

**FY 2015-16 Mid-Year Report  
with Spreadsheet**

**Attachment 2**

## **Rim of the World Recreation and Park District**



### **Management's Discussion and Analysis For the 2015/2016 Mid-Year Review Ending December 31, 2015**

#### **Revenue Summary:**

The District has budgeted \$1,092,825 of revenue for the 2015/16 fiscal year. The District has recognized \$630,074 through December 31, 2015, or 57.7% through midyear. This compares with a budget of 56.4% 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 \$1,052,119 in expense for the 2015/16 fiscal year. At the midyear point, \$597,678 has been spent, or 56.8% of the anticipated total. This compares with a budgeted percentage of 57.0% (based on anticipated expenditures of \$599,796 to date).

#### **Revenue Detail:**

##### **Special Parcel Tax**

Special Parcel Tax receipts are about 6.6% behind budget, or \$29,964. Roughly half of this shortfall is due to the quadrupling of County per-parcel administrative fees/taxes from \$.30 to \$1.20, or \$31,865 more for the 35,405 properties covered. The entire annual sum was deducted from the District's first tax-roll revenue check on November 13, essentially mandating an interest-free loan to the County from the District of that amount. The first-half amount has been recovered, the rest to be collected by the end of the fiscal year.

## Childcare Income

Revenue for Childcare exceeded budget by 38.5%, or \$16,947. Direct operating expenses exceeded budget by only 7.5%, or \$338, and payroll was less than what was budgeted by \$5,035 (6.3%). Although this does not yet represent a break-even performance, the \$21,644 reduction in net loss is significant, indicative of higher patronage of the programs by the community and greater efficiency of service.

## Rental Income

Rental Income exceeded budget by a little over a third (\$15,738), \$12,531 of which was for facility rentals. Contributing to this overage was soccer use of District ball fields (\$6,360, part of which was for field use in the previous fiscal year but missed in the billing then). Other heavier use was noted for Little League, football, and cheer. An additional \$3,166 was realized over budget for rental by these same groups for equipment (field lights).

## Recreational Programs Income

The District saw some recovery in its Recreational Program Income, about 4.5%, or \$3,162, fed by commission programs (12.1%, or \$4,212), and the August run and bike tour events (29.6%, or \$3,850). Non-commission revenue fell short of budget by 22.3% (\$4,900), primarily in Youth and Adult Basketball.

## Other Income

Only a nominal amount was budgeted in this category (\$180), but a one-time dividend check of \$2,170 was received for an insurance fund gain in FY01-02 from CAPRI (Cal. Assoc. for Park and Rec. Indemnity).

## Grant Income

The District received an unbudgeted grant of \$6,770 from Greenfields Outdoor Fitness in December for park workout equipment to be installed at the Twin Peaks Rotary Centennial Park.

## **Expense Detail:**

### Compensation & Benefits

Payroll and benefit expenses totaled \$275,558, 2.7% below the projected six-month budget of \$283,112 (a variance of -\$7,554), largely due to less Childcare payroll expenses of \$5,035 (other individual departments were lower by less than \$1,000 each).

## Equipment and Supplies

More conservative office supply ordering (-52.5%, or -\$2,622), lower janitorial supply outlays (-35.4%, or -\$796), and lack of any other miscellaneous expenses (-100%, or -\$1,200) accounted for the variance here of -54.7% (-\$4,618).

## Auto Expense

Lack of any repairs enabled vehicle maintenance expenses to fall 86% below budget (-\$1,462); combined with fuel expense savings of 29.2% (\$1,226), this produced an expense shortfall of 45.6% (\$2,688).

## Professional Services

Numerous line-item savings were realized under this grouping, but the biggest contributor was Legal Counsel (-56.9%, or -\$4,267). The overall savings from budget was 23.3%, or \$7,197.

## Program Instructors

The lion's share of savings in this category came from the lack of any expenses in the "Other" line item, budgeted at \$2,496. Overall, costs were 11.3% below budget, or \$3,138.

