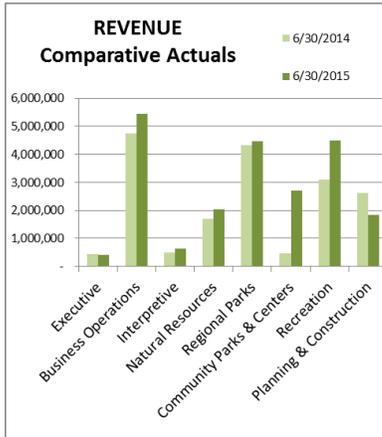




FINANCIAL RESULTS ~ FISCAL YEAR 2014-2015

This report discusses revenue and expenditure performance as compared to budget for the fiscal year ending June 30, 2015.



REVENUE

Overall revenue for the District ended at **89%** of budget, and \$4.1M higher than the same time last year. The largest sources of this increase are from the addition of the Community Parks & Centers Program (\$2.2M) and the first full year of operations at DropZone Aquatic Center in the Recreation Program (\$1.4M).

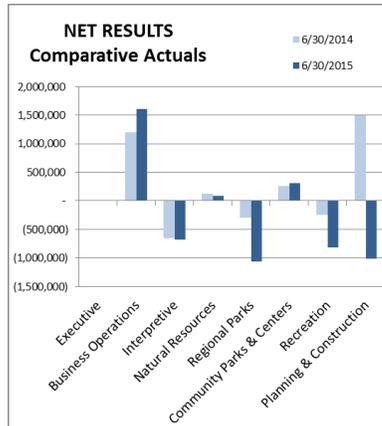
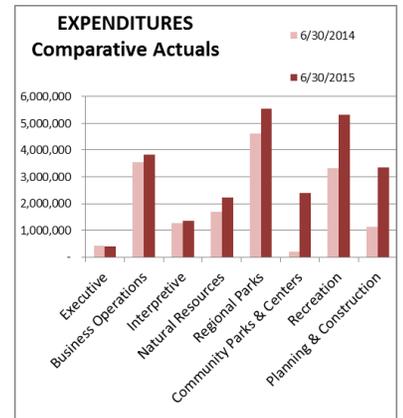
Other Programs enjoying revenue increases over prior year are Business Operations with increases of \$478K in Property Tax and Administrative Overhead revenue, \$80K in support to Interpretive Program for Louis Robidoux Nature Center, \$328K additional for Natural Resources due to City of Riverside paying past-due contract amounts, and \$150K for Regional Parks as a result of recent fee increases.

While revenues are higher than last fiscal year, they didn't fully reach the projected amount for this fiscal year for the Regional Parks or Recreation Programs. Regional Parks earned 83% of their projected revenue, while Recreation earned 93%.

EXPENDITURES

Overall expenditures for the District ended at **99.6%** of budget. All Programs expended more than last fiscal year, for a difference of \$8.2M.

Recreation Program expenditures are \$2M higher and Community Parks & Centers expenditures are \$2.2M higher than last year due to a full fiscal year of operations at DropZone Aquatic Center and at all Community Parks & Centers locations. Regional Parks is \$925K higher than last year due to the addition of an Area Manager position and major infrastructure repairs. Business Operations has spent \$295K more than last year due to higher costs for personnel, insurance, and general operating costs.



NET RESULT

Overall net result for the District ended with a **\$(1.57M) loss**, which is a \$(3.45M) difference when compared to the net gain of \$1.88M from last year. Programs that expended more than they earned were Interpretive, Regional Parks, Recreation, and Planning & Construction. All Programs except Business Operations and Community Parks & Centers had greater net losses than last year despite having higher revenues.



PROGRAMS

Business Operations

Overall, both revenues and expenditures exceeded expectations in this Program. Compared to prior year, both revenues and expenditures are higher for a net difference of \$408K. Property tax revenues were higher than expectations, and costs for Finance payroll, HQ maintenance supplies, and marketing were higher than budgeted. The ending net gain of \$2M is \$430K higher than expected.

