

**Mid-Year Budget Review for  
Fiscal Year 2014-15**

**Attachment 2**

**Rim of the World Recreation and Park District**  
**Profit & Loss Budget vs. Actual**  
 July through December 2014

	Jul - Dec 14	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
500-100 · Special Parcel Tax	453,432.28	413,000.00	40,432.28	109.8%
500-200 · Childcare Income	54,009.86	41,490.00	12,519.86	130.2%
500-300 · Interest	368.93	0.00	368.93	100.0%
500-400 · Rental Income	47,808.21	44,070.00	3,738.21	108.5%
500-500 · Recreation Programs Income	73,076.50	94,730.00	-21,653.50	77.1%
500-600 · Other Income	266.85	0.00	266.85	100.0%
500-701 · Convenience/Other Fee Income	75.00	0.00	75.00	100.0%
500-900 · Donations	2,552.00	0.00	2,552.00	100.0%
<b>Total Income</b>	<b>631,589.63</b>	<b>593,290.00</b>	<b>38,299.63</b>	<b>106.5%</b>
<b>Gross Profit</b>	<b>631,589.63</b>	<b>593,290.00</b>	<b>38,299.63</b>	<b>106.5%</b>
<b>Expense</b>				
600-100 · Compensation & Benefits	240,804.14	257,748.00	-16,943.86	93.4%
600-500 · Advertising	3,403.62	7,740.00	-4,336.38	44.0%
600-600 · Bad Debt	857.75	0.00	857.75	100.0%
600-700 · Bank Charges	13,395.39	3,420.00	9,975.39	391.7%
600-800 · Board Member Expense	0.00	150.00	-150.00	0.0%
600-900 · Communications	6,795.60	5,310.00	1,485.60	128.0%
700-300 · Equipment and Supplies	4,867.67	12,090.00	-7,222.33	40.3%
700-400 · Auto Expense	4,840.75	7,050.00	-2,209.25	68.7%
700-500 · Professional Services	23,542.39	56,080.00	-32,537.61	42.0%
700-600 · Program Instructors (1099)	28,048.11	44,310.00	-16,261.89	63.3%
700-620 · Special Programs	1,790.60	5,640.00	-3,849.40	31.7%
700-630 · Special Event Programs	12,718.99	19,000.00	-6,281.01	66.9%
700-700 · Interest Expense	1,966.51	0.00	1,966.51	100.0%
700-800 · License Fees	0.00	390.00	-390.00	0.0%
700-900 · Insurance	27,043.45	16,565.00	10,478.45	163.3%
800-100 · Childcare Expense	4,771.61	4,810.00	-38.39	99.2%
800-300 · Building Loan Pymt - DO	20,347.40	24,210.00	-3,862.60	84.0%
800-310 · SB CERA Retirement Association	16,730.10	16,740.00	-9.90	99.9%
800-400 · Meals & Entertainment	346.59	240.00	106.59	144.4%
800-450 · Staff Uniforms	868.09	0.00	868.09	100.0%
800-500 · Memberships	4,880.00	2,490.00	2,390.00	196.0%
800-600 · Mileage	627.49	2,490.00	-1,862.51	25.2%
800-700 · Miscellaneous Expense	0.00	90.00	-90.00	0.0%
800-800 · Rent/Lease of Equipment	3,854.10	2,850.00	1,004.10	135.2%
800-900 · Postage	220.75	840.00	-619.25	26.3%
900-200 · Facilities Rental Charge	935.00	2,010.00	-1,075.00	46.5%
900-300 · Facility Repairs & Maintenance	8,781.85	23,520.00	-14,738.15	37.3%
900-600 · Travel	362.84	2,730.00	-2,367.16	13.3%
900-700 · Utilities	32,550.47	32,760.00	-209.53	99.4%
900-725 · Trash - SB County Waste Mgmt	2,211.83	2,290.00	-78.17	96.6%
900-800 · Equipment Repairs & Maintenance	3,227.25	3,260.00	-32.75	99.0%
900-900 · Petty Cash - Over (Short)	-4.43	0.00	-4.43	100.0%

**Rim of the World Recreation and Park District**  
**Profit & Loss Budget vs. Actual**  
July through December 2014

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	<b>Jul - Dec 14</b>	<b>Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>
<b>Total Expense</b>	470,785.91	556,823.00	-86,037.09	84.5%
<b>Net Ordinary Income</b>	160,803.72	36,467.00	124,336.72	441.0%
<b>Net Income</b>	<u>160,803.72</u>	<u>36,467.00</u>	<u>124,336.72</u>	<u>441.0%</u>

## Rim of the World Recreation and Park District



### Management's Discussion and Analysis For the 2014/2015 Mid-Year Review Ending December 31, 2014

#### Revenue Summary:

The District has budgeted \$1,098,764 of revenue for the 2014/15 fiscal year. The District has recognized \$631,590 through December 31, 2014, or 57.5% through midyear. This compares with a budget of 54% by midyear (based on expectation that heavier tax apportionment funds are received in the first half of the fiscal year's property tax revenue flow).