## Special Programs

Almost all expense in this line item (\$4,631 out of \$4,658) was for basketball uniforms, which were billed at higher than expected rates, causing an overall excess over budget of 46.5% (\$1,478).

## Insurance

About two-thirds of the budget overage in insurance costs (all premiums) of \$2,318 (8.3%) was for workers compensation (\$1,553, or 8.0%), the remaining being liability and property (\$765, or 8.8%). Overages were all the result of premium increases that were unrelated to any claims, as there have been none.

## Miscellaneous Expense

A total of \$50,000 was budgeted for the costs of holding an election to fill a vacant seat on the District's Board of Directors, all allocated in the first half of the fiscal year. However, since no candidates came forward to submit their names for the ballot, the County appointed a director to replace the one who had retired. This obviated the need for any funds to be spent on the election.

## Rent/Lease of Equipment

Although rental of portable toilets was close to budget (\$140 under), the \$1,400 budgeted for other possible rentals (e.g., for a lift to repair ball field lights) was not needed, so there was zero expense in that category.

## Facility Repairs & Maintenance

Of the \$80,783 overage (\$366.4%) in this line item \$73,846 was for repaving of the Running Springs Hootman Senior Center parking lot, a project anticipated in the FY15-16 budget via a transfer from the general Fund Balance to a designated reserve for this purpose (\$75,000), instead of a line item in the Income and Expense report. The reserve has now been transferred in full back to the general Fund Balance. Other overages (unbudgeted) include a \$15,865 deposit on outdoor park workout equipment related to the Greenfields Outdoor Fitness grant described above, \$4,400 for three ball field entrance signs, and \$1,992 for a lift gate for the Twin Peaks ball field sign. Partially offsetting these overages were the following significant line-item shortfalls: -\$6,383 (-96.7%) for landscaping that was not needed; -\$4,398 (-100%) for miscellaneous/other projects not needed; and -\$3,329 (-88.1%) for Childcare facility repairs not needed.

## Utilities

Savings for utilities totaled \$5,966 (18.3% below budget), and the major contributor was water (\$4,880, or 22.6% below budget). State-mandated water use restrictions resulted in significantly reduced irrigation of District ball fields. Partially due to the termination of electrical service to a Crestline facility that the District no longer has, overall electricity expense was \$1,019 (13.0%) below budget.

## Trash – SB County Waste Mgmt

Since no special waste hauling was needed for the first six months of the fiscal year, costs were \$1,548 (33.1%) below 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 far surpassing budget projections by \$43,913 (\$206,638 actual vs. \$162,725 budgeted). Meanwhile, expenses have been held 0.4% below budget (\$597,678 actual vs. \$599,796 budgeted). As a consequence, reserves have increased \$32,396, nearly double the projected \$16,329 for fiscal-year-to-date. The general Fund Balance of \$279,266, when combined with the General Operating Reserve of \$50,729, provides the District with non-designated funds and reserves of \$329,995, or 10.8% of total assets.

**Other items:**

Additional projects and small property acquisitions are being considered at both ends of the District – in Crestline to the west and in Green Valley Lake to the east. In addition, the District is continuing to partner with San Bernardino Associated Governments (SanBAG), the direct recipient of a \$284,250 Active Transportation Program grant (mountain-wide) on behalf of the District and that will be overseen by both agencies working in a joint capacity.