Interpretive

Overall, revenues and expenditures were both higher than expected for this Program. Louis Robidoux Nature Center and Santa Rosa Plateau each earned 97% of expected revenues, while all other sites earned more than 100% for a combined total of 104% of budgeted revenues overall. Expenditures were at or below budget for all interpretive sites except Jensen Ranch, which spent 106% of its budget but nearly compensated for the overspending with additional earned revenue.

Even though the Interpretive Program as a whole stayed within its expenditure budget, the annual level of spending results in an average net loss of approximately \$(100K) per interpretive site each year. With seven sites in operation, that results in a \$(700K) average subsidy required annually in order to continue operations as they currently exist. Staff should consider alternative options for programming and more efficient system management that could help to reduce these losses, grow revenues, and support future Program sustainability.

Natural Resources

Revenues in this Program exceeded expectations at 107%, and expenditures were well below budget at 90% overall.

The Program utilized retained fund balance to purchase much-needed new vehicles for Habitat and Open-Space Management activities, and all other activities were as expected.

Regional Parks

Revenue for Regional Parks was substantially lower than expected at just 83%, and expenditures were kept below budget at 97%. Compared to prior year, revenue is 152K higher and expenditures are \$925K higher, resulting in an ending difference of \$(772K) additional loss when compared to last year.

The majority of the increase in expenditures this year occurred in the Supplies & Services appropriation. Lake Skinner incurred costs to repair its dock, rock climbing structure, vehicles, and boat engines. Costs for landscaping service contracts were greater this year at Rancho Jurupa Park and Lake Cahuilla, and utility costs for water, sewer, trash, County radio services, and telephone/cellphone are higher in all locations. General operating costs such as household expense, pest control, tools and equipment, and building and ground maintenance are all up 35% on average compared to last year.

These higher costs are most likely the result of generally increasing prices within this economy, coupled with increased maintenance needs as our Parks serve continuously greater numbers of visitors each year.



REGIONAL PARK AND OPEN-SPACE DISTRICT FY14-15 Budget

The District should continue to adjust fees appropriately to ensure revenues are sufficient and in-line with the actual costs required to provide services.

Community Parks & Centers

Revenue for this Program was nearly as expected, with 99% of anticipated revenue received. Expenditures at Community Parks were below budget at 96%, but expenditures at Community Centers ended much higher than anticipated at 127% of budget as staff discovered what was really needed to carry out expected events and programming.

Prior year comparisons are not useful since this fiscal year was the first full year of operations.

Recreation

The Recreation program earned \$2.2M and also spent \$2.2M more than last year due to the first full year at DropZone Aquatic Center. Overall, the Recreation Program ended with a net loss of \$(820K), which required subsidization from the District's Operating Fund. While the other recreation areas of Weddings & events, Jurupa Sports Park and Boxing Club, and Recreation Activities and Admin all ended with a collective net income of \$312K, The Cove posted a net loss of \$(396K) and DropZone lost \$(737K).

FY14-15 was the first full year of operations at Perris-Menifee Valley Aquatic Center (DropZone) and the fifth operating season at Jurupa Valley Aquatic Complex (The Cove). Expenditures at both aquatic centers exceeded the budget, and revenue fell short of expectations.

Expenditures at both locations exceeded budget by \$312,000; DropZone expended an additional \$95,000 and The Cove expended an additional \$217,000. For both locations, excess expenditures occurred in Appropriation 1 – Salaries, and also in Appropriation 2 – Supplies & Services for repairs and maintenance, security and landscaping services, inventory purchases, sales tax payable, and credit/debit card processing fees.

Less than favorable weather conditions at the beginning of the season, closures due to thunderstorms throughout the season, and public school schedules that shorten the summer for families all resulted in each aquatic center's revenue being less than expected for a combined shortfall of \$(290,000).

Recreation Program Management is working to smartly and strategically reduce the waterparks' losses and maximize the earning potential from all other Recreation areas.