#### Expense Summary:

The District has budgeted \$1,056,245 in expense for the 2014/15 fiscal year. At the midyear point, \$470,786 has been spent, or 44.6% of the anticipated total. This compares with a budgeted percentage of 52.7% (based on anticipated expenditures of \$556,823).

#### Revenue Detail:

##### Special Parcel Tax

Although Special Parcel Tax receipts are about 10% ahead of budget, this figure of \$40,432 is mostly comprised of \$35,446 collected from December 13 through January 2, and this lump sum remitted to the District could have been booked as a January entry but was posted in December as the majority of the funds were in County hands then and posted as a receivable.

## Childcare Income

Revenue for Childcare exceeded budget by a little over 30%, or \$12,520. This was not offset by any increase in expenses, so the anomaly represents a true financial gain for the District based on higher patronage of this service by the community.

## Rental Income

Increases in monthly payments for rent (two cell towers and a physical therapy facility) primarily drove revenue amounts up \$3,738 over budgeted amounts, or 8.5%.

## Recreational Programs Income

Declines in use of the District's contract classes and special events resulted in revenue shortages of \$21,653 compared with the budget (\$73,076 vs. \$94,730 for the first six months), or nearly -23%. However, commission payments fell \$16,262 to buffer the bottom-line effect to only -\$5,391, net (more info below).

## Donations

No donations were budgeted, as they are not predictable, but a total of \$2,552 in receipts was recorded as follows: Tour de Lake Arrowhead – \$2,000; Youth Basketball – \$300; and Run through the Pines – \$252.

## Expense Detail:

### Compensation & Benefits

Payroll and benefit expenses totaled \$240,804, 6.6% below the projected six-month budget of \$257,748 (a difference of -\$16,944), primarily due to a variance in Administration Other of -\$24,416, offset by \$15,979 in Childcare payroll (due to participation rate increases as noted above), amid numerous other smaller negative amounts.

### Bank Charges

Fees assessed by banks exceeded budget by \$9,975 (291.7%), but this was more than accounted for by a one-time refinance expense in July of \$11,784 for the mortgage on the District office complex, which itself reduced monthly principal and interest payments by about \$1,000, thus scheduled to pay for itself in cash flow in as little as one year.

## Equipment and Supplies

The lack of major maintenance needs (see below) helped Equipment and Supplies expense to fall \$7,222 below budget (almost 60%).

## Professional Services

Fees for professional services overall came in \$32,538 below budget, but by far the greatest variance was for auditing fees in the amount of -\$24,300 (\$13,000 actual vs. \$37,300 budget) as the audit was completed nearly four months earlier than in the previous fiscal year. Other major contributors to this variance were Professional Services (general) – -\$3,240; Legal Counsel – -\$2,887; and Computers and Website – -\$1,410.

## Program Instructors

Amounts paid to program instructors (70% of applicable revenues) were \$16,262 below budget (\$28,048 actual vs. \$44,310 budget). This corresponded to the shortfall in revenue of \$16,167 (\$33,833 actual vs. \$50,000 budget) that was part of the Recreational Programs Income described overall above.

## Special Events Program

Expenses in this line item of \$12,719 were \$6,281 below the budgeted amount of \$19,000. Of this variance, \$4,911 is attributable to Tour de Lake Arrowhead expenses (\$4,089 actual vs. \$9,000 budget) and \$1,977 is attributable to Run through the Pines (\$8,023 actual vs. \$10,000 budget). Although revenues for these two August events were also short of budgeted amounts (Tour: -\$1,705; Pines: -\$2,184), each of the two were profitable in the FY13-14 fiscal year portion (Tour: \$3,206; Pines: \$793).

## Insurance

The January-March workers compensation expense was budgeted for that time period, but the premium was paid in advance (December), causing an extra expense relative to the last quarter of 2014 of \$4,089. In addition, FY13-14 fiscal year-end adjustments were billed in FY14-15, adding \$5,523 in expense that was not anticipated in budget preparations. These two anomalies amounted to \$9,612 of the budget overage of \$10,478 in this line item (\$27,042 actual vs. \$16,565 budget).

## Facility Repairs & Maintenance

The absence of major repairs and maintenance outlays resulted in a large actual-to-budget variance of -\$14,738 (\$8,782 actual vs. \$23,520 budget).

**Overall Summary:**

Rim of the World Recreation and Park District has maintained an overall revenue stream (outside of the Special Parcel Tax) that is closely following budgeted amounts (\$178,157 actual vs. \$180,290), only \$2,133 below projections, or -1.2%. Meanwhile, expenses have been held 15.5% below budget (\$470,786 actual vs. \$556,823), which has increased reserves by \$160,804 (whereas only an increase of \$36,467 had been forecast) to \$561,631.

Recreational programs, particularly contract classes, are being added and/or removed according to the evolving demand of the mountain communities. In addition, this winter's Youth Basketball program has already drawn about 245 participants, virtually the maximum number who can be accommodated.

**Other items:**

Additional projects are being considered at both ends of the District – in Crestline and in Green Valley Lake. Also, two grants are currently pending: a \$285,000 Active Transportation Program grant (mountain-wide) and a potential \$400,000 Land Trust grant (Lake Arrowhead). Both will be examined for feasibility and likelihood of benefit to communities the District covers.