FINANCIAL RESULTS ~ FEBRUARY 2017

This report discusses overall FY16-17 revenue and expenditure performance as compared to PROJECTIONS as of February 28, 2017. **The fiscal year is considered 59% elapsed**. Any revenues or expenditures that are significantly above or below that percentage of budget are discussed below.

REVENUE

Overall revenue for the District is at 51**%** of budget, and $(765K) lower than this time last year. Core Programs is at 59% of projected revenue, while CIP has only earned 15% of projected revenue so far.

Recreation revenue is at 83% of budget but is $(485K) lower than this time last year. Revenues in all Recreation areas are lower than this same time last year. Additionally, the District's Operating Fund did not transfer $260K to support the Recreation Fund this year because it is projected that with the discontinuation of waterparks, all other Recreation Areas will be self-sufficient. The high percentage is due to the discontinuation of waterparks after the 2016 summer season, so the bulk of recreation revenue was earned during those summer months.

Regional Parks has earned 67% of its projected revenue already, and the amount is $198K more than this time last year.

EXPENDITURES

Overall expenditures for the District are at 51% of budget. However, Core Programs have spent 63% of their expenditure budget, and Contracts & CIP have only spent 19%.

Recreation expenditures are at 81%, but with the discontinuation of waterparks after the 2016 summer season the bulk of expenditures were incurred during the summer months. The total spent thus far is $(736K) less than the same time last year.

Business Operations expenditures are at 66% of budget and $316K more than this time last year. Business Operations had higher costs for the annual CalPERS unfunded liability payment, Board Ancillary charges posting earlier this year, increased liability insurance costs, and increased rates for RCIT server and desktop support.

Regional Parks is below projections at 57%, but has spent $149K more than this time last year. The increase is mainly due to the rising cost of salaries and benefits.

NET RESULT

Overall net results as of December 31st is a $(234K) loss. Core Programs loss is at $(19K), and Contracts and CIP have a net loss of $(216K).

The Core Programs' net loss is $(237K) worse than last February's gain of $218K; this year's revenues were $(388K) less and expenditures were $697K higher.

Contracts & CIP ended with a $(216K) loss, which is $(887K) lower than last year's gain of $671K. This is mostly due to expenditures for grant-funded projects which have not yet been reimbursed.

PROGRAMS

Business Operations

Expenditures in three areas are currently above target:

- *Marketing* *63%*
- *Human Resources* *68%*
- *General Admin* *91%*

For General Admin and HR, expenditures include annual payments that are made at the beginning of the year: Property and Liability Insurance, Board Item Charges, and CalPERS Unfunded Liability payment. These costs are budgeted for and expected, but incurring the full cost at the beginning of the year causes the year-to-date expenditure percentages to look high. As a note, insurance costs increased 25% over prior year due to increased activity throughout the District.

Additionally, retirement payouts post to BusOps General Admin initially, then are reclassified to the appropriate Program. As of February, $110K in retirement payouts posted to BusOps General Admin.

Interpretive

Overall revenue is slightly below target at 53%. LRNC has earned more than their projected annual revenue already, and SRP is close to projected revenues at 57% so far. IDYNC and Jensen have each earned 54%.

Two interpretive sites continue to show revenues significantly lower than expectations:

- *Gilman* *17%*
- *HVNC* *34%*

Expenditures are slightly lower than expectations, with overall expenditures at 56% of budget. Most sites are at or below projections, with two sites slightly higher: IDYNC at 63% and LRNC at 61%.

Natural Resources

Natural Resources revenue is low due to delayed reimbursement for MSR and MSHCP invoices. Expenditures overall less than projected at 53%.

Habitat & Open-Space Management expenditures are high at 70%, but that includes a significant one-time purchase of a tractor for $93,974.

MSR expenditures are very low compared to projections – only 25% has been spent thus far. This is mostly due to the vacant Natural Resources Manager position that is budgeted entirely to this Program. Dustin McLain and Robert Williams are temporarily filling in for that vacancy for critical functions only.

Regional Parks

Overall revenue is higher than expected at 67% and expenditures are at slightly below target 57%.

Most areas are continuing to earn more than expected for this time of year, an excellent trend! McCall is the only park that isn't earning more revenue than this time last year; this is only due to the park being closed.

Four areas are operating at a current net loss: Mayflower, Bogart, Kabian, and Trails. Mayflower is continuing to earn higher revenues than expected, which is a positive. Bogart's revenue is on-track, and Kabian and Trails do not have their own revenue sources and will therefore always operate at a loss.

Two parks have spent more than the targeted 59% but are currently showing a net gain due to higher than expected revenue. For these areas, the additional expenditures may have been necessary in order to earn the additional revenue:

- *Gopher Hole* *90% expenditures, net gain $17K*
- *Lawler Lodge* *96% expenditures, net gain $1K*

The Gopher Hole has been taken over by the new concessionaire, Rocky Mountain, as of this month.

Three areas have spent more than the targeted 59% and are also showing a net loss. Expenditures should be slowed in order to more closely match revenues:

- *Bogart* *62% expenditures, net loss $(48K)*
- *Kabian* *61% expenditure, net loss $(12K)*
- *McCall* *72% expenditures, net loss $(42K)*
- *Trails* *63% expenditures, net loss $(48K)*

Recreation

Overall revenue is at 83% of projections and expenditures are at 81%.

Waterparks have expended 100% of their budgets due to the transfer of those facilities back to EDA as of January 18th.

Jurupa Sports Complex has earned 52% of their projected revenue this year and is ($19K) less than this time last year. They have incurred 56% of their projected expenditures this year, which is ($12K) less than this time last year. Collection efforts for past-due account balances are successful and ongoing.

Weddings & Events has earned 63% of their projected revenue this year, which is $(14K) less than this time last year. They have spent 43% of their projected expenditures this year, which is $11K more than this time last year, for a current net gain of $110K.

Recreation General Admin expenditures are currently much higher than expected at 91% and $78K more than prior year, with mostly all expenditures occurring in Salaries & Benefits. These expenditures should be carefully monitored to ensure only the expected personnel are charging time to that Program Area.

Planning & CIP

Expenditures are low are at 19%, and revenue is also low at 13%. Several large reimbursement requests from grants and DIF are pending receipt.

CSA Park Maintenance & Operations, Community Centers, Lakeland Village & Perret Park

As of January 1, 2017, The District is no longer responsible for operations and maintenance of these locations. The Fiscal Manager is working to reconcile all vendor's balances and return any unused funding to the Executive Office and EDA.