



DATE: May 18, 2004

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: 2004 Financial Statements - Operating Accounts for the
Period Ending April 30, 2004

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, 2004 the Park Board has spent \$17,031,000 of a total budget for 2004 of \$50,961,440 (see Appendix 1 for details). To date, 33% of the year has expired and 33% of the net budget has been expended. Staff have reviewed the operating budget and the results of this review are summarized as follows:

Revenues are currently 24% of budget, which is up from the 21% in April of 2003. Golf revenues are up \$370,000 over April 2003, and are currently at 20% of budget (vs. 17% for 2003). As the Park Board business cycle peaks during the summer months, the lower than budget revenues are expected at this time of year. If the current trends continue, the Board can expect to realize budgeted revenues.

Gross expenses are currently 30% of budget, which is lower than last year (31% at this time in 2003), resulting in net expenditures at 33% of budget. The lower level of expenditure in 2004 is due to the timing of various expenses. Early in 2003 there was a field house repair for Planning and Operations and for Vancouver East Recreation, there was a significant purchase of fitness equipment for the city-wide program. Also, in 2004 the closure of Renfrew Pool has resulted in salary, utility and supply cost savings, but also in reduced revenues in the Vancouver East Recreation area. As timing of these expenditures accounts for the majority of the savings, there is no expectation that the lower level of expenditures will result in a savings at year end.

Current budget pressures include water and sewer costs, which are being reviewed with the City, and fuel costs, which are going up due to high pump prices. Continued monitoring of these expenses will ensure the Board can take corrective action in a timely manner if necessary. Overall, net expenditures are projected to meet the budget by the end of the fiscal year.

SUMMARY

Staff recognize that the Board is committed to balancing the budget by the end of the fiscal year. These statements have been prepared to allow the Board to become familiar with the 2004 operating budget at a detailed level. Reviews have taken place and close monitoring is ongoing. Where necessary, cost containment initiatives will be implemented.

The projection to 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, 2004.

Prepared by:

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