



DATE: May 29, 2003

TO: Board Members - Parks and Recreation
FROM: Board Finance Committee - Parks and Recreation
SUBJECT: 2003 Financial Statements - Operating Accounts for the
Period Ending April 30, 2003

RECOMMENDATION

THAT the Board receive this report for information.

BACKGROUND

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

As of April 30, 2003, the Park Board has spent \$18,069,000 of a total budget for 2003 of \$48,258,000 (see Appendix 1 for details). To date, 33% of the year has expired and 37% of the net budget has been expended. This translates to an over expenditure of 4% or \$1,930,000 if the seasonality of the Park Board budget is not taken into account. Staff has reviewed the operating budget and the results of the review are summarized as follows:

Revenues are currently 20.6%, (20.5% in 2002), of expected revenues. The lower revenues are expected at this time of year as the Park Board operations are seasonal, starts slow in winter and peak during the summer months. One notable exception is golf revenue which is approximately \$300,000 below targeted level due to a wet month of April. Though the golf courses revenue have been below the budgeted level, it is hope that the targeted revenue can be achieved with good summer and extended fall weather. In view of this, staff is committed to closely monitor the golf revenues.

Expenses are currently 31% of budget which is somewhat higher than expected compared with our financial position at this time last year, 30% in 2002. At the beginning of the year, park maintenance staff commenced maintenance work earlier than expected due to the warm winter weather which means that they have slightly overspent their budget to date. The District Operations are committed to balancing their budget by year end. Overall, expenditures are projected to meet the budget by the end of the fiscal year.

SUMMARY

Staff are committed to balancing the budget by the end of the fiscal year. Extensive reviews have taken place and close monitoring is ongoing. Staff will report back in July to determine if budget initiatives are necessary to balance the budget.

The projection to a year end is to have a balanced budget. This projection is based on the most current information available and represents a best estimate of the Park Board's financial position to December 31, 2003.

Prepared by:

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AH