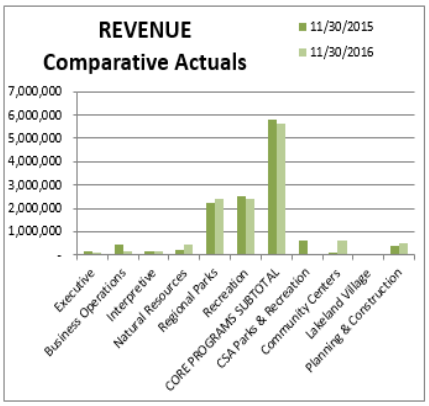
FINANCIAL RESULTS ~ NOVEMBER 2016

This report discusses overall FY16-17 revenue and expenditure performance as compared to budget as of November 30, 2016. **The fiscal year is considered 33% elapsed**. Any revenues or expenditures that are significantly above or below that percentage of budget are discussed below.

REVENUE

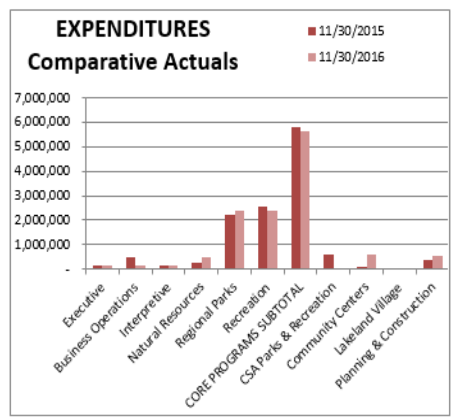


Overall revenue for the District is at 27**%** of budget, and $(47K) lower than this time last year. Core Programs is at 34% of projected revenue, while Contracts and CIP have earned 13% of their estimates so far.

Recreation revenue is at 78% of budget but is $(159K) lower than this time last year due to Jurupa Sports Complex, Jurupa Valley Boxing Club, and Cove's revenue being lower than this time last year. 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 46% of its projected revenue already, and the amount is $136K more than this time last year.

EXPENDITURES

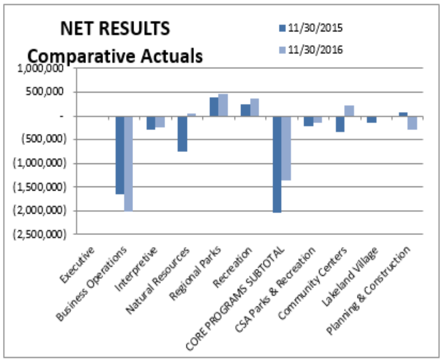


Overall expenditures for the District are at 31% of budget, which is just under the current target of 33%. However, Core Programs have spent 40% of their expenditure budget, and Contracts & CIP have spent only 15%.

Business Operations, Interpretive, Regional Parks, and Recreation expenditures are each higher than the 33% target. Business Operations is at 42% of budget and $56K more than this time last year due to large annual expenditures made at the beginning of the fiscal year. The same is true of Recreation; with the discontinuation of waterparks after the 2016 summer season, the bulk of expenditures were incurred during the summer months. The total spent so far is 56% of budget, but $(269K) less than this time last year. Interpretive is at 36% of budget, but has spent $(40K) less than this time last year. Regional Parks is at 34% of budget, and has spent $49K more than this time last year

Total spending is currently $(595K) less than this time last year. Executive, Interpretive, Natural Resources, Recreation, CSA Parks, Community Centers, and Lakeland Village have all spent less than this time last year. Programs that spent more than last year at this time are Business Operations, Regional Parks, and Planning & CIP. Business Operations had higher costs for the annual CalPERS unfunded liability payment and Regional Parks had higher costs for payroll.

NET RESULT



Overall net result for the District currently has a $(1.58M) loss. Core Programs loss is at $(1.37M), and Contracts and CIP have a net loss of $(210K).

