. This forms an integral part of the City's overall September Budget Review of all departments. The results of this review will form the basis of a report to Council.

A. Operating - Appendix I

The purpose of the September budget review is to determine the status of current expenditures and revenues in relation to the approved budget in order to get some idea of our expected year end financial position (i.e. surplus or deficit). In order to accomplish this, staff project actual results (to October 9, 1997) to year end. This projection is based on a best estimate of what expenditures and revenues will be for the last part of the year. Historical information from previous years fiscal patterns is used as a guideline.

The results of this review are summarized in Appendix I attached and entitled "1997 Operating Budget - Summary of Projections". In total, a year end deficit of \$292,800 is being projected.

An analysis outlining the programs with significant differences between budget and the projected year end results is as follows:

1. Administration - Surplus			\$28,400
Made up of	Double Filling of General Manager's Position	(52,600)	
	Less Under Expenditures in the General Administration Expenses	81,000	
Total Administration - Surplus		28,400	
2. Environment and Operations - Surplus			\$53,000
Made up of	Arboriculture-underspent	88,700	
	S.P. Train & Farmyard - Revenue Shortfall	(65,000)	
	Deferred NNR's	79,100	
	All Other	(49,800)	
Total Environment and Operations - Surplus		\$53,000	
3. Income Operations - Deficit			(343,500)
Made up of	Concessions - Revenues Shortfall	(225,800)	
	Golf Courses, Driving Range & Clubhouses - Revenue Shortfall	(145,500)	
	Pay Parking - Revenue Shortfall	(44,100)	

	Deferred NNR' s	36,600	
	All Other	35,300	
Total Income Operations - Deficit		(\$343,500)	
4. Recreation - Deficit			(30,700)
Made up of	Double filling of positions for long term sick leave non-controllable unbudgeted expenditure	(225,800)	
	Retirement lump sum pay out & duty to accomodate double filling - non-controllable unbudgeted expenditure	(86,100)	
	Roundhouse CC underspent - delayed opening	197,000	
	Ice Rinks - Revenue Shortfall	(130,000)	
	Indoor Pools - Increased Revenues	116,000	
	NNR' s Deferred	54,700	
	All Other	(58,500)	
Total Recreation - Deficit		(\$30,700)	
Total Park Board - Projected Deficit			(\$292,800)

Most of the variances from budget outlined above are self evident from the descriptions given. The major reason for the \$292,800 projected deficit is the substantial shortfall in revenues. This is primarily attributable to the following:

- wet spring weather (a record) impacted both the golf courses the concessions, the train/farmyard and pay parking revenues
- with the withdrawal of all of the Zoo attractions the general traffic in that area of the Park continues to decline. The Aquarium reports a 10% reduction in their admissions. This resulted in reduced attendance at the train/farmyard and the concessions as well as pay parking
- the Aquarium expanded their own food service this year and is in direct competition with our outlets in the area. The Board is aware of this problem and have engaged a consultant to conduct a joint review with the aquarium to determine the future food services to be provided in the area

On completion of this projection, staff reviewed the NNR' s to determine if there were any projects which had not yet started which could be deferred to next year. The outcome of this review was the identification of \$170,400 of 1997 NNR' s which could be deferred to 1998 without significantly impacting current operations or service levels. These deferrals have been included in the projections resulting in the reported deficit of \$292,800 which otherwise, would have been \$469,200 (\$292,800 + \$170,400).

In summary the projected year end deficit of \$292,800 represents a 0.77% variance on a net budget of \$37,993,000. Considering the overall magnitude and diversity of the Board' s programs as well as the weather susceptibility of our revenues, this is a very acceptable budget variance.

B. Capital - Appendix II

The statement of Capital Expenditures reflect the approved appropriations and expenditures for all of the active

capital projects. When the projects are completed and their final costs reported, the appropriate accounts are formally closed and they are deleted from this statement.

Prepared by:
 Finance Department
 Board of Parks and Recreation
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 Attachments

APPENDIX I

**BOARD OF PARKS AND RECREATION
 1997 OPERATING BUDGET - SUMMARY OF PROJECTIONS**

6200' s Income Operation 6300' s Recreation

	1997 BUDGET	1997	(OVER) UNDER
DIVISION	AS OF CYCLE 9	PROJECTION	EXPENDITURE
6000' S Administration			
Basic Budget	2,553,900	2,525,500	28,400
NNR' s	122,400	122,400	0
Total Administration	2,676,300	2,647,900	28,400
6100' S Environment and Ops			
Basic Budget	21,696,000	21,721,800	(25,800)
NNR' s	360,600	281,500	79,100
Total Environment and Ops	22,056,600	22,003,300	53,300
Basic Budget	(4,929,500)	(4,549,100)	(380,400)
NNR' s	109,500	72,900	36,600
Total Income Operations	(4,820,000)	(4,476,200)	(343,800)
Basic Budget	17,840,600	17,926,000	(85,400)
NNR' s	239,500	184,800	54,700
Total Recreation	18,080,100	18,110,800	(30,700)
TOTAL PARK BOARD	37,993,000	38,285,800	(292,800)
SUMMARY:			
Basic Budget	37,161,000	37,624,200	(463,200)
NNR' s	832,000	661,600	170,400
Total Park Board	37,993,000	38,285,800	(292,800)

APPENDIX II

**CITY OF VANCOUVER
 BOARD OF PARKS AND RECREATION
 SUMMARY OF CAPITAL EXPENDITURE
 AS OF OCTOBER 9, 1997 (CYCLE 10)**

TITLE	APPROPRIATION	CURRENT YEAR	PRIOR YEAR	TOTAL	BALANCE
	\$	\$	\$	\$	\$
Land (see note)	3,398,171	845,797	604,475	1,450,272	1,947,899
Park Development	51,860,348	8,192,402	32,170,319	40,362,721	11,497,627
Facility Development	<u>20,259,795</u>	<u>2,758,272</u>	<u>9,014,873</u>	<u>11,773,145</u>	<u>8,486,650</u>
TOTAL CAPITAL	75,518,315	11,796,471	41,789,667	53,586,138	21,932,176