**Rim of the World Recreation and Park District**  
**Profit & Loss Budget vs. Actual**  
 July through December 2015

	Jul - Dec 15	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
500-100 · Special Parcel Tax	423,436.36	453,400.00	-29,963.64	93.4%
500-200 · Childcare Income	60,947.05	44,000.00	16,947.05	138.5%
500-300 · Interest	113.28	120.00	-6.72	94.4%
500-400 · Rental Income	62,612.88	46,875.00	15,737.88	133.6%
500-500 · Recreation Programs Income	72,961.75	69,800.00	3,161.75	104.5%
500-600 · Other Income	2,170.00	180.00	1,990.00	1,205.6%
500-701 · Convenience/Other Fee Income	13.00	0.00	13.00	100.0%
500-710 · Grant Income	6,770.00	0.00	6,770.00	100.0%
500-900 · Donations	1,050.00	1,750.00	-700.00	60.0%
<b>Total Income</b>	<u>630,074.32</u>	<u>616,125.00</u>	<u>13,949.32</u>	<u>102.3%</u>
<b>Gross Profit</b>	630,074.32	616,125.00	13,949.32	102.3%
<b>Expense</b>				
600-100 · Compensation & Benefits	275,558.13	283,112.00	-7,553.87	97.3%
600-500 · Advertising	6,556.96	8,496.00	-1,939.04	77.2%
600-700 · Bank Charges	2,035.17	2,225.00	-189.83	91.5%
600-800 · Board Member Expense	0.00	150.00	-150.00	0.0%
600-900 · Communications	5,998.75	5,010.00	988.75	119.7%
700-300 · Equipment and Supplies	3,829.98	8,448.00	-4,618.02	45.3%
700-400 · Auto Expense	3,212.06	5,900.00	-2,687.94	54.4%
700-500 · Professional Services	23,693.42	30,890.00	-7,196.58	76.7%
700-600 · Program Instructors (1099)	24,576.48	27,714.00	-3,137.52	88.7%
700-620 · Special Programs	4,657.50	3,180.00	1,477.50	146.5%
700-630 · Special Event Programs	18,685.06	19,750.00	-1,064.94	94.6%
700-800 · License Fees	242.00	0.00	242.00	100.0%
700-900 · Insurance	30,392.65	28,075.00	2,317.65	108.3%
800-100 · Childcare Expense	4,833.34	4,495.00	338.34	107.5%
800-300 · Building Loan Pymt - DO	24,347.40	24,360.00	-12.60	99.9%
800-305 · Other Financing Source - Debt	0.00	0.00	0.00	0.0%
800-307 · Other Financing Use - Debt	0.00	0.00	0.00	0.0%
800-310 · SB CERA Retirement Association	16,730.10	16,740.00	-9.90	99.9%
800-400 · Meals & Entertainment	545.90	300.00	245.90	182.0%
800-450 · Staff Uniforms	0.00	0.00	0.00	0.0%
800-500 · Memberships	5,147.00	5,060.00	87.00	101.7%
800-600 · Mileage	1,259.78	750.00	509.78	168.0%
800-700 · Miscellaneous Expense	0.00	50,000.00	-50,000.00	0.0%
800-800 · Rent/Lease of Equipment	2,710.00	4,250.00	-1,540.00	63.8%
800-900 · Postage	238.57	510.00	-271.43	46.8%
900-200 · Facilities Rental Charge	4,200.00	4,200.00	0.00	100.0%
900-300 · Facility Repairs & Maintenance	102,829.09	22,046.00	80,783.09	466.4%
900-500 · Subscriptions	0.00	0.00	0.00	0.0%
900-600 · Training and Travel	1,930.11	2,980.00	-1,049.89	64.8%
900-700 · Utilities	26,578.63	32,545.00	-5,966.37	81.7%
900-725 · Trash - SB County Waste Mgmt	3,132.06	4,680.00	-1,547.94	66.9%
900-800 · Equipment Repairs & Maintenance	3,763.19	3,930.00	-166.81	95.8%
900-900 · Petty Cash - Over (Short)	-5.00	0.00	-5.00	100.0%
<b>Total Expense</b>	<u>597,678.33</u>	<u>599,796.00</u>	<u>-2,117.67</u>	<u>99.6%</u>
<b>Net Ordinary Income</b>	<u>32,395.99</u>	<u>16,329.00</u>	<u>16,066.99</u>	<u>198.4%</u>
<b>Net Income</b>	<u><u>32,395.99</u></u>	<u><u>16,329.00</u></u>	<u><u>16,066.99</u></u>	<u><u>198.4%</u></u>