Core Programs ended with a $(1.3M) loss, which is $673K better than the $(2M) loss last year; revenues were $147K higher and expenditures were $(708K) lower. The reduced expenditures are mainly from the delay in transferring annual support to the Recreation fund (25420) from the Business Operations Fund (25400) of $287K, and one time transfers of accumulated Administrative overhead from MSR and MSHCP for $404K that were posted in prior year but will not occur again this year.

Contracts & CIP ended with a $(283K) loss, which is $(356K) lower than last year's gain of $73K. This is mostly due to expenditures for grant-funded projects which have not yet been reimbursed.

PROGRAMS

Business Operations

Expenditures in four areas are currently above target:

- General Admin 54%
- HQ Maintenance 36%
- Grants & Contracts 47%
- Human Resources 59%

For General Admin, Grants & Contracts 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.

HQ Maintenance has higher than expected expenses in the Supplies & Services category. These elevated expenses were due to $14.3K in tree trimming services and $4K to change the locks on the property, neither of which were budgeted.

Interpretive

Overall revenue is on target at 32%, with IDYNC and SRPNC earning 38% and 36% of their projected revenues so far. However, all other areas are significantly lower than expectations:

- Gilman 6%
- Jensen 25%
- LRNC 19%

- HVNC 25%

Expenditures are above expectations for this point of the year, with overall expenditures at 36% of budget. Four areas have spent a significant portion of their annual budgets already:

- Gilman 47%
- IDYNC 59%
- LRNC 45%

The areas which have low revenue coupled with high expenditures should be closely monitored: Gilman and LRNC.

Natural Resources

Natural Resources revenue is low due to delayed reimbursement for MSR and MSHCP invoices. Expenditures overall are close to target at 31%.

Habitat & Open-Space Management expenditures are high at 51%, but that includes a significant one-time purchase of a tractor for $93,974.

Regional Parks

Overall revenue is at 46%, and expenditures are at 34%.

All areas are continuing to earn more than expected for this time of year, an excellent trend!

Four areas have spent more than the targeted 33% portion of their annual budgets already and currently show net losses:

Bogart 38%
Gopher Hole 42%
Lake Cahuilla 37%
McCall 39%

All Parks are exceeding their revenues compared to this time last year besides:

McCall – FY15/16-38% and FY16/17-0% (Due to being closed)
Rancho Jurupa Park - FY15/16-53% and FY16/17-48%

Payroll costs for all Regional Parks are up an average of 208% from this time last year due to the 3 step increase, filled vacant positions, and the raised Calpers rates. Supplies and Services expenses appear to be increased compared to this time last year, but this is due to a timing delay in posting payments last year. Expenses should even out with last year's comparables by January.

Recreation

Overall revenue is at 78% of projections and expenditures are at 56%.

Waterparks have expended most of their budgets due to the transfer of those facilities back to EDA as of January 1st.

Recreation General Admin expenditures are currently much higher than expected at 65%, with mostly all expenditures occurring in Salaries & Benefits expending 69% of their budget already. These expenditures should be carefully monitored to ensure only the expected personnel are charging time to that Program Area.

CSA Park Maintenance & Operations

CSA expenditures are at 56% and revenue is at 6%.

EDA has not distributed the first half of Idyllwild Town Hall's annual revenue. The Fiscal Manager is actively working with EDA's finance team to collect that revenue source.

Expenditures for all CSA areas have been incurred in this fiscal year, even though operations of those areas was returned to EDA as of June 30, 2016. These expenditures are mostly for prior year service contract expenditures, and the fiscal manager will report those expenditures to EDA for reimbursement.

Community Centers

Community Centers revenue is at 33% and expenditures are at 20%. Operations of these locations will return to EDA as of January 1st.

Lakeland Village & Perret Park

Revenue is at 9% due to the bi-annual distribution of property taxes which occurs in December and May.

Expenditures are at 29%. Operations of these areas will be transferred to EDA as of January 1st.

Planning & CIP

Planning revenue is at 7% and expenditures are at 12%.