



STAFF REPORT

DATE: October 30, 2020

FILE: 0550-04 SGC

TO: Chair and Commissioners,
Strathcona Gardens Commission

FROM: Dave Leitch
Chief Administrative Officer

RE: 2020 PRELIMINARY SURPLUS REPORT – STRATHCONA GARDENS

PURPOSE/PROBLEM

To provide the Commission with preliminary information pertaining to annual surpluses in advance of the upcoming 2021-2025 budget sessions.

EXECUTIVE SUMMARY

Staff monitor actual results to those projected by the Financial Plan through regular review and reporting provided by the Finance department. As the budget cycle progresses and initial estimates are being proposed a necessary step is to review prior year surplus, carry forwards, and any unspent contingency amounts to determine the effect of changing surplus balances on the upcoming tax requisitions.

The information in this report is preliminary and staff will be monitoring the balances for the current budget until a 2021-2025 Financial Plan is recommended. With the onset of COVID-19 this has been a particularly challenging step relative to prior years, so an added degree of caution is likely warranted for any forecasted data presented during the overall budget cycle. As reporting progresses staff will revise amounts as necessary and advise the Commission of any significant changes to these estimates.

Each section of the attached report leads off with a overview chart comparing the 2020 preliminary surplus estimates to the 2019 actual surplus carry forward. These charts are then followed with detailed information for each function, providing supplemental details on the forecast.

RECOMMENDATION

THAT the report from the Chief Administrative Officer be received.

Respectfully:



David Leitch
Chief Administrative Officer

Prepared by: Mike Harmston, CPA, CGA, Chief Financial Officer

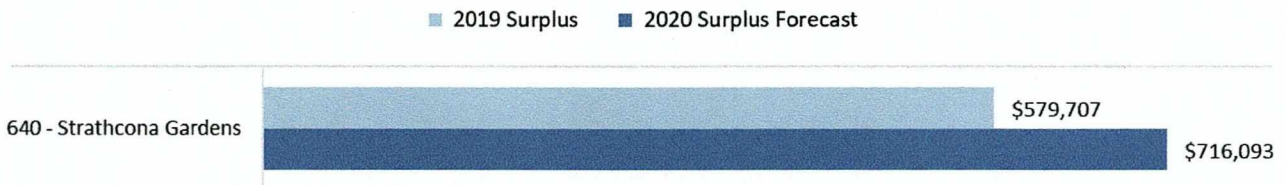
Attachments: 2020 Preliminary Surplus Forecast

Strathcona Regional District

2020 Preliminary Surplus Forecast

Strathcona Gardens

Strathcona Gardens: 2020 surplus forecast vs the prior year :



Strathcona Gardens Recreation Complex (Complete)

	2020 Projection	2020 Budget	\$ Variance	% Variance
Operating Revenue				
Property tax requisition	\$ 5,791,517	\$ 5,791,517	\$ -	0.0%
Grants in lieu	45,000	45,000	-	0.0%
Government transfers	23,110	22,000	1,110	5.0%
Other revenue	3,236	5,200	(1,964)	(37.8%)
Sales of services	547,776	1,564,950	(1,017,174)	(65.0%)
Transfers from reserves	55,000	55,000	-	0.0%
Prior year surplus	579,709	508,531	71,178	14.0%
Operating Revenue Total	7,045,348	7,992,198	(946,850)	(11.8%)
Operating Expense				
Operating expenses	4,466,161	6,129,103	1,662,942	27.1%
Transfers to reserves	1,863,095	1,863,095	-	0.0%
Operating Expense Total	6,329,256	7,992,198	1,662,942	20.8%
Surplus/(Deficit)	\$ 716,093	\$ -		

Notes:

- See summaries below for each segment.
- Sales of services from all sources significantly impact due to shutdown and phased re-opening.

Function 640 – Strathcona Gardens (For display, amounts included in above summary)

	2020 Projection	2020 Budget	\$ Variance	% Variance
Operating Revenue				
Property tax requisition	\$ 5,791,517	\$ 5,791,517	\$ -	0.0%
Grants in lieu	45,000	45,000	-	0.0%
Government transfers	23,110	22,000	1,110	5.0%
Other revenue	3,236	5,200	(1,964)	(37.8%)
Sales of services	547,776	1,564,950	(1,017,174)	(65.0%)
Transfers from reserves	55,000	55,000	-	0.0%
Prior year surplus	579,709	508,531	71,178	14.0%
Operating Revenue Total	7,045,348	7,992,198	(947,960)	(11.9%)
Operating Expense				
Operating expenses	1,450,486	1,547,253	96,767	6.3%
Transfers to reserves	1,863,095	1,863,095	-	0.0%
Debt principal	-	-	-	0.0%
Debt interest	-	-	-	0.0%
Operating Expense Total	3,313,581	3,410,348	96,767	2.8%
Strathcona Gardens Total	\$ 3,731,767	\$ 4,581,850		

Notes:

- 65% expected decline in sales revenue due to facility shutdown.
- Major budget variances include staffing vacancies, \$20,000 due to reduced corporate staff training, \$35,000 reduced advertising & PR.
- \$60,000 budget overage due to increased legal expenses.
- General underspend in most areas due to COVID.

641 - Strathcona Gardens - Administration & Concession (For display, amounts included in above summary)

	2020 Projection	2020 Budget	\$ Variance	% Variance
Operating expenses	301,600	573,455	271,855	47.4%

Notes:

- \$218,000 staffing reduction due to shutdowns and staged reopening.
- \$43,000 decline for merchandise purchases due to decline in sales. \$10,000 variance in misc. budget spending.

642 - Strathcona Gardens - Aquatics, Fitness & Rehab (For display, amounts included in above summary)

	2020 Projection	2020 Budget	\$ Variance	% Variance
Operating expenses	843,520	1,517,412	673,892	44.4%

Notes:

- \$650,000 staffing reduction due to shutdowns and staged reopening.
- \$24,000 reduced Materials and supplies due to pool closure.

643 - Strathcona Gardens - Facility Operations (For display, amounts included in above summary)

	2020 Projection	2020 Budget	\$ Variance	% Variance
Operating expenses	1,631,555	2,135,907	504,352	23.6%

Notes:

- \$297,000 staffing reduction due to shutdowns and staged reopening.
- \$207,000 general reduction to other spend due to arena and pool closures.

644 - Strathcona Gardens - Ice & Other Programs (For display, amounts included in above summary)

	2020 Projection	2020 Budget	\$ Variance	% Variance
Operating expenses	239,000	355,076	116,076	32.7%

Notes:

- \$90,000 staffing reduction due to facility shutdown.
- \$26,000 general reductions to other spending due to arena and pool